ANNUAL REPORT
2013 - 2014

SUBSIDIARY COMPANIES ACCOUNTS

Cranes Software International Limited

Enterprise Analytics and Engineering Simulation Software & Solutions

CRANES®

CRANES SOFTWARE, INC.

FINANCIAL STATEMENTS
2013 - 2014

INDEPENDENT AUDITOR'S REPORT

To

The Board of Directors
Cranes Software, Inc.

We have audited the accompanying consolidated financial statements of Cranes Software, Inc., a Nevada corporation, and subsidiaries, which comprise the consolidated balance sheets as of March 31, 2014 and the related consolidated statements of income, retained earnings, and cash flows for the years then ended, and the related notes to the financial statements.

Mangement's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expensing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Cranes Software, Inc., and subsidiaries as of March 31, 2014 and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Consolidating Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information on page 23 is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, and cash flows of the individual companies, and it is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as whole.

Premier Accounting Solutions, Inc
May 23rd 2014

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2014

(Amount in Dollars)

PARTICULARS	Note No.	March 31, 2014 $	$
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents			617,533
Trade Accounts Receivable		5,306,702	
Less: Allowance for Doubtful Accounts		(80,937)	5,225,765
Loan to Related Party			264,000
Related Party Advances			21,499
Other Advances			30,000
Inventory			215,227
Prepaid Expenses & Advances			55,143
Total Current Assets			**6,429,167**
PROPERTY & EQUIPMENT	Note 5		262,358
INTANGIBLE ASSETS			
Goodwill	Note 1	13,692,619	
Other-Net	Note 6	2,308,549	
OTHER ASSETS			16,001,168
Refundable Deposits		44,645	
Deferred Expenses		93,689	
Deferred Tax Asset		1,106,326	
Total Other Assets			1,244,660
TOTAL ASSETS			**23,937,353**

Per our report attached

For and on behalf of the Board

Premier Accounting Solutions, Inc.	**Richard H. Gall**	**Mueed Khader**	**Asif Khader**
Auditor	President	Secretary	Director

"The accompanying notes are an integral part of these financial statements"

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2014

(Amount in Dollars)

PARTICULARS	**Note No.**	**March 31, 2014 $**	**$**
LIABILITIES & STOCKHOLDER'S EQUITY			
CURRENT LIABILITIES			
Trade Accounts Payable		1,536,088	
Accrued Expenses		1,531,487	
Loans Payable - Related Party		446,667	
Deferred Revenue		21,010	
Revolving Line of Credit		1,000,000	
Total Current Liabilities			**4,535,252**
LONG TERM LIABILITIES			
Affiliated Co Loans Payable	Note 9	10,425,533	
Loans Payable Related Party		826,498	
Total Long Term Liabilities			**11,252,031**
TOTAL LIABILITIES			**15,787,283**
STOCKHOLDER'S EQUITY			
Common stock: $ 1.00 par; 6,000,000 Shares Authorized:2,691,855 Shares Issued & Outstanding		2,691,885	
Additional Paid-in Capital		8,075,115	
Retained Earnings		(2,750,121)	
Non Controlling Interest		(1,417)	
Gain Due to Exchange Fluctuations		134,608	
Total Stockholder's Equity			**8,150,070**
TOTAL LIABILITIES & STOCKHOLDER'S EQUITY			**23,937,353**

Per our report attached

For and on behalf of the Board

Premier Accounting Solutions, Inc.	**Richard H. Gall**	**Mueed Khader**	**Asif Khader**
Auditor	President	Secretary	Director

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CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS

FOR THE YEAR ENDED MARCH 31, 2014

(Amount in Dollars)

PARTICULARS	March 31, 2014 $
REVENUE	33,132,712
COST OF REVENUE	23,923,553
GROSS PROFIT	**9,209,159**
OPERATING EXPENSES	
Personnel Expenses	3,626,499
Sales, General & Administrative Expenses	5,199,440
Total Operating Expenses	**8,825,939**
INCOME FROM OPERATIONS	**383,220**
OTHER INCOME / EXPENSES	
Interest Income	1,624
Interest Expense	(181,160)
Currency Fluctuation	(6,218)
Other Income	24,506
Other Expenses	(1,462)
Total Other Income / Expenses	**(162,710)**
INCOME BEFORE INCOME TAXES	**220,510**
INCOME TAXES	
Foreign Income Taxes Paid	(38,228)
Deferred Tax Benefit	(83,606)
NET INCOME	**98,676**
Income Attributable to noncontrolling Interest	(622)
NET INCOME ATTRIBUTABLE TO PARENT	**99,298**
Retained Earnings-Beginning of the Year	**(2,818,334)**
Prior Period Adjustment	**(31,085)**
Retained Earnings-End of the Year	**(2,750,121)**

Per our report attached

For and on behalf of the Board

Premier Accounting Solutions, Inc.
Auditor

Richard H. Gall
President

Mueed Khader
Secretary

Asif Khader
Director

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CONSOLIDATED STATEMENT OF CASH FLOW
AS AT MARCH 31, 2014

(Amount in Dollars)

PARTICULARS	March 31, 2014 $
CASH FLOW FROM OPERATING ACTIVITIES:	
Net Income / (Loss)	99,298
Adjustment to Reconcile Net Profit (Loss) to Net Cash Used in Operational Activities:	
Depreciation & Amortization	277,045
Non Controlling Interest in Subsidiary	(622)
Exchange Fluctuation	(62,269)
Other Non Cash Adjustments	(6,390)
Changes in Current Assets and Liabilities:	
Accounts Receivable	(432,025)
Other Receivables	(30,000)
Employee Receivables	(268,690)
Prepaid Expenses	80,739
Refundable Deposits	(3,440)
Deferred Expenses	114,312
Deferred Tax Asset	82,480
Trade Accounts Payable	689,969
Accrued Expenses	212,143
Deferred Revenue	(7,500)
Affiliated Company Payable	(111,480)
Net Cash provided by Operating Activities	633,570
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of Equipment	(108,382)
Software Development Costs	(691,046)
Net Cash Used in Investing Activities	(799,428)
CASH FLOWS FROM FINANCING ACTIVITIES :	
Affiliate Co Loans	100,000
Related Party Loans	(40,000)
Employee Loans	160,000
Repayment-Line of Credit	(150,000)
Net Cash Provided by Financing Activities	70,000
Net Decrease In Cash and Cash Equivalents	(95,858)
Cash and Cash Equivalents at Beginning of Year	713,391
Cash and Cash Equivalents at End of Year	**617,533**
Supplemental Disclosures to Financial Statements	
Interest paid	**181,160**
Foreign Income Tax Paid	**38,228**

Per our report attached

For and on behalf of the Board

Premier Accounting Solutions, Inc.	**Richard H. Gall**	**Mueed Khader**	**Asif Khader**
Auditor	President	Secretary	Director

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BALANCE SHEET - PARENT CO
AS AT MARCH 31, 2014 AND 2013

(Amount in Dollars)

PARTICULARS	March 31, 2014 $	March 31, 2013 $
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	30,078	16,082
Trade Accounts Receivable	15,028	4,608
Total Current Assets	**45,106**	**20,690**
INVESTMENT IN SUBSIDIARIES	15,696,351	15,696,351
PROPERTY PLANT & EQUIPMENT - Net	-	418.00
INTANGIBLE ASSETS - Net	1,633,335	1,783,335
OTHER ASSETS		
Deferred Tax Asset	1,223,568	1,162,500
Total Other Assets	1,223,568	1,162,500
TOTAL ASSETS	**18,598,360**	**18,663,294**

Per our report attached

For and on behalf of the Board

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President

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Secretary

Asif Khader
Director

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BALANCE SHEET - PARENT CO

AS AT MARCH 31, 2014 And 2013

(Amount in Dollars)

PARTICULARS	March 31, 2014 $	March 31, 2013 $
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Trade Accounts Payable	166,540	183,734
Accrued Payroll and Taxes	171,905	122,290
Affiliated Co Loans Payable	10,347,907	10,302,771
Total Liabilities	**10,686,352**	**10,608,795**
STOCKHOLDER'S EQUITY		
Common Stock - $1 Par 6,000,000 shares authorized and 2,691,855 shares issued	2,691,885	2,691,885
Additional Paid in Capital	8,075,115	8,075,115
Retained Earnings	(2,854,992)	(2,712,501)
Total Stockholders Equity	7,912,008	8,054,499
TOTAL LIABILITIES & STOCKHOLDER'S EQUITY	**18,598,360**	**18,663,294**

Per our report attached

For and on behalf of the Board

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Auditor

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Secretary

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Director

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STATEMENT OF INCOME AND RETAINED EARNINGS - PARENT CO

FOR THE YEAR ENDED MARCH 31, 2014 AND 2013

(Amount in Dollars)

PARTICULARS	March 31, 2014 $	March 31, 2013 $
INCOME		
Maintenance Income	98,499	97,609
Sales - Domestic	8,050	6,573
Sales - International	40,271	11,533
Service Revenue	99,770	34,250
Micellaneous Income	-	3,235
Total Income	**246,590**	**153,200**
EXPENSE		
Bank & Merchant Fees	2,429	1,542
Royalty Expense	770	861
Meals & Entertainment	48	-
Agent Commission	28,270	21,960
Accounting & Audit Fees	15,000	29,705
Depreciation & Amortization	150,419	150,418
Insurance	396	476
Outside Services	-	100,000
Advertising & Promotion	184	635
Licenses & Permits	986	360
Postage	111	700
Rent	12,006	12,006
Personnel Costs	205,116	203,522
Property Taxes	177	-
Telephone	2,035	1,272
Distribution Expenses	-	418
Taxes	3,828	4,190
Miscellaneous Expenses	136	1,506
Total Expense	**421,911**	**529,571**
Loss From Operations	(175,321)	(376,371)
OTHER INCOME		
Other Income	1,173	126
Interest Expense	(25,931)	(256,777)
Currency Fluctuations	(3,480)	6,572
LOSS BEFORE INCOME TAX	**(203,559)**	**(626,450)**
Deferred Tax Benefit	61,068	187,935
NET LOSS	**(142,491)**	**(438,515)**
Retained Earnings-Beginning of the Year	(2,712,501)	(2,273,986)
Retained Earnings-End of the Year	**(2,854,992)**	**(2,712,501)**

Per our report attached

For and on behalf of the Board

Premier Accounting Solutions, Inc.	**Richard H. Gall**	**Mueed Khader**	**Asif Khader**
Auditor	President	Secretary	Director

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STATEMENT OF CASH FLOW-PARENT CO
FOR THE YEAR ENDED MARCH 31, 2014 AND 2013

(Amount in Dollars)

PARTICULARS	March 31, 2014 $	March 31, 2013 $
OPERATING ACTIVITIES		
Net Loss	(142,491)	(438,515)
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation & Amortization	150,419	150,418
Change in Assets and Liabilities		
Trade Accounts Receivable	(10,420)	24,689
Affiliated Companies Receivable	-	-
Deferred Tax Asset	(61,068)	(187,935)
Trade Accounts Payable	(17,195)	120,586
Accrued Payroll	49,615	43,958
Net Cash Provided / (Used) by Operating Activities	**(31,140)**	**(286,799)**
INVESTING ACTIVITIES		
Paid to ETA Investors	-	(1,934,000)
Net Cash Provided / (Used) in Investing Activities	**-**	**(1,934,000)**
FINANCING ACTIVITIES		
Affiliated Co Loan Payable	45,136	2,228,204
Net Cash Provided / (Used) by Financing Activities	**45,136**	**2,228,204**
Net Increase / (Decrease) in Cash	13,996	7,405
Cash-Beginning of Year	16,082	8,677
Cash-End of Year	**30,078**	**16,082**

Per our report attached

For and on behalf of the Board

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Auditor	President	Secretary	Director

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NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization :

Cranes Software, Inc., (The Company) was incorporated on February 24, 2005 as a Nevada Corporation, and is licensed to do business in the state of Michigan. The Company is a fully owned Subsidiary of Cranes Software International Ltd., Bangalore, India and is a supplier of software products that deals with module based engineering which essentially means finite elementary analysis and mathematical analysis of any product that is built or buildable. On April 1, 2006 the Company acquired 100% of the stock of Dunn Solutions Group Inc. (DSG). DSG was incorporated in September of 1990 in Illinois and provides business intelligence, transactional, and knowledge Solutions to enterprise and mid market businesses in a cross section of industries such as information technology consultancy, government, finance, insurance, health care, manufacturing, media publishing, distribution, telecom and pharmaceuticals. The Subsidiary generates its revenue through consulting services, software product sales application development and training. During April 1, 2011, DSG established a 99% owned subsidiary in India with an initial investment of $2,235 to extend its name globally for its software development and consulting services.

On April 1, 2007 the Company acquired 100% of the stock of Engineering Technologies Associates, Inc (ETA). ETA was incorporated in February of 1983 in Michigan as a C-corporation and provides innovative Computer Aided Engineering (CAE) solutions to a variety of industries whereby enabling engineers to simulate the behavior of automobiles, trains, aircraft, household appliances, and consumer electronics during manufacture and use, to make these products more safer, more durable and less expensive to develop. ETA is also the developer of the cutting edge software packages namely ETA-DYNAFORM and ETA-VPG. ETA has a branch office in China and also a fully owned subsidiary in China. The fully owned subsidiary was established on July 31, 2006 with initial investment of $140,000. On April, 2011, ETA established a 50% owned subsidiary in Germany with the total investment of $ 11,191. During July, 2011, ETA established a 99% owned subsidiary in India with an initial investment of $2,377. However there has not been any activity in the subsidiaries established in India & Germany from the time o formation up-to the date of this audit report.

Consolidation Policy :

As required by the Generally Accepted Accounting Principles the method used to account for the investment in subsidiaries is by the way of consolidation of the financial statements of the parent company with the financial statements of the subsidiaries. Consolidated financial statements are based on the assumption that they present the financial position and results of operations of a single entity. Thus, preparing the consolidated financial statements consists of combining all parent and subsidiary accounts and eliminating all inter company balances and transactions, if any.

Management Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue Recognition:

The Company recognizes revenue as and when a product is sold or a related service is rendered which is accordance with Generally Accepted Accounting Principles (GAAP).

Per our report attached	For and on behalf of the Board		
Premier Accounting Solutions, Inc. Auditor	**Richard H. Gall** President	**Mueed Khader** Secretary	**Asif Khader** Director

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Inventory:

In accordance with GAAP the Company employs the lower of cost or market value in valuing its inventory. Inventory as of March 31, 2014 is stated at cost. Cost of inventory includes the purchasing cost from suppliers plus other relevant costs such as transportation expenses, customs duty, and loading and unloading expenses in bringing the inventory to its current location.

Property and Equipment :

Property and equipment are reflected at cost. Depreciation on property and equipment for financial reporting purposes is based on estimated useful lives of the related assets using the straight-line method of depreciation. It is the policy of the Company to capitalize any acquired asset with a value of $ 1,000 or more with the exception of laptops and desktops, which are capitalized even if the cost of such items are less than $ 1,000, and to provide for a full years of depreciation in the year of purchase and no depreciation in the year of sale.

The Company uses the following lives for the following categories of assets:

Furniture & Fixtures	3-7 Years
Software	3 Years
Office Equipment	3- 7 Years
Leasehold Improvements	1-39 Years
Computer Equipment	3-7 Years
Computer Software	3-5 Years
Signage	3-5 Years
Automobile	5 Years

The Company provided $75,522 in depreciation expense for the year ended March 31, 2014.

Intangible Assets:

Software Development and Acquisition Costs:

Software development and acquisition costs incurred by the Company in connection with the company's long term development projects are capitalized in accordance with accounting principles generally accepted in the United States of America. In accordance with account principles generally accepted in the United States of America, research and development costs are written off when incurred. Software development and acquisition costs are amortized over 5-15 years. The Company provided $ 197,852 in amortization expense for the year ended March 31, 2014.

Customer List

The customer lists are recorded at cost and amortized 15 years. The Company provided $3,671 in amortization expense for the year ended March 31, 2014.

Income Taxes:

Federal Income Taxes-the Company is a "C" corporation and is taxed under 1361 (a) (2) of the Internal revenue Code. Under this section the company is taxed at graduated rates on its taxable income for federal and state income tax purposes. However there will not be a federal income tax liability for the year ended March 31, 2014 as a result of prior years Net Operating Losses carried forward. The Company can also be subject to enterprise income taxes on its subsidiary in China and India, based on the subsidiary's taxable income in these countries and accordingly paid income taxes for the year ended March 31, 2014 in the amount of $38,228.

Per our report attached — For and on behalf of the Board

Premier Accounting Solutions, Inc.	**Richard H. Gall**	**Mueed Khader**	**Asif Khader**
Auditor	President	Secretary	Director

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Deferred Taxes:

Generally Accepted Accounting Principles requires recognition of deferred tax liabilities and assets for the expected future tax consequences of temporary differences between the book and tax basis of assets and liabilities. However the Company does not provide for deferred income tax for timing differences resulting from the amounts of assets & liabilities reported for financial reporting purposes and amounts reported for tax purposes as these amounts are immaterial, due to the Company being a accrual basis tax payer. However a deferred tax asset has been provided in the amount of $ 1,106,326 for the future tax benefit that can arise from the net operating losses of the Company. Furthermore deferred tax benefits in the amount of $ 82,480 has been written off during the year based upon the Company's utilization of its prior net operating losses against its current taxable income.

Advertising & Promotion:

It is the policy of the Company to expense all advertising and marketing costs (if any) during the periods to which such advertising costs pertain. The Company does not capitalize any advertising or marketing costs. During the year ended March 31, 2014 the Company incurred $ 131,416 in advertising and Promotion Costs.

Disclosures Regarding Financial Instruments:

The carrying value of cash, trade receivables, accounts payable, and accrued expenses are considered to approximate fair value due to the relatively short maturity of these instruments. The Company's borrowings on the revolving line of credit and other borrowings from related parties and affiliated companies are considered to approximate fair value based on the current interest rates and terms.

Concentration of Credit risk:

The financial instruments that subject the Company to a potential credit risk are cash and accounts receivable.

Cash: The Company's cash is held at various financial institutions each of which provides Federal Deposit Insurance coverage up-to $ 250,000. However as of March 31, 2014 the cash balance at these financial institutions did exceed this amount.

Trade Accounts Receivable: The Company provides goods and services to its customers based on the evaluation of the customers' credit worthiness without requiring any collateral. However as of March 31, 2014 a reasonable allowance in the amount of $ 80,937 is provided on the financial statements mitigate the risk of any unanticipated losses.

Cash & Cash equivalents:

The Company considers all highly liquid investments with an original maturity date of three months or less to be cash equivalents.

Goodwill:

Goodwill recorded in the financial statements is the difference between the purchase consideration agreed to be paid to acquire the stock of subsidiaries and the net assets of the subsidiaries as of the date of acquisition of the respective subsidiaries. As stipulated by Generally Accepted Accounting Principles the recorded goodwill will not be amortized but will be tested for impairment. In accordance with Generally Accepted Accounting Principles, testing for impairment will be done at least annually or more frequently if certain indications of impairment are obvious. No goodwill impairment was noted during the year ended March 31, 2014.

Per our report attached — For and on behalf of the Board

Premier Accounting Solutions, Inc.	**Richard H. Gall**	**Mueed Khader**	**Asif Khader**
Auditor	President	Secretary	Director

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2. SOFTWARE PRODUCTS :

NISA - NISA software product is one of the most comprehensive engineering analysis suites available globally to address the automotive, aerospace, energy and power, civil electronics and the sporting goods industries. NICA has been an engineer's favorite for more than 30 years, and currently Cranes Software scientists, technology architects and software engineers are engaged in the developmwnt of NISA. They work closely with their global customers to provide solutions in the areas of Stress Analysis, Seismic Analysis, Vibration Analysis, Composite Material Analysis, Motion & Linkage Analysis, Fatigue Analysis, and Thermal.

Analysis, PCB Analysis, Computational Fluid Dynamics, Electromagnetic Analysis and Civil Structure Analysis.

InventX is a Strategic Project Portfolio Management (SP²M™) solution for globally dispersed project teams. It is a comprehensive and cost-effective suite of integrated project management applications. It enables total communication, collaboration, and coordination of an organization's diverse personnel and project resources to maximize the potential for project success.

InventX® SP²M™ 4.0 offers a highly customizable solution, which supports end-to-end business planning from strategic to operational with multi-site project management and product development support environment. It addresses the needs of strategic project management, as well as the status and reporting requirements of mid-to executive-level management, sponsors, customers, and other stakeholders of the projects.

The InventX® SP²M™ comes with a host of new features like Strategic Planner, XML import/export, Task Manager (with ability for team members to propose new tasks) and the incorporation of Business Activities Module in the main Portfolio Module. The application gives users enhanced usability and project management flexibility to meet the real needs of their portfolios. The application has been built to aid corporate managers, link their portfolios and projects to strategic plans and get a holistic view of the project execution performance.

InventX® chose to drive much of its reputation for competency by basing its projects on the collective wisdom of the most widely recognized industry standards, PMI'S PMBOK, PRINCE2, and SEI's CMMI framework. The use of these highly respected industry standard frameworks assures that competency is a key element in our product structure.

SP²M™ supports a highly scalable and open architecture that allows organizations to scale the application to thousands of users. The system is 100% web based, platform idependent (JAVA, J2EE) with a thin client for low cost of ownership, zero client maintenance and flexible accessibility. The NISA software product is amortized over 15 years.

Furthermore one of the subsidiaries of Company has been developing andmarketing a range of software products namely, VPG, PRESYS, DYNAFORM, Cad Translator, Mesh & Geometry, and LSSIA to its customers over a period of time. The product planning takes place in the Troy offices and the actual developments and enhancements to existing products takes place in the Branch office in Nanging, China. During the year the Company incurred $ 691,046 in enhancing product features and further development of these products based upon customer feedback and competition. These software development costs are considered to be long lived assets and are amortized over 5 years.

Software acquisition and development costs are considered long lived assets and are viewed for impairment whenever events or changes in circumstances indicate that the carrying amount should be evaluated. Factors leading to impairment include a combination of historical losses; anticipated future losses and inadequate cash flow and inadequate product marketability.

Per our report attached — For and on behalf of the Board

Premier Accounting Solutions, Inc.	**Richard H. Gall**	**Mueed Khader**	**Asif Khader**
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3. LEASE COMMITMENTS

The Company leases office space under various lease agreements in the states of Michigan, Illinois, Minnesota, North Carolina, and Missouri the details of which are enumerated below.

1. A five year related party lease agreement to rent office space in Michigan commencing July 1, 2010 that calls for a monthly base rent payment of $13,717.
2. A month to month related party lease agreement to rent office space in Michigan which calls for a monthly payment of $800.
3. A three year related party lease agreement to rent office space in Michigan commencing on July 1, 2013, that calls for a monthly base rent payment of $ 1,001.
4. A 246 month (20 years and 6 months) lease agreement to rent office space in Skokie IL commencing January 1, 1998 that calls for monthly base rent payment of $ 14,754 from June 1st, 2013.
5. A 64 month (5 years 4 months) lease agreement to rent office space in Raleigh, NC commencing July 1, 2012, that calls for a monthly base rent payment of $ 6,608.
6. A two year agreement to rent office space in St. Louis MO commencing January 1, 2013 that calls for a monthly base rent payment of $ 1,000.
7. A 52 month (4 years 4 months) lease agreement to rent office space in Bloomington, MN commencing on February 1, 2013 that calls for a monthly rent of $ 4,221.

Future minimum lease payments under all operating office leases for the years ended March 31 is as follows:

Year	Amount
2015	484,713
2016	365,715
2017	320,126
2018	325,524
2019	246,557

Equipment Leases :

The Company leases a photocopier under a 36 month lease agreement that commenced on May 15, 2012, that calls for a monthly payment of $ 307. Future minimum lease payments under this lease for the years ended March 31, are as follows.

Year	Amount
2015	$ 3,684
2016	$ 461

4. RELATED PARTY NOTES PAYABLE

As of March 31, 2014 the Company had fifteen related party demand notes payable amounting to $ 446,667 which calls for an annual interest rate of 10%. The Company also has one additional related party note payable in the amount of $ 826,498 with a maturity date of August 31, 2015 and an annual interest rate of Prime plus 3%. This note is secured by all general assets of one of the subsidiaries of the Company.

Per our report attached	For and on behalf of the Board		
Premier Accounting Solutions, Inc.	**Richard H. Gall**	**Mueed Khader**	**Asif Khader**
Auditor	President	Secretary	Director

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5. PROPERTY & EQUIPMENT

	Cost				Depreciation				Net book Value
	April 1, 2013 $	Additions $	Disposals $	Mar 31, 2014 $	April 1, 2013 $	Additions $	Disposals $	Mar 31, 2014 $	Mar 31, 2014 $
Auto & Sign	7,471	-	-	7,471	7,471	-	-	7,471	-
Equipment	796,335	46,140	-	842,475	654,383	56,655	-	711,038	131,437
Furn & Fixture	200,811	62,242	-	263,053	189,772	15,651	-	205,423	57,630
Leasehold Impr	160,258	-	-	160,258	83,855	3,112	-	86,967	73,291
Total	**1,164,875**	**108,382**	**-**	**1,273,257**	**935,481**	**75,418**	**-**	**1,010,899**	**262,358**

6. INTANGIBLE ASSETS

	Cost				Amortization				Net book Value
	April 1, 2013 $	Additions $	Disposals $	Mar 31, 2014 $	April 1, 2013 $	Additions $	Disposals $	Mar 31, 2014 $	Mar 31, 2014 $
Customer List	55,000	-	-	55,000	31,235	3,671	-	34,906	20,094
Software	2,305,897	691,046	-	2,996,943	510,636	197,852	-	708,488	2,288,455
Total	**2,360,897**	**691,046**	**-**	**3,051,943**	**541,871**	**201,523**	**-**	**743,394**	**2,308,549**

Per our report attached

For and on behalf of the Board

Premier Accounting Solutions, Inc.
Auditor

Richard H. Gall
President

Mueed Khader
Secretary

Asif Khader
Director

"The accompanying notes are an integral part of these financial statements"

7. DEFERRED COMPENSATION PLANS

Each of the subsidiaries of the Company sponsors its own 401(k) plan whereby all eligible employees can participate.

The plan of one subsidary provides for an employee can contribute up to the maximum statutory limit. The plan also provides for an employer match after the employee has completed a year of service. The match is limited to .50 cents for every a dollar the employee contributes, up-to $ 2,000, and evests to the employee over four years. The plan also provides for a loan provision.

The plan of the second subsidiary also provides for an employee to contribute up-to the maximum statutory limit. The plan provides a discretionary employer match provision, which vests to the employee over 5 years. The plan also has a loan provision which enables the employee to borrow up-to 50% of the vested amount.

8. REVOLVING LINE OF CREDIT

One of the Company's subsidiaries currently has a revolving line of credit with a financial institution with a maximum borrowing limit of $ 2,000,000. The line has an interest rate of 2% above "Prime" Rate, matures on June 30, 2015 and is secured by all of the general assets of the Company. As of March 31, 2014 the outstanding balance on this line amounted $ 1,000,000. The borrowing base on this line is limited to 80% of eligible trade receivables not to exceed the maximum borrowing limit.

9. AFFILIATED COMPANY LOANS PAYABLE

Affiliated loans payable represents amounts transferred by affiliated Companies. There is no interest charged on the amount outstanding and there are no definite terms to the repayment of these amounts and there is no interest charged. The following table reflects affiliated company loans payable as of March 31, 2014.

	March 31, 2014
Cranes Software International, Ltd.	4,798,969
Systat Software, Inc.	4,666,277
Cubeware GMBH.	860,287
Cubeware USA, Inc.	100,000
Total	**10,425,533**

10. LOAN TO RELATED PARTY

Loan to related party in the amount of $ 264,000 represents an unsecured loan to a employee of one of the Company's subsidiaries. The Loan has an interest rate of 2.5% per annuam and will mature January 1, 2015.

11. RELATED PARTY ADVANCES

Related party advances in the amount of $ 21,499 primarily consists of travel advances and other short term unsecured interest free borrowings to employees of one of the subsidiaries of the Company.

12. OTHER ADVANCES

Other advances in the amount of $ 30,000 pertain to an unsecured interest free loan to a subcontractor of one of the subsidiaries of the Company. This loan matures on June 30, 2014.

Per our report attached — For and on behalf of the Board

Premier Accounting Solutions, Inc.	**Richard H. Gall**	**Mueed Khader**	**Asif Khader**
Auditor	President	Secretary	Director

"The accompanying notes are an integral part of these financial statements"

13. PRIOR PERIOD ADJUSTMENT

The prior period adjustment in the amount of $ 31,085 pertains to prior period rent expenses that were not properly expensed during the period to which they pertained and were reflecting as prepaid expenses as of March 31, 2014. In accordance with accounting principles generally accepted in the United States of America these expenses have been expensed and treated as a prior period adjustment.

14. SUBSEQUENT EVENTS

Generally Accepted Accounting Principles defines subsequent events as events or transactions that occur after the statement of financial position date, but before the financial statements are issued or are available to be issued. Management has evaluated subsequent events through May 23, 2014, the date on which the financial statements were available to be issued.

Per our report attached	For and on behalf of the Board		
Premier Accounting Solutions, Inc.	**Richard H. Gall**	**Mueed Khader**	**Asif Khader**
Auditor	President	Secretary	Director

“The accompanying notes are an integral part of these financial statements”

NOTES TO FINANCIAL STATEMENTS - PARENT CO.

FOE THE YEAR ENDED MARCH 31, 2014

1. PROPERTY AND EQUIPMENT

(Amount in Dollars)

	Cost				Depreciation				Net Book Value
	April 1, 2013 $	**Additions $**	**Disposals $**	**Mar 31, 2014 $**	**April 1, 2013 $**	**Additions $**	**Disposals $**	**Mar 31, 2014 $**	**Mar 31, 2014 $**
Furn & Fixtures	8,475	-	-	8,475	8,475	-	-	8,475	-
Computers	8,722	-	-	8,722	8,303	419	-	8,722	-
Software	-	-	-	-	-	-	-	-	-
Total	**17,197**	**-**	**-**	**17,197**	**16,778**	**419**	**-**	**17,197**	**-**

2. INTANGIBLE ASSET

	Cost				Amortization				Net Book Value
	April 1, 2013 $	**Additions $**	**Disposals $**	**Mar 31, 2014 $**	**April 1, 2013 $**	**Additions $**	**Disposals $**	**Mar 31, 2014 $**	**Mar 31, 2014 $**
Software	2,250,000	-	-	2,250,000	466,665	150,000	-	616,665	1,633,335
Total	**2,250,000**	**-**	**-**	**2,250,000**	**466,665**	**150,000**	**-**	**616,665**	1,633,335

Per our report attached

For and on behalf of the Board

Premier Accounting Solutions, Inc.
Auditor

Richard H. Gall
President

Mueed Khader
Secretary

Asif Khader
Director

"The accompanying notes are an integral part of these financial statements"

CONSOLIDATED SCHEDULE OF REVENUE, COST OF REVENUE AND SALES, GENERAL ADMINISTRATIVE EXPENSES

FOR THE YEAR ENDED MARCH 31, 2014

(Amount in Dollars)

PARTICULARS	March 31, 2014 $
REVENUE	
Maintenance Income	98,499
Service Revenue	2,876,918
Product Sales	6,815,993
Consulting Services	22,720,068
Training	655,075
Returns & Discounts	(46,321)
Miscellaneous	12,480
	33,132,712
COST OF REVENUE	
Salaries & Wages	6,062,595
Contract Labor	12,043,593
Products	4,752,153
Occupancy Costs	100,891
Royalty Expenses	580,489
Travel Expenses	14,702
Training Expenses	289,747
Referral Fees	31,331
Miscellaneous Expenses	48,052
	23,923,553
SALES, GENERAL & ADMINISTRATIVE EXPENSES	
Technology Services Expenses	438,509
Employer Match Deferred Comp Plan	43,805
Royalty Expenses	770
Audit & Legal Fees	163,519
Permits & Licenses	115,017
Outside Services	94,642
Freight & Postage	14,072
Rent	635,118

Per our report attached

For and on behalf of the Board

Premier Accounting Solutions, Inc.	**Richard H. Gall**	**Mueed Khader**	**Asif Khader**
Auditor	President	Secretary	Director

"The accompanying notes are an integral part of these financial statements"

CONSOLIDATED SCHEDULE OF REVENUE, COST OF REVENUE AND SALES, GENERAL ADMINISTRATIVE EXPENSES

FOR THE YEAR ENDED MARCH 31, 2014

(Amount in Dollars)

Particulars	March 31, 2014 $
Utilities	66,678
Telephone	85,662
Printing	1,877
Advertising & Promotion	131,416
Insurance	280,276
Meals & Entertainment	169,735
Travel & Lodging	461,403
Business Taxes	20,779
Bank Charges	16,954
Sales Commissions	174,421
Dealer Commissions	1,054,146
Repairs & Maintenance	6,593
Office Expenses	137,137
Depreciation & Amortization	277,045
Dues & Subscriptions	50,089
Recruiting Expenses	301,396
Payroll & Pension Plan Fees	5,639
Auto Expenses	86,422
Training Expenses	30,844
Computer Supplies	11,498
Office Supplies	37,859
Charitable Contributions	15,831
Credit Card Discounts	21,926
Equipment Leases	12,427
Bad Debt Expenses	54,598
Staff Welfare	132,923
Partner Fees	26,410
Miscellaneous Expenses	22,004
	5,199,440

Per our report attached

For and on behalf of the Board

Premier Accounting Solutions, Inc.
Auditor

Richard H. Gall
President

Mueed Khader
Secretary

Asif Khader
Director

"The accompanying notes are an integral part of these financial statements"

CUBEWARE GmbH INCLUDING ITS WOS IN AUSTRIA AND SWITZERLAND

FINANCIAL STATEMENTS 2013 - 2014

A. Assignment and execution

The general management of
Cubeware GmbH, Rosenheim,
(hereinafter referred to as "Company")

engaged us to compile the annual group consolidation as of March 31, 2014.

We have compiled the consolidated balance sheet and the consolidated statement of income and expenses from the books kept by the group companies and by Cubeware GmbH, Rosenheim.

The performance of our engagement and our liability thereof including our liability in respect to third party claims, is based on the “General Terms of Engagement for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften” dated January 1, 2002.

The company’s management and the instructed staff have readily provided us with the necessary information and evidence requested.

A letter of representation referring to the accounting and the annual financial statements has been provided to us.

An audit of the consolidated accounts was not subject of our scope.

B. German Public Auditor’s Report on the compilation of group financial information of Cubeware GmbH, Rosenheim

Pursuant to the terms of the engagement, we have compiled the group financial information - comprising the group balance sheet and the group income statement as well as the description of the process to prepare the group financial information (“process description”) - of Cubeware GmbH, Rosenheim, for the period from April 1, 2013, to March 31, 2014, in compliance with the principles for accounting and consolidation as stated in the process description for the group of entities as outlined in the process description.

Basis for the compilation was the books kept by the described group companies and the other documents and registers submitted to us, which, in accordance with the engagement terms, we have not audited, as well as other information provided to us. Keeping the books for the entities as stated in the process description as well as the compilation of the group financial information in accordance with the principles for accounting and consolidation as stated in the process description for the group of entities as outlined in the process description are the responsibility of the management of Cubeware GmbH.

We conducted our engagement in accordance with the IDW Standard: Grundsätze für die Erstellung von Jahresabschlüssen (IDW S7) (IDW Standard: Principles for the Compilation of Annual Financial Statements (IDW S7). This involves drafting the group financial infomation on the basis of the bookkeeping for the group of entities as outlined in the process description, the group accounting for Cubeware GmbH as well a the requirements relating to the applicable accounting and consolidation policies.

We draw attention to the fact that the group information was compiled in order to provide Cranes Software International Ltd., Bangalore, information to prepare the group financial statements.

Besides we draw attention to the fact that the group financial information does not comprise a complete set of financial statements and that not all entities to be consolidated according to § 294 Abs. 1 HGB (par. 294 sec. 1 German Commercial Code) were included in the group financial information. Only a complete set of group financial statements - comprising a balance sheet, income statement, notes, cash flow statement and statement of changes in equity - for all entities to be included according to § 294 Abs. 1 HGB (par, 294 sec. 1 German Commercial Code) can give a true and fair view of the net assets, financial position and results of operations of the subgroup of Cubeware GmbH, Rosenheim, in accordance with German commercial law.

As a result, the group financial information is not intended to give a true and fair view of the net assets, financial position and results of operations of the subgroup of Cubeware GmbH in accordance with German commercial law.

Moreover, we draw attention to the fact that the group of entities as outlined in the process description has not operated as a separate group. The group financial information is, therefore, not necessarily indicative of results that would have occurred if the group has operated as a separate group during the period presented or of future results of the group.

As a result, the group financial information may not be suitable for another purpose except as mentioned above.

We issue this report on the basis of the engagement agreed with Cubeware GmbH, Rosenheim, which comprises the "General Terms of Engagement for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften" as of January 1, 2002. Our responsiblity for the execution of the assignment shall arise solely from our contractual relationship with Cubeware GmbH, Rosenheim, and accordingly exists solely towards this company. Any inclusion of other persons (third parties) in the protective scope of the assignment is not agreed and we shall thus not accept any liability towards third parties.

Düsseldorf, May 26, 2014

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Carsten Rössel	**Ingeborg Steinbring**
Steuerberater	**Steuerberaterin**

CONSOLIDATED BALANCE SHEET
AS AT MARCH 31, 2014

(Amount in Euros)

PARTICULARS	31-03-2014[1)] €
ASSETS	
A. Fixed assets	
I. Intangible assets Concessions, licences and similar rights and values and licences to such rights and values	49,263.63
II. Tangible assets Other plant, factory and office equipment	84,428.86
III. Financial assets	
1. Participations	10,126.90
2. Loans to enterprises in which participations are held	2,068,685.64
	2,212,505.03
B. Current assets	
I. Receivables and other assets	
1. Trade receivables	1,718,858.12
2. Receivables due from affiliates	452,651.26
3. Other assets	22,626.93
	2,194,136.31
II. Cash on hand, cash in banks	278,350.49
	2,472,486.80
C. Prepaid expenses	**652,894.02**
TOTAL	**5,337,885.85**

[1)] In comparison to the prior business year Cubeware Inc./US is not included in the group consolidation.

BALANCE SHEET
AS AT MARCH 31, 2014

(Amount in Euros)

PARTICULARS	31-03-2014[1) ∈]
EQUITY AND LIABILITIES	
A. Equity	
I. Subscribed capital	36,000.00
II. Other profit reserve	17,928.91
III. Debit difference of the consolidated capital	(2,036.86)
IV. Difference due to currency translation	0.00
V. Accumulated Profit brought forward	770,137.75
VI. Group Loss / Group Profit	(375,334.70)
	446,695.10
B. Special reserves for investment grants and tax incentives	**0.00**
C. Accruals	
1. Tax accruals	124,693.89
2. Other accruals	537,829.72
	662,523.61
D. Liabilities	
1. Advance payment received on account of orders (thereof with a residual term of up to one year ∈ 141,313.70)	141,313.70
2. Trade accounts payable (thereof with a residual term of up to one year ∈ 404,666.27)	404,666.27
3. Other liabilities (thereof with a residual term of up to one year ∈ 457,146.13) (thereof for taxes ∈ 121,421.79) (thereof for social security ∈ 10,889.77)	457,146.13
	1,003,126.10
E. Deferred income	3,225,541.04
TOTAL	**5,337,885.85**

[1)] In comparison to the prior business year Cubeware Inc./US is not included in the group consolidation.

CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD APRIL 1, 2013 TO MARCH 31, 2014

(Amount in Euros)

	PARTICULARS	2013 / 2014[1)] ∈
1.	Sales	11,880,885.61
2.	Other operating income (thereof from currency translation gains ∈ 12,178.27)	383,172.10
3.	Cost of materials	(1,354,155.76)
4.	Gross profit	10,909,901.95
5.	Personnel expenses	(7,377,307.58)
6.	Depreciation on intangible assets and tangible assets	(61,985.29)
7.	Other operating expenses (thereof from currency translation losses ∈ 78,266.21)	(2,957,016.92)
8.	Expenses for research and develpment	(1,790,000.00)
9.	Loss due to profit absorption agreement	0.00
10.	Other interest and similar income (thereof due from affiliated companies ∈ 93,277.07)	93,548.63
11.	Profit due to profit absorption agreement	817,339.44
12.	Interest and similar expenses	(0.04)
13.	**Result from ordinary activities**	**(365,519.81)**
14.	Taxes on income	(1,479.18)
15.	Other taxes	(8,335.71)
16.	**Group loss / Group profit**	**(375,334.70)**

[1)] In comparison to the prior business year Cubeware Inc./US is not included in the group consolidation.

DUNN SOLUTIONS GROUP, INC.

FINANCIAL STATEMENTS
2013 - 2014

INDEPENDENT AUDITOR'S REPORT

To

The Board of Directors and Stockholders
of Dunn Solutions Group, Inc.

Report on Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Dunn Solutions Group, Inc., a Illinois corporation and subsidiaries, which comprise the consolidated balance sheet as of March 31, 2014, and the related consolidated statements of income, retained earnings, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We did not audit the financial statements of Dunn Solutions India Private Limited, a wholly owned subsidiary, which statements reflect total assets of $17,748 as of March 31, 2014, and total revenues of $ 61,388 for the year then ended. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Dunn Solutions India Private Limited., is based solely on the report of other auditors. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expensing an opinion on the effectivenes of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, based on our audits and the report of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Dunn Solutions Group, Inc and subsidiaries as of March 31, 2014, and the results of its operations and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information shown on page 17 is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, and cash flows of the individual companies, and it is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, which insofar as it relates to Dunn Solutions India Private Limited., is based on the report of other auditors, the consolidating informatioin is fairly stated in all material respects in relation to the consolidated financial statements as whole.

Premier Accounting Solutions, Inc.
Dublin OH
May 16th, 2014.

CONSOLIDATED BALANCE SHEET
AS AT MARCH 31, 2014

(Amount in Dollars)

PARTICULARS		**March 31, 2014 $**
ASSETS		
CURRENT ASSETS		
Cash		129,226
Trade Accounts Receivable	986,975	
Less: Allowance for Doubtful Accounts	(22,937)	
Trade Accounts Receivable - Net		964,038
Prepaid Expenses		41,810
Total Current Assets		**1,135,074**
PROPERTY & EQUIPMENT		
Computer Equipment	294,541	
Office Furniture	86,394	
Leasehold Improvements	13,252	
Less : Accumulated Depreciation	(284,791)	
Property & Equipment-Net		**109,396**
INTANGIBLE ASSETS		
Customer List	5,000	
Less : Accumulated Amortization	(1,000)	
Intangible Asset-Net		**4,000**
OTHER ASSETS		
Refundable Deposits	44,645	
Licenses Held for Future Sale	28,984	
Deferred Tax Asset	664,361	
Total Other Assets		**737,990**
TOTAL ASSETS		**1,986,460**

Per our report attached

For and on behalf of the Board

Premier Accounting Solutions, Inc.
Auditor

William Dunn
President

"The accompanying notes are an integral part of these financial statements"

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2014

(Amount in Dollars)

PARTICULARS		March 31, 2014 $
LIABILITIES & STOCKHOLDER'S EQUITY		
CURRENT LIABILITIES		
Trade Accounts Payable	335,731	
Affiliated Company Payables	239,557	
Accrued Vacation Expense	140,851	
Accrued Interest	96,683	
Other Accrued Expenses	51,271	
Total Current Liabilities		**864,093**
LONG TERM LIABILITIES		
Employee Loan		826,498
Total Liabilities		**1,690,591**
STOCKHOLDER'S EQUITY		
Common Stock No Par Value 5263 Shares		
Authorized, Issued and Outstanding	41,000	
Additional Paid in Capital	2,919,428	
Retained Earnings	(2,661,586)	
Non Controlling Interest	(1,417)	
Loss Due to Exchange Fluctuation	(1,556)	
Total Stockholder's Equity		**295,869**
TOTAL LIABILITIES & STOCKHOLDER'S EQUITY		**1,986,460**

Per our report attached

For and on behalf of the Board

Premier Accounting Solutions, Inc.
Auditor

William Dunn
President

"The accompanying notes are an integral part of these financial statements"

STATEMENT OF CONSOLIDATED INCOME & RETAINED EARNINGS

FOR THE YEAR ENDED MARCH 31, 2014

(Amount in Dollars)

PARTICULARS	March 31, 2014 $
REVENUE	7,938,214
COST OF REVENUE	5,843,603
GROSS PROFIT	**2,094,611**
OPERATING EXPENSES	
Sales, General & Administrative Expenses	2,528,145
Total Operating Expenses	**2,528,145**
OPERATING INCOME	(433,534)
OTHER INCOME / EXPENSES	
Currency Fluctuation	(2,738)
Interest Expenses	(43,830)
INCOME BEFORE INCOME TAXES	**(480,102)**
INCOME TAX EXPENSE	
Foreign Income Tax	(78)
Deferred Income Tax Benefit	142,928
NET INCOME	**(337,252)**
LOSS ATTRIBUTABLE TO NON CONTROLLING INTEREST	(622)
NET INCOME ATTRIBUTABLE TO PARENT CO	(336,630)
Prior Period Adjustment	(31,085)
RETAINED EARNINGS - Beginning of the Year	(2,293,871)
RETAINED EARNINGS - End of the Year	**(2,661,586)**

Per our report attached

For and on behalf of the Board

Premier Accounting Solutions, Inc.
Auditor

William Dunn
President

"The accompanying notes are an integral part of these financial statements"

STATEMENT OF CONSOLIDATED CASH FLOW

FOR THE YEAR ENDED MARCH 31, 2014

(Amount in Dollars)

PARTICULARS	March 31, 2014 $
OPERATING ACTIVITIES:	
NET INCOME	**(336,630)**
Adjustments to reconcile Net Income to Net Cash provided by Operating Activities:	
Depreciation & Amortization	35,846
Non Controlling Interest in Subsidiary	(622)
Other Non Cash Adjustments	(6,390)
Changes in Assets & Liabilities:	
Decrease in Accounts Receivable	74,749
Decrease in Employee Advances	2,919
Increase in Prepaid Expenses	(7,777)
Increase in Deposits	(3,440)
Increase in Deferred Tax Asset	(144,054)
Increase in Trade Accounts Payable	249,540
Decrease in Deferred Revenue	(7,500)
Increase in Accrued Expenses	(1,133)
Decrease in Exchange Fluctuation	(41)
Net Cash Used in Operating Activities	**(144,533)**
INVESTING ACTIVITIES:	
Purchase of Fixed Assets	(71,408)
Cash used in Investing Activities	**(71,408)**
FINANCING ACTIVITIES	
Employee Loan	160,000
Loan from Affiliated Co	100,000
Net Cash Provided by Financing Activities	**260,000**
NET INCREASE IN CASH	44,059
CASH-Beginning of the Year	85,167
CASH-End of the Year	**129,226**
SUPPLEMENTAL DISCLOSURES TO CASH FLOW STATEMENT	
Interest Expenses	43,830

Per our report attached

For and on behalf of the Board

Premier Accounting Solutions, Inc.
Auditor

William Dunn
President

"The accompanying notes are an integral part of these financial statements"

BALANCE SHEET - PARENT CO.,
AS AT MARCH 31, 2014

(Amount in Dollars)

PARTICULARS		March 31, 2014 $
ASSETS		
CURRENT ASSETS		
Cash		127,524
Trade Accounts Receivable	986,976	
Less: Allowance for Doubtful Accounts	(22,937)	
Trade Accounts Receivable - Net		964,039
Prepaid Expenses		41,810
Total Current Assets		**1,133,373**
INVESTMENT IN SUBSIDIARY		2,235
PROPERTY & EQUIPMENT		
Computer Equipment	276,138	
Office Furniture	86,394	
Leasehold Improvements	13,252	
Less : Accumulated Depreciation	(280,931)	
Property & Equipment-Net		**94,853**
INTANGIBLE ASSETS		
Customer List	5,000	
Less : Accumulated Amortization	(1,000)	
Intangible Asset-Net		**4,000**
OTHER ASSETS		
Refundable Deposits	44,645	
Licenses Held for Future Sale	28,984	
Deferred Tax Asset	667,036	
Total Other Assets		**740,665**
TOTAL ASSETS		**1,975,126**

Per our report attached

For and on behalf of the Board

Premier Accounting Solutions, Inc.
Auditor

William Dunn
President

"The accompanying notes are an integral part of these financial statements"

BALANCE SHEET - PARENT CO.,
AS AT MARCH 31, 2014

(Amount in Dollars)

PARTICULARS		March 31, 2014 $
LIABILITIES & STOCKHOLDER'S EQUITY		
CURRENT LIABILITIES		
Trade Accounts Payable	336,781	
Affiliated Company Payables	239,557	
Accrued Vacation Expense	137,989	
Accrued Interest	96,683	
Other Accrued Expenses	45,365	
Total Current Liabilities		**856,375**
LONG TERM LIABILITIES		
Employee Loan		826,498
TOTAL LIABILITIES		1,682,873
STOCKHOLDER'S EQUITY		
Common Stock No Par Value 5263 Shares Authorized, Issued and Outstanding	41,000	
Additional Paid in Capital	2,919,428	
Retained Earnings	(2,668,175)	
Total Stockholder's Equity		**292,253**
TOTAL LIABILITIES & STOCKHOLDER'S EQUITY		**1,975,126**

Per our report attached

For and on behalf of the Board

Premier Accounting Solutions, Inc.
Auditor

William Dunn
President

"The accompanying notes are an integral part of these financial statements"

STATEMENT OF INCOME & RETAINED EARNINGS - PARENT CO.,

FOR THE YEAR ENDED MARCH 31, 2014

(Amount in Dollars)

PARTICULARS	March 31, 2014 $
REVENUE	7,936,134
COST OF REVENUE	5,855,710
GROSS PROFIT	**2,080,424**
OPERATING EXPENSES	
Sales, General & Administrative Expenses	2,517,105
Total Operating Expenses	**2,517,105**
OPERATING INCOME	(436,681)
OTHER INCOME / EXPENSES	
Interest Expenses	(43,792)
INCOME BEFORE INCOME TAXES	**(480,473)**
INCOME TAX EXPENSE	
Deferred Income Tax Benefit	144,142
NET INCOME	**(336,331)**
RETAINED EARNINGS - Beginning of the Year	(2,300,759)
Prior Period Adjustment	(31,085)
RETAINED EARNINGS - End of the Year	**(2,668,175)**

Per our report attached

For and on behalf of the Board

Premier Accounting Solutions, Inc.
Auditor

William Dunn
President

"The accompanying notes are an integral part of these financial statements"

STATEMENT OF CASH FLOW - PARENT CO.,
FOR THE YEAR ENDED MARCH 31, 2014

(Amount in Dollars)

PARTICULARS	March 31, 2014 $
OPERATING ACTIVITIES:	
NET INCOME	**(336,331)**
Adjustments to reconcile Net Income to Net Cash provided by Operating Activities:	
Depreciation & Amortization Expense	32,983
Other Non Cash Adjustments	(6,390)
Changes in Assets & Liabilities:	
Decrease in Accounts Receivable	74,748
Decrease in Employee Advances	2,000
Increase in Prepaid Expenses	(7,777)
Increase in Deposits	(3,440)
Increase in Deferred Tax Asset	(144,142)
Increase in Trade Accounts Payable	250,978
Decrease in Deferred Revenue	(7,500)
Increase in Accrued Expenses	15,027
Net Cash Used in Operating Activities	**(129,844)**
INVESTING ACTIVITIES:	
Purchase of Fixed Assets	(70,492)
Cash used in Investing Activities	**(70,492)**
FINANCING ACTIVITIES	
Employee Loan	160,000
Loan from Affiliated Co	100,000
Net Cash Provided by Financing Activities	**260,000**
NET INCREASE IN CASH	59,664
CASH-Beginning of the Year	67,860
CASH-End of the Year	**127,524**
SUPPLEMENTAL DISCLOSURES TO CASH FLOW STATEMENT	
Interest Expenses	43,792

Per our report attached

Premier Accounting Solutions, Inc.
Auditor

For and on behalf of the Board

William Dunn
President

"The accompanying notes are an integral part of these financial statements"

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization :

Dunn Solutions Group Inc (The Company) was incorporated in September of 1990 in Illinois elected an S-Corporation status and provides business intelligence, transactional, and knowledge solutions to enterprise and mid market businesses in a cross section of industries such as information technology consultancy, government, finance, insurance, health care, manufacturing, media publishing, distribution, telecom and pharmaceuticals. The Company generates its revenue through consulting services, software product sales application development and training. On April 1, 2006 100% of the ownership of the Company was acquired by a Nevada Corporation and as a result of this acquisition the status of the Company changed from an S-Corporation to a C-corporation to be in conformity with the parent Company. During April, 2011, the Company established a 99% owned subsidiary in India with an initial investment of $2,235 to extend its name globally for its software development and consulting services.

Management Estimates :

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue Recognition :

In accordance with generally accepted accounting principles the Company recognizes revenue when a particular product is sold or when a particular service is rendered.

Disclosures Regarding Financial Instruments :

The carrying value of cash, trade accounts receivables, accounts payable and accrued expenses are considered to approximate fair value due to the relatively short maturity of these instruments.

Concentration of Credit risk :

The financial instruments that subject the Company to a potential credit risk are cash and accounts receivable.

Cash : The Company's cash is held at a financial institution which provides Federal Deposit Insurance coverage up-to $250,000. However as of March 31, 2014 the cash balance at this financial institution did not exceeded this amount.

Trade Accounts Receivable : The Company provides goods and services to its customers based on the evaluation of the customers' credit worthiness without requiring any collateral. However a reasonable allowance in the amount of $ 22,937 is provided on the financial statements mitigate the risk of any unanticipated losses.

Per our report attached	For and on behalf of the Board
Premier Accounting Solutions, Inc.	**William Dunn**
Auditor	President

"The accompanying notes are an integral part of these financial statements"

Advertising & Marketing :

It is the policy of the Company to expense all advertising and marketing costs (if any) during the periods to which such advertising costs pertain. The Company does not capitalize any advertising or marketing costs. During the year ended March 31, 2014 the company incurred $ 53,671 in advertising and marketing costs.

Cash & Cash Equivalents :

For the purpose of the statement of cash flow, the Company considers all securities (if any) with maturity of three months or less to be cash equivalents.

Property Equipment :

Property & Equipment is recorded at cost. Depreciation on property and equipment is computed using the straight line method of depreciation over the estimated useful life of the asset. Effective April 1, 2007 it is the policy of the Company to capitalize any asset with a cost of $ 1,000 or more with the exception of laptops and desktops, which are capitalized even if cost of such items are less than $1,000, and provide for a full year's depreciation in the year of purchase and no depreciation in the year of disposal.

The following class lives are used for the following categories of assets.

Computer Equipment	3 years
Furniture & Fixtures	5 years
Leasehold Improvements	Shorter of estimated useful life of related asset or remaining term of lease.

The Company provided $ 35,512 in depreciation expense for the year ended March 31, 2014.

Intangible Assets :

The Intangible asset (customer list) is recorded at cost and is amortized using the straight line method of amortization over 15 years. The Company provided $ 334 in amortization expense during the year ended March 31, 2014.

Income Taxes :

The Company is a "C Corporation" and is taxed at graduated rates based on its taxable income for federal and state income tax purposes. However there will not be any federal income tax liability for the year ended March 31, 2014, due to net operating losses carry forward. However income tax in the amount of $ 78 has been provided based on the Company's taxable income in India, which is payable to the appropriate authorities in India. The Company could stil incur a state tax liability based on it state level taxable income.

Deferred Tax :

Generally Accepted Accounting Principles requires recognition of deferred tax liabilities and assets for the expected future tax consequences of temporary differences between the book and tax basis of assets and liabilities. However the Company does not provide for deferred income tax for timing differences resulting from the amounts of assets & liabilities reported for financial reporting purposes and amounts reported for tax purposes as these amounts are immaterial mainly due to the Company being an accrual basis tax payer. However a deferred tax asset in the amount of $ 664,361 has been recorded on the financial statements, calculated based on the Company's net operating losses. This deferred tax asset essentially is an income tax benefit the company would be entitled to receive on all future federal income taxes the Company would incur on future taxable income. Furthermore the management believes the company will begin utilizing its net operating losses and therefore a deferred tax valuation allowance is not appropriate at this time.

Per our report attached

For and on behalf of the Board

Premier Accounting Solutions, Inc.
Auditor

William Dunn
President

"The accompanying notes are an integral part of these financial statements"

2. DEFERRED COMPENSATION PLAN :

The Company sponsors a 401 (k) plan whereby all eligible employees can participate. The employee can contribute upto the maximum statutory limit. The plan also provides for an employer match after the employee has completed a year of service.

The match is limted to .50 cents for every dollar the employee contributes, up-to $ 2,000 employer match limit and vests to the employee over four years at the following percentages.

Year 2	20%,
Year 3	75%
Year 4	100%

For the year ended March 31, 2013, the employer contribution amounted to $ 38,606.

3. COMMITMENTS

Operating Leases :

The Company leases office space in Skokie IL, Raleigh, NC, St. Louis MO & Bloomington, MN.

The lease for office space in Skokie IL commenced on January 1, 1998 for a period of 11 years and 8 months (140) months, and was extended commencing September 1, 2009 for additional term of 5 years and was further extended for additional 5 years and 1 month (61 months) commencing May 1, 2013. This lease currently calls for monthly base rent payment of approximately $ 14,754.

The lease for office space in Raleigh, NC commenced on July 1, 2012 for a period of 5 years and 4 months (64 months) and calls for a monthly base rent payment of $ 6,608.

The lease for office space in St. Louis MO commenced is on a month to month basis and for a monthly base rent payment of $ 1,000.

The lease for office space in Bloomington, MN commenced on February 1, 2013 for a period of 4 years 4 months (52 months) and calls for a base rent of $ 4,221.

Future minimum lease payments under all operating office leases for the years ended March 31 is as follows :

Year	Amount
2015	318,103
2016	312,558
2017	317,124
2018	325,524
2019	246,557

4. INCOME TAX BENEFITS DERIVED AS A RESULT OF THE PARENT CO FILING A CONSOLIDATED TAX RETURN

For the year ended March 31, 2008 the Company had federal and state income tax benefits as a result of the Parent Co filing a consolidated tax return. Therefore the income taxes payable as of March 31, 2007, have been eliminated to the extant of the benefits derived and such benefits have been treated in accordance with the Generally Accepted Accounting Principles, as an equity transaction (additional paid in capital). As a result the additional paid in capital has been increased by the federal and state income tax benefits received which amounted to $ 247,554.

Per our report attached

For and on behalf of the Board

Premier Accounting Solutions, Inc.
Auditor

William Dunn
President

"The accompanying notes are an integral part of these financial statements"

5. PROPERTY & EQUIPMENT

(Amount in Dollars)

	Cost				Depreciation				Net Book Value
	01-4-2013 $	Additions $	Disposals $	31-3-2014 $	1-4-2013 $	Additions $	Disposals $	31-3-2014 $	31-3-2014 $
Equipment	285,375	9,166	-	294,541	220,768	20,882	-	241,650	52,891
Furn & Fixture	24,152	62,242	-	86,394	15,361	14,528	-	29,889	56,505
Leasehold Imp	13,252	-	-	13,252	13,252	-	-	13,252	-
Total	**322,779**	**71,408**	**-**	**394,187**	**249,381**	**35,410**	**-**	**284,791**	**109,396**

6. INTANGIBLE ASSETS

	Cost				Amortization				Net Book Value
	01-4-2013 $	Additions $	Disposals $	31-3-2014 $	1-4-2013 $	Additions $	Disposals $	31-3-2014 $	31-3-2014 $
Customer List	5,000	-	-	5,000	667	334	-	1,000	4,000
Total	**5,000**	**-**	**-**	**5,000**	**667**	**334**	**-**	**1,000**	**4,000**

Per our report attached

Premier Accounting Solutions, Inc.
Auditor

For and on behalf of the Board

William Dunn
President

"The accompanying notes are an integral part of these financial statements"

7. EMPLOYEE LOANS PAYABLE

Employee note payable as of March 31, 2014 in the amount of $ 826,498 represents amounts loaned to the Company by a key employee. The note calls for an annual interest rate of prime plus 3% and is secured by all tangible and intangible assets, of the Company and matures August 31, 2015. Interest on this loan shall be accrued and paid monthly and any unpaid interest wil be due with the principal upon maturity of this loan.

8. PRIOR PERIOD ADJUSTMENT

The prior period adjustment in the amount of $ 31,085 pertains to prior period rent expenses that were not properly expensed during the priod to which they pertained and were reflecting as prepaid expenses as of March 31, 2014. In accordance with accounting principles generally accepted in the United States of America these expenses have been expensed and treated as a prior period adjustment.

9. RELATED PARTY TRANSACTIONS

The Company provided services to an organization owned by the spouse of a key employee of the Company, and the total amount invoiced for services provided amounted $ 4,302. The Company accordingly billed for these services, but rather than collecting on the amounts billed it decided to offset this receivable against the principal balance of the loans outstanding from this key employee. In accordance with disclosure requirements these related party transactions have been disclosed.

10. SUBSEQUENT EVENTS

Generally Accepted Accounting Principles defines subsequent events as events or transactions that occur after the statement of financial position date, but before the financial statements are issued or are available to be issued. Management has evaluated subsequent events through May 16th, 2014, the date on which the financial statements were available to be issued.

Per our report attached	For and on behalf of the Board
Premier Accounting Solutions, Inc.	**William Dunn**
Auditor	President

"The accompanying notes are an integral part of these financial statements"

SCHEDULE OF CONSOLIDATED REVENUE, COST OF REVENUE AND SALES, GENERAL AND ADMINISTRATIVE EXPENSES

FOR THE YEAR ENDED MARCH 31, 2014

(Amount in Dollars)

PARTICULARS	March 31, 2014 $
REVENUE	
Consulting Services	5,185,505
Products	2,088,776
Training	655,075
Miscellaneous Income	12,480
Discounts	(3,622)
	7,938,214
COST OF REVENUE	
Personnel Costs	3,525,474
Contract Labor	240,771
Occupancy Costs	100,891
Products	1,624,497
Training	289,747
Travel Expenses	14,702
Webhosting	14,929
Referral Fees	31,331
Miscellaneous Expenses	1,261
	5,843,603
SALES, GENERAL & ADMINISTRATIVE EXPENSES	
Personnel Costs	1,373,636
Recruiting Expenses	58,105
Employer Match-Deferred Comp Plan	43,805
Payroll & Deferred Comp Plan Fees	5,639
Postage	978
Auto Expenses & Parking	38,197
Rent	351,965
Utilities	6,726
Training Expenses	11,933
Insurance	194,477
Computer Supplies	11,498
Dues & Subscriptions	37,875
Office Supplies	12,231
Bank Charges	3,847
Depreciation & Amortization	35,846
Travel	66,685
Meals & Entertainment	13,914
Business Taxes	780
Charitable Contributions	6,100
Credit Card Discounts	21,926
Equipment Leases	10,805
Telephone	31,246
Outside Services	34,045
Licenses & Fees	806
Partner Fees	26,410
Bad Debts	54,598
Marketing Expenses	53,671
Miscellaneous Expenses	20,401
	2,528,145

Per our report attached — For and on behalf of the Board

Premier Accounting Solutions, Inc.
Auditor

William Dunn
President

"The accompanying notes are an integral part of these financial statements"

SCHEDULE OF REVENUE, COST OF REVENUE AND SALES, GENERAL AND ADMINISTRATIVE EXPENSES - PARENT CO

FOR THE YEAR ENDED MARCH 31, 2014

(Amount in Dollars)

PARTICULARS	March 31, 2014 $
REVENUE	
Consulting Services	5,185,505
Products	2,088,776
Training	655,075
Miscellaneous Income	10,400
Discounts	(3,622)
	7,936,134
COST OF REVENUE	
Personnel Costs	3,476,193
Contract Labor	302,159
Occupancy Costs	100,891
Products	1,624,497
Training	289,747
Travel Expenses	14,702
Webhosting	14,929
Referral Fees	31,331
Miscellaneous Expenses	1,261
	5,855,710
SALES, GENERAL & ADMINISTRATIVE EXPENSES	
Personnel Costs	1,373,636
Recruiting Expenses	56,828
Employer Match-Deferred Comp Plan	43,805
Payroll & Deferred Comp Plan Fees	5,639
Postage	956
Auto Expenses & Parking	38,197
Rent	351,965
Utilities	6,726
Training Expenses	11,541
Insurance	194,477
Computer Supplies	11,328
Dues & Subscriptions	37,875
Office Supplies	12,184
Bank Charges	3,708
Depreciation & Amortization	32,983
Travel	66,685
Meals & Entertainment	13,914
Business Taxes	689
Charitable Contributions	6,100
Credit Card Discounts	21,926
Equipment Leases	10,805
Telephone	31,110
Outside Services	29,234
Licenses & Fees	806
Partner Fees	26,410
Bad Debts	54,598
Marketing Expenses	53,671
Miscellaneous Expenses	19,309
	2,517,105

Per our report attached

Premier Accounting Solutions, Inc.
Auditor

For and on behalf of the Board

William Dunn
President

"The accompanying notes are an integral part of these financial statements"

ENGINEERING TECHNOLOGY ASSOCIATES, INC.

FINANCIAL STATEMENTS
2013 - 2014

INDEPENDENT AUDITOR'S REPORT

To

The Board of Directors and Stockholders
of Engineering Technology Associates, Inc.

Report on Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Engineering Technology Associates, Inc., a Michigan corporation and subsidiaries, which comprise the consolidated balance sheet as of March 31, 2014, and the related consolidated statements of income, retained earnings, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We did not audit the financial statements of Engineering Technology Associates (Shanghai), Inc, a wholly owned subsidiary, which statements reflect total assets of $2,204,109 as of March 31, 2014, and total revenues of $ 5,088,872 for the year then ended. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Engineering Technology Associates (Shanghai), Inc., is based solely on the report of other auditors. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expensing an opinion on the effectivenes of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, based on our audits and the report of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Engineering Technology Associates, Inc and subsidiaries as of March 31, 2014, and the results of its operations and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information shown on page 20 is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, and cash flows of the individual companies, and it is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, which insofar as it relates to Engineering Technology Associates (Shanghai), Inc., is based on the report of other auditors, the consolidating informatioin is fairly stated in all material respects in relation to the consolidated financial statements as whole.

Premier Accounting Solutions, Inc.
May 23, 2014

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2014

(Amount in Dollars)

PARTICULARS			MARCH 31, 2014 $
ASSETS			
CURRENT ASSETS			
Cash & Cash Equivalents			458,229
Trade Accounts Receivable		4,449,699	
Less: Allowance for Doubtful Accounts		(58,000)	
Trade Accounts Receivable - Net			4,391,699
Receivable Parent Co			161,931
Inventory			186,243
Prepaid Expenses			13,333
Key Employee Loan	Note 12		264,000
Employee Advances	Note 13		21,499
Other Advances	Note 14		30,000
Total Current Assets			**5,526,934**
PROPERTY & EQUIPMENT - Net	Note 4		152,962
INTANGIBLE ASSETS· Net	Note 5		671,214
OTHER ASSETS			
Deferred Expenses		93,689	
Total Other Assets			**93,689**
TOTAL ASSETS			**6,444,799**

Per our report attached

For and on behalf of the Board

Premier Accounting Solutions, Inc.
Auditor

Abraham N. Keisoglou
President

"The accompanying notes are an integral part of these financial statements"

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2014

(Amount in Dollars)

PARTICULARS			**MARCH 31, 2014 $**
LIABILITIES & STOCKHOLDER'S EQUITY			
CURRENT LIABILITIES			
Trade Accounts Payable		1,178,817	
Accrued Expenses	Note 6	1,394,295	
Loans Payable - Related Party	Note 7	130,000	
Loans Payable - Employee	Note 8	316,667	
Deferred Revenue		21,010	
Revolving Line of Credit	Note 10	1,000,000	
			4,040,789
Total Current Liabilities			
LONG TERM LIABILITIES		-	
Total Long Term Liabilities			**-**
TOTAL LIABILITIES			**4,040,789**
STOCKHOLDER'S EQUITY			
Common Stock-$ 50,000 No Par shares authorized			
4,200 shares Issued and Outstanding		7,200	
Additional Paid in Capital		258,162	
Retained Earnings		1,983,046	
Gain Due to Exchange Fluctuation		155,602	
Total Stockholder's Equity			**2,404,010**
TOTAL LIABILITIES & STOCKHOLDER'S EQUITY			**6,444,799**

Per our report attached

For and on behalf of the Board

Premier Accounting Solutions, Inc.
Auditor

Abraham N. Keisoglou
President

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STATEMENT OF CONSOLIDATED INCOME & RETAINED EARNINGS
FOR THE YEAR ENDED MARCH 31, 2014

(Amount in Dollars)

PARTICULARS	MARCH 31, 2014 $
REVENUE	25,047,678
COST OF REVENUE	18,179,720
GROSS PROFIT	**6,867,958**
OPERATING EXPENSES	
Sales, General & Administrative Expenses	5,875,883
Total Operating Expenses	**5,875,883**
OPERATING INCOME	992,075
OTHER INCOME / EXPENSES	
Other Income	23,333
Interest Income	1,624
Other Expenses	(1,462)
Interest Expense	(111,399)
INCOME BEFORE INCOME TAXES	**904,171**
INCOME TAX EXPENSE	
Federal & State Income Tax	(368,821)
Foreign Income Tax	(38,150)
NET INCOME	**497,200**
RETAINED EARNINGS - Beginning of the Year	1,485,846
RETAINED EARNINGS - End of the Year	**1,983,046**

Per our report attached

For and on behalf of the Board

Premier Accounting Solutions, Inc.
Auditor

Abraham N. Keisoglou
President

"The accompanying notes are an integral part of these financial statements"

STATEMENT OF CONSOLIDATED CASH FLOW

FOR THE YEAR ENDED MARCH 31, 2014

(Amount in Dollars)

PARTICULARS	MARCH 31, 2014 $
OPERATING ACTIVITIES:	
NET INCOME	**497,200**
Adjustments to reconcile Net Income to Net Cash provided by Operating Activities:	
Depreciation & Amortization Expense	90,780
Changes in Assets & Liabilities:	
Increase in Accounts Receivable	(496,354)
Increase in Parent Co Receivable	(786)
Increase in Inventory	(108,148)
Decrease in Prepayment & Advances	57,431
Increase in Receivable From Employees	(300,930)
Decrease in Deferred Expenses	114,312
Decrease in Deferred Tax Asset	45,303
Decrease in Exchange Fluctuation	(62,310)
Increase in Trade Accounts Payable	441,350
Increase in Accrued Expenses	486,259
Net Cash Provided in Operating Activities	**764,107**
INVESTING ACTIVITIES:	
Purchase of Equipment	(36,974)
Software Development Costs	(691,046)
Cash used in Investing Activities	**(728,020)**
FINANCING ACTIVITIES	
Repayment - Related Party Loans	(40,000)
Repayment - Line of Credit	(150,000)
Cash used by Financing Activities	**(190,000)**
NET DECREASE IN CASH	(153,913)
CASH-Beginning of the Year	612,142
CASH-End of the Year	**458,229**
SUPPLEMENTAL DISCLOSURES TO CASH FLOW STATEMENT	
Interest Paid	**111,399**
Foreign Income Tax Paid	**38,150**

Per our report attached

For and on behalf of the Board

Premier Accounting Solutions, Inc.
Auditor

Abraham N. Keisoglou
President

"The accompanying notes are an integral part of these financial statements"

BALANCE SHEET-PARENT CO
AS AT MARCH 31, 2014

(Amount in Dollars)

PARTICULARS			**MARCH 31, 2014 $**
ASSETS			
CURRENT ASSETS			
Cash & Cash Equivalents			38,859
Trade Accounts Receivable		3,280,127	
Less: Allowance for Doubtful Accounts		(50,000)	
Trade Accounts Receivable - Net			3,230,127
Receivable From Parent			161,931
Key Employee Loan			264,000
Employee Advances			25,272
Other Advances			30,000
Total Current Assets			**3,750,189**
INVESTMENT IN SUBSIDIARIES			153,568
PROPERTY & EQUIPMENT - Net	Note 1		91,852
INTANGIBLE ASSETS - Net	Note 2		661,071
OTHER ASSETS			
Deferred Expenses		93,689	
Total Other Assets			**93,689**
TOTAL ASSETS			**4,750,369**

Per our report attached

For and on behalf of the Board

Premier Accounting Solutions, Inc.
Auditor

Abraham N. Keisoglou
President

"The accompanying notes are an integral part of these financial statements"

BALANCE SHEET-PARENT CO
AS AT MARCH 31, 2014

(Amount in Dollars)

PARTICULARS			**MARCH 31, 2014 $**
LIABILITIES & STOCKHOLDER'S EQUITY			
CURRENT LIABILITIES			
Trade Accounts Payable		664,721	
Accrued Expenses	Note 3	1,238,082	
Loans Payable - Related Party		130,000	
Loans Payable - Employee		316,667	
Revolving Line of Credit		1,000,000	
Deferred Revenue		21,010	
Total Current Liabilities			**3,370,480**
LONG TERM LIABILITIES		-	
Total Long Term Liabilities			-
TOTAL LIABILITIES			**3,370,480**
STOCKHOLDER'S EQUITY			
Common Stock - $ 50,000 No Par Shares Authorized			
4,200 Shares Issued and Outstanding		7,200	
Additional Paid in Capital		258,162	
Retained Earnings		1,114,527	
Total Stockholder's Equity			**1,379,889**
TOTAL LIABILITIES & STOCKHOLDER'S EQUITY			**4,750,369**

Per our report attached

For and on behalf of the Board

Premier Accounting Solutions, Inc.
Auditor

Abraham N. Keisoglou
President

"The accompanying notes are an integral part of these financial statements"

STATEMENT OF INCOME AND RETAINED EARNINGS - PARENT CO
FOR THE YEAR ENDED MARCH 31, 2014

(Amount in Dollars)

PARTICULARS	MARCH 31, 2014 $
REVENUE	20,207,574
COST OF REVENUE	15,334,826
GROSS PROFIT	**4,872,748**
OPERATING EXPENSES	
Sales, General & Administrative Expenses	4,059,846
Total Operating Expenses	**4,059,846**
OPERATING INCOME	812,902
OTHER INCOME / EXPENSES	
Interest Expense	(111,399)
INCOME BEFORE INCOME TAXES	**701,503**
INCOME TAX EXPENSE	
Federal & State Income Tax	(328,976)
Foreign Income Tax	(15,563)
NET INCOME	**356,964**
RETAINED EARNINGS-Beginning of the Year	757,563
RETAINED EARNINGS-End of the Year	**1,114,527**

Per our report attached

For and on behalf of the Board

Premier Accounting Solutions, Inc.
Auditor

Abraham N. Keisoglou
President

“The accompanying notes are an integral part of these financial statements”

STATEMENT OF CASH FLOW - PARENT CO

FOR THE YEAR ENDED MARCH 31, 2014

(Amount in Dollars)

PARTICULARS	MARCH 31, 2014 $
OPERATING ACTIVITIES:	
NET INCOME	**356,964**
Adjustments to reconcile Net Income to Net Cash provided by Operating Activities:	
Depreciation & Amortization Expenses	60,629
Changes in Assets & Liabilities:	
Decrease in Accounts Receivable	2,248
Increase in Parent Company Receivable	(786)
Increase in Receivable From Employees	(304,704)
Decrease in Prepayment & Advances	1,971
Decrease in Deferred Expenses	114,313
Decrease in Deferred Tax Assets	63,938
Increase in Trade Accounts Payable	168,101
Increase in Accrued Expenses	389,132
Net Cash Provided in Operating Activities	**851,806**
INVESTING ACTIVITIES:	
Purchase of Equipment	(8,594)
Software Development Costs	(691,046)
Cash used in Investing Activities	**(699,640)**
FINANCING ACTIVITIES	
Repayment of Related Party Loans	(40,000)
Repayment - Line of Credit	(150,000)
Cash used by Financing Activities	**(190,000)**
NET DECREASE IN CASH	**(37,834)**
CASH-Beginning of the Year	76,693
CASH-End of the Year	**38,859**
SUPPLEMENTAL DISCLOSURES TO CASH FLOW STATEMENT	
Interest Paid	**111,399**
Foreign Income Tax Paid	**15,563**

Per our report attached

For and on behalf of the Board

Premier Accounting Solutions, Inc.
Auditor

Abraham N. Keisoglou
President

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Engineering Technology Associates, Inc. (ETA) (The Company) was incorporated in February of 1983 in Michigan as a C-corporation and provides innovative Computer Aided Engineering (CAE) solutions to a variety of industries whereby enabling engineers to simulate the behavior of automobiles, trains, aircraft, household appliances, and consumer electronics during manufacture and use, to these products more safer, more durable and less expensive to develop. ETA is also the developer of the cutting edge software packages namely ETA-DYNAFORM and ETA-VPG. The Company has a branch office in China and also a fully owned subsidiary in China. The fully owned subsidiary was established on July 31, 2006 with initial investment of $140,000. on April 1, 2007 100% of the ownership of the Company was acquired by a Nevada Corporation. On April, 2011, the Company established a 50% owned subsidiary in Germany with the total investment of $11,191. During July, 2011, the Company established a 99% owned subsidiary in India with an initial investment of $2,377. However there has not been any activity in the subsidiaries during the year ended March 31, 2014.

Management Estimates :

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue Recognition :

In accordance with generally accepted accounting principles the Company recognizes revenue when a particular product is sold or when a particular service is rendered.

Disclosures Regarding Financial Instruments :

The carrying value of cash, trade accounts receivables, accounts payable and accrued expenses are considered to approximate fair value due to the relatively short maturity of these instruments. The Company's borrowings are considered to approximate fair value based on current interest rates and terms.

Concentration of Credit risk :

The financial instruments that subject the Company to a potential credit risk are cash and accounts receivable.

Cash : The Company's cash is held at financial institutions, each of which provides Federal Deposit Insurance coverage up-to $250,000. However as of March 31, 2014 the cash balance at these financial institutions did not exceed this amount.

Trade Accounts Receivable : The Company provides goods and services to its customers based on the evaluation of the customers' credit worthiness without requiring any collateral. However a reasonable allowance in the amount of $ 58,000 is provided on the financial statements to mitigate the risk of any unanticipated losses.

Advertising & Marketing :

It is the policy of the Company to expense all advertising and marketing costs (if any) during the periods to which such advertising costs pertain. The Company does not capitalize any advertising or marketing costs. During the year ended March 31, 2014 the company incurred $ 77,561 in advertising and marketing costs.

Per our report attached | For and on behalf of the Board

Premier Accounting Solutions, Inc.
Auditor

Abraham N. Keisoglou
President

"The accompanying notes are an integral part of these financial statements"

Cash & Cash Equivalents :

For the purpose of the statement of cash flow, the Company considers all securities (if any) with maturity of three months or less to be cash equivalents.

Property Equipment :

Property & Equipment is recorded at cost. Depreciation on property and equipment is computed using the straight line method of depreciation over the estimated useful life of the asset. Leasehold improvements are depreciated using the straight line method of depreciation. Effective April 1, 2007 it is the policy of the Company to capitalize any asset with a cost of $ 1,000 or more with the exception of laptops and desktops, which are capitalized even if cost of such items are less than $1,000, and provide for a full year's depreciation in the year of purchase and no depreciation in the year of disposal. The following class lives are used for the following categories of assets.

Leasehold Improvements	1-39 Years	SL
Office Equipment	5- 7 Years	SL
Computer Equipment	5-7 Years	SL
Computer Software	3-5 Years	SL
Signage	3-5 Years	SL
Automobile	5 Years	SL
Furniture & Fixtures	5-7 Years	SL

The Company provided $ 39,590 in depreciation expense for the year ended March 31, 2014.

Intangible Assets :

Software Products & Development & Costs:

Software development costs incurred by the company in connection with its long term development projects ae capitalized in accordance with accounting principles generally accepted in the United States of America. Research costs are written off when incurred. The Company has been developing and marketing a range of software products namely, VPG, PRESYS, DYNAFORM, Cad Translator, Mesh & Geometry, and LSSIA to its customers over a period of time. The product planning take place in the Troy offices and the actual developments and enhancements to existing products takes place in the Branch office in Nanging, China, During the year the Company incurred $ 691,046 in enhancing product features and further development of these products based upon customer feed back and competition. These software development costs are considered to be long lived assets and are amortized over 5 years. Long lived assets are viewed for impairment whenever events or changes in circumstances indicate that the carrying amount should be evaluated. Factors leading to impairment include a combination of historical losses; anticipated future losses and inadequate cash flow and inadequate product marketability. The Company provided $ 46,069 in amortization expense for software development costs.

Intangible Assets : Cont

Customer List

The customer list is recorded at cost and is amortized over 15 years and provided $ 3,337 in amortization for the customer list.

Income Taxes

The Company is a "C Corporation" and is taxed at graduated rates based on its taxable income for federal and state income tax purposes. Accordingly $ 368,921 has been provided for federal and state income taxes. Furthermore the company provided $ 38,150 in income taxes based on its taxable income in China and other foreign jurisdictions.

Per our report attached

For and on behalf of the Board

Premier Accounting Solutions, Inc.
Auditor

Abraham N. Keisoglou
President

"The accompanying notes are an integral part of these financial statements"

Deferred Tax

Generally Accepted Accounting Principles requires recognition of deferred tax liabilities and assets for the expected future tax consequences of temporary differences between the book and tax basis of assets and liabilities. However the Company does not provide for deferred income tax for timing differences resulting from the amounts of assets & liabilities reported for financial reporting purposes and amounts reported for tax purposes as these amounts are immaterial mainly due to the Company being an accrual basis tax payer. However a deferred tax asset can still arise due to net operating losses of the Company, if any.

Inventory :

Inventory mainly consists of purchased software. The costs of inventory are stated at purchasing cost from suppliers, plus other pertinent cost such as transportation expenses, loading and unloading expenses, relevant customs duty etc. in bringing the inventory to the present location and condition. The inventory is calculated at lower of cost or market value.

2. DEFERRED COMPENSATION PLAN

The Company sponsors a deferred compensation plan (401 K plan) whereby all eligible employees can participate. The employee can contribute up-to the maximum statutory limit. The plan provides a discretionary employer match provision, which vests to the employee over 5 years. The plan also has a loan provision which enables the employee to borrow up-to 50% of the vested amount.

3. COMMITMENTS

Related Party Office Space Leases:

The Company leases office space from a related party under 2 separate lease agreements which are described below.

1. A five year lease agreement which commenced July 1, 2010. This lease calls for a monthly base rent payment of $ 13,717.
2. A month to month lease which calls for a monthly payment of $ 800.

Future minimum lease payments under all office space leases for the years ended March 31, are as follows.

2015	$ 164,604
2016	41,151

Equipment leases :

1. The Company leases a photocopier under a 36 month lease agreement that commenced in May 15, 2012, that calls for a monthly payment of $307. Future minimum lease payments under this lease for the years ended March 31, are as follows.

2015	$ 3,684
2016	461

Per our report attached — For and on behalf of the Board

Premier Accounting Solutions, Inc.
Auditor

Abraham N. Keisoglou
President

"The accompanying notes are an integral part of these financial statements"

4. PROPERTY & EQUIPMENT

(Amount in Dollars)

	Cost				Depreciation				Net Book Value
	01.04.2013 $	Additions $	Disposals $	31.03.2014 $	01.04.2013 $	Additions $	Disposals $	31.03. 2014 $	31.03.2014 $
Auto & Sign	7,471	-	-	7,471	7,471	-	-	7,471	-
Equipment	502,239	36,974	-	539,213	425,312	35,354	-	460,666	78,547
Furn & Fixture	168,184	-	-	168,184	165,936	1,123	-	167,059	1,125
Leasehold Imp	147,006	-	-	147,006	70,603	3,113	-	73,716	73,290
Total	**824,900**	**36,974**	**-**	**861,874**	**669,322**	**39,590**	**-**	**708,912**	**152,962**

5. INTANGIBLE ASSETS

(Amount in Dollars)

	Cost				Amortization				Net Book Value
	01.04.2013 $	Additions $	Disposals $	31.03.2014 $	01.04.2013 $	Additions $	Disposals $	31.03. 2014 $	31.03.2014 $
Customer List	50,000	-	-	50,000	30,568	3,337	-	33,905	16,095
Software	61,041	691,046	-	752,087	49,115	47,853	-	96,968	655,119
Total	**111,041**	**691,046**	**-**	**802,087**	**79,683**	**51,190**	**-**	**130,873**	**671,214**

Per our report attached

For and on behalf of the Board

Premier Accounting Solutions, Inc.
Auditor

Abraham N. Keisoglou
President

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6. ACCRUED EXPENSES

Accrued Income Taxes	$	323,518
Accrued Payroll		777,283
Payroll Taxes Payable		94,735
Accrued Interest Payable		3,538
Client Pay Remb Expenses		5,749
Accrued Expenses-Subsidiary		97,733
Royalties Payable		2,637
Accrued Legal Fees		89,102
Total		**1,394,295**

7. RELATED PARTY NOTES PAYABLE

As of March 31, 2014 the Company had four related party demand notes payable amounting to $ 130,000. The amount of the first note is $ 50,000 and calls for an interest rate of 10% per annum. The amount of the 2nd note is for $10,000 and calls for an interest rate of 10% per annum. The amount of the third note is for $70,000 and calls for an interest rate of 10% per annum.

8. EMPLOYEE NOTES PAYABLE

As of March 31, 2014 the Company had twelve demand notes payable to two employees, totaling $ 316,667. Each of these notes calls for an interest rate of 10% per annum.

9. REVOLVING LINE OF CREDIT

The Company currently has a revolving line of credit with a financial institution with a maximum borrowing limit of $ 2,000,000. The line has an interest rate of 2% above "Prime" rate, matures on June 30, 2015 and is secured by all of the general assets of the Company. As of March 31, 2014 the outstanding balance on this line amounted $ 1,000,000. The borrowing base on this line is limited to 80 % of eligible trade receivables not to exceed the maximum borrowing limit.

10. INCOME TAX BENEFITS DERIVED AS A RESULT OF THE PARENT CO (CRANES SOFTWARE, INC) FILING A CONSOLIDATED TAX RETURN WITH SUBSIDIARY (ENGINEERING TECHNOLOGY ASSOCIATES, INC).

For the year ended March 31, 2009 the Company had federal income tax benefit as a result of the Parent Co filing a consolidated tax return with its subsidiary. Therefore federal income taxes payable as of March 31, 2008, have been eliminated to the extant of the benefits derived and such benefits have been treated in accordance with the Generally Accepted Accounting Principles, as an equity transaction (additional paid in capital). As a result the additional paid in capital has been increased by the federal income tax benefits received which amounted to $ 138,229.

11. LITIGATION

The Company is a defendant in a patent infringement suit based on two patents owned by the Plaintiff. The Plaintiff asserts allegations of infringement against the Company (defendant) based on one or more claims of these patents for a method and computer software for designing a tool for deep drawing. Factual discovery closed in February 2012. Motions for summary judgments have been filed and are scheduled to be heard by the court on July 29th 2014. A tentative trial date is scheduled for December 8th 2014.

Per our report attached

Premier Accounting Solutions, Inc.
Auditor

For and on behalf of the Board

Abraham N. Keisoglou
President

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12. KEY EMPLOYEE LOAN

The key employee loan in the amount of $ 264,000 represents an unsecured loan to a key employee of the Company. The Loan has an interest rate of 2.5% per annum and will mature January 1, 2015.

13. EMPLOYEE ADVANCES

Employee advances in the amount of $21,499 primarily consists of travel advances and other short term unsecured interest free borrowings.

14. OTHER ADVANCES

Other advances in the amount of $30,000 pertain to an unsecured interest free loan to a subcontractor which matures on June 30, 2014.

15. SUBSEQUENT EVENTS

Generally Accepted Accounting Principles defines subsequent events as events or transactions that occur after the statement of financial position date, but before the financial statements are issued or are available to be issued. Management has evaluated subsequent events through May 23, 2014, the date on which the financial statements were available to be issued.

Per our report attached	For and on behalf of the Board
Premier Accounting Solutions, Inc.	**Abraham N. Keisoglou**
Auditor	President

"The accompanying notes are an integral part of these financial statements"

NOTES TO FINANCIAL STATEMENTS PARENT CO

FOR THE YEAR ENDED MARCH 31, 2014

1. PROPERTY & EQUIPMENT

(Amount in Dollars)

	Cost				Depreciation				Net Book Value
	01.04.2013 $	Additions $	Disposals $	31.03.2014 $	01.04.2013 $	Additions $	Disposals $	31.03. 2014 $	31.03.2014 $
Auto & Sign	7,471	-	-	7,471	7,471	-	-	7,471	-
Equipment	327,079	8,594	-	335,673	311,250	6,986	-	318,236	17,437
Furn & Fixture	168,184	-	-	168,184	165,936	1,123	-	167,059	1,125
Leasehold Imp	121,410	-	-	121,410	45,007	3,113	-	48,120	73,290
Total	**624,144**	**8,594**	**-**	**632,738**	**529,664**	**11,222**	**-**	**540,886**	**91,852**

2. INTANGIBLE ASSETS

(Amount in Dollars)

	Cost				Amortization				Net Book Value
	01.04.2013 $	Additions $	Disposals $	31.03.2014 $	01.04.2013 $	Additions $	Disposals $	31.03. 2014 $	31.03.2014 $
Customer List	50,000	-	-	50,000	30,568	3,337	-	33,905	16,095
Software	42,599	691,046	-	733,645	42,599	46,070	-	88,669	644,976
Total	**92,599**	**691,046**	**-**	**783,645**	**73,167**	**49,407**	**-**	**122,574**	**661,071**

Per our report attached

Premier Accounting Solutions, Inc.
Auditor

For and on behalf of the Board

Abraham N. Keisoglou
President

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3. ACCRUED EXPENSES

Accrued Payroll	$ 777,283
Accrued Legal Fees	89,102
Accrued Income Taxes	265,038
Payroll Taxes Payable	94,735
Accrued Interest Payable	3,538
Royalities Payable	2,637
Client Pay - Remb Exp	5,749
Total	**1,238,082**

Per our report attached

For and on behalf of the Board

Premier Accounting Solutions, Inc.
Auditor

Abraham N. Keisoglou
President

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SCHEDULE OF CONSOLIDATED REVENUE, COST OF REVENUE AND SALES, GENERAL AND ADMINISTRATIVE EXPENSES

FOR THE YEAR ENDED MARCH 31, 2014

(Amount in Dollars)

PARTICULARS	MARCH 31, 2014 $
REVENUE	
Engineering Services	2,876,918
Contract Labor & Subcontractors	12,445,691
Contract Labor - ETA	5,088,872
S/W Other	4,678,896
Sales Returns & Discounts	(42,699)
	25,047,678
COST OF REVENUE	
Salaries & Related Taxes	2,283,666
Contract Labor	9,418,960
Royalties	580,489
Products	2,844,894
Subcontractors	2,483,632
China	282,762
Fringe Benefits	253,455
Miscellaneous Expenses	31,862
	18,179,720
SALES, GENERAL & ADMINISTRATIVE EXPENSES	
Salaries & Related Taxes	2,047,747
Staff Welfare	132,923
Commissions	146,151
Reseller's Commission	1,054,146
Freight & Postage	12,983
Office Expenses	137,137
Audit & Legal Fees	135,019
Technology Service	438,509
Rent	271,147
Utilities	59,952
Property & Other Taxes	1,783
Insurance	85,403
Workers' Compensation	14,211
Office Supplies	25,628
Printing	1,877

Per our report attached

For and on behalf of the Board

Premier Accounting Solutions, Inc.
Auditor

Abraham N. Keisoglou
President

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PPARTICULARS	**MARCH 31, 2014 $**
Depreciation & Amortization	90,780
Travel	394,718
Seminars & Training	18,911
Meals & Entertainment	155,773
Equipment Leases	1,622
Repairs & Maintenance	6,593
Auto Leases	36,518
Auto Expenses	11,707
Telephone	52,381
Outside Services	74,097
Advertising & Promotion	77,561
Charitable Contributions & Gifts	9,731
Recruiting Expenses	243,291
Dues & Subscriptions	12,214
Licenses & Fees	113,225
Bank Fees	10,678
Miscellaneous Expenses	1,467
	5,875,883

Per our report attached

For and on behalf of the Board

Premier Accounting Solutions, Inc.
Auditor

Abraham N. Keisoglou
President

"The accompanying notes are an integral part of these financial statements"

SCHEDULE OF REVENUE, COST OF REVENUE AND SALES, GENERAL AND ADMINISTRATIVE EXPENSES

FOR THE YEAR ENDED MARCH 31, 2014

(Amount in Dollars)

PARTICULARS	MARCH 31, 2014 $
REVENUE	
Engineering Services	2,876,918
Contract Labor & Subcontractors	12,445,691
S/W Other	4,927,664
Sales Returns & Discounts	(42,699)
	20,207,574
COST OF REVENUE	
Salaries & Related Taxes	2,283,666
Contract Labor	9,418,960
Royalties	580,489
Subcontractors	2,483,632
China	282,762
Fringe Benefits	253,455
Miscellaneous Expenses	31,862
	15,334,826
SALES, GENERAL & ADMINISTRATIVE EXPENSES	
Salaries & Related Taxes	1,396,946
Commissions	146,151
Reseller's Commission	1,087,446
Freight & Postage	8,816
Audit & Legal Fees	135,019
Rent	182,459
Utilities	39,416
Property & Business Taxes	1,783
Insurance	85,403
Workers' Compensation	14,211
Office Supplies	25,628
Printing	1,877
Depreciation & Amortization	60,629
Travel	192,813
Seminars & Training	944
Meals & Entertainment	44,410
Equipment Leases	1,622

Per our report attached

Premier Accounting Solutions, Inc.
Auditor

For and on behalf of the Board

Abraham N. Keisoglou
President

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PPARTICULARS	**MARCH 31, 2014 $**
Repairs & Maintenance	6,593
Auto Leases	36,518
Auto Expenses	11,707
Telephone	37,359
Outside Services	74,097
Advertising & Promotion	77,561
Charitable Contributions & Gifts	9,731
Recruiting Expenses	243,291
Dues & Subscriptions	12,214
Licenses & Fees	113,225
Bank Fees	10,665
Miscellaneous Expenses	1,312
	4,059,846

Per our report attached

For and on behalf of the Board

Premier Accounting Solutions, Inc.
Auditor

Abraham N. Keisoglou
President

"The accompanying notes are an integral part of these financial statements"

SYSTAT SOFTWARE, INC.

FINANCIAL STATEMENTS
2013 - 2014

INDEPENDENT AUDITOR'S REPORT

To

The Board of Directors
Systat Software, Inc.

We have audited the accompanying financial statements of Systat Software, Inc., a Delaware corporation, which comprise the balance sheets as of March 31, 2014 and 2013, and the related statements of income, retained earnings, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expensing an opinion on the effectivenes of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Systat Software, Inc as of March 31, 2014 and 2013, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Continental Accounting Solutions, Inc.
Playa Del Ray, CA
April 22th, 2014

BALANCE SHEET
AS AT MARCH 31, 2014

(Amount in Dollars)

PARTICULARS		March 31, 2014 $	March 31, 2013 $
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents		148,488	85,632
Accounts Receivable - Net	Note 2	342,367	309,295
Affiliate Company Receivable	Note 3	4,930,397	4,651,277
Inventory	Note 4	4,886	16,470
Employee Advances	Note 6	195,307	195,307
Prepaid Expenses & Other Current Assets	Note 5	76,583	27,934
Total Current Assets		**5,698,028**	**5,285,915**
PROPERTY & EQUIPMENT - Net	Note 7	-	-
INTANGIBLE ASSETS - Net	Note 8	12,962,145	14,806,253
OTHER ASSET			
Deferred Tax Asset	Note 1	3,072,312	2,036,988
TOTAL ASSETS		**21,732,485**	**22,129,156**
LIABILITIES & SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Accounts Payable		147,043	176,133
Accrued Liabilities	Note 9	204,768	238,425
Affiliate Company Payable	Note 10	21,282,541	22,831,712
Total Current Liabilities		**21,634,352**	**23,246,270**
LONG TERM LIABILITIES			
Loan Payable to Affiliated Company	Note 11	1,681,586	1,599,062
SHAREHOLDERS' EQUITY			
Common Stock : $1.00 par value; 1,000,000 Shares Authorized : 974,166 shares issued and outstanding as March 31, 2013.		974,166	974,166
Additional Paid in Capital		2,920,830	2,920,830
Retained Earnings		(5,478,449)	(6,611,172)
Total Shareholders' Equity		(1,583,453)	(2,716,176)
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY		**21,732,485**	**22,129,156**

Per our report attached

For and on behalf of the Board

Continental Accounting Solutions, Inc.	**Richard H. Gall**	**Mueed Khader**	**Asif Khader**
Auditor	President	Director	Treasurer

"The accompanying notes are an integral part of these financial statements"

STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED MARCH 31, 2014

(Amount in Dollars)

PARTICULARS		March 31, 2014 $	March 31, 2013 $
REVENUE	Note 12	3,559,611	4,394,407
COST OF REVENUE		1,146,569	1,283,312
GROSS PROFIT		**2,413,042**	**3,111,095**
OPERATING EXPENSES			
Personnel Expenses		2,207,171	2,714,407
Sales, General & Administrative Expenses	Note 13	2,597,426	2,987,543
Total Operating Expenses		**4,804,597**	**5,701,950**
OPERATING INCOME / (LOSS)		**(2,391,555)**	**(2,590,855)**
OTHER INCOME / EXPENSES			
Other Income / (Expenses)	Note 14, 17	2,489,754	(59,480)
INCOME / (LOSS) BEFORE INCOME TAXES		**98,199**	**(2,650,335)**
Income Tax		(800)	(1,600)
Deferred Tax Benefit		1,035,324	732,532
NET INCOME / (LOSS)		**1,132,723**	**(1,919,403)**
Beginning Retained Earnings		**(6,611,172)**	**(4,691,769)**
Ending Retained Earnings		**(5,478,449)**	**(6,611,172)**

Per our report attached

For and on behalf of the Board

Continental Accounting Solutions, Inc.	**Richard H. Gall**	**Mueed Khader**	**Asif Khader**
Auditor	President	Director	Treasurer

"The accompanying notes are an integral part of these financial statements"

STATEMENT OF CASH FLOW
AS AT MARCH 31, 2014

(Amount in Dollars)

PARTICULARS	March 31, 2014 $	March 31, 2013 $
CASH FLOW FROM OPERATING ACTIVITIES:		
Net income (loss)	1,132,723	(1,919,403)
Adjustment to reconcile net Income (loss) to net cash used in operating activities:		
Increase in deferred tax asset	(1,035,324)	(732,532)
Amortization	1,844,108	1,844,108
Changes in current assets and liabilities:		
(Increase) / Decrease in accounts receivable	(33,072)	98,661
(Increase) / Decrease in affiliate company receivables	(279,120)	(990,106)
(Increase) / Decrease in inventory	11,584	16,486
(Increase) / Decrease in prepaid expenses & other current assets	(48,649)	(122,497)
Increase / (Decrease) in accounts payable	(29,090)	79,603
Increase / (Decrease) in accrued liabilities	(33,657)	8,862
Increase / (Decrease) in affiliate company payables	(1,466,647)	1,280,431
Net cash (used) / provided in operating activities	**62,856**	**(436,387)**
CASH FLOW FROM INVESTING ACTIVITIES:		
Net cash used in investing activities	**-**	-
CASH FLOW FROM FINANCING ACTIVITIES:		
Affiliated company loan	-	399,772
Net cash provided in financing activities	**-**	**399,772**
Net increase / (net decrease) in cash and cash equivalents	62,856	(36,615)
Cash and cash equivalents at beginning of year	85,632	122,247
Cash and cash equivalents at end of year	**148,488**	**85,632**
SUPPLEMENTAL DISCLOSURES TO CASH FLOW STATEMENT		
Interest paid	109,886	88,306
Taxes Paid	800	1,600

Per our report attached

For and on behalf of the Board

Continental Accounting Solutions, Inc.	**Richard H. Gall**	**Mueed Khader**	**Asif Khader**
Auditor	President	Director	Treasurer

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NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Company

Systat Software Inc., ("Systat" or the Company) was incorporated in September 18, 2000 as a Delaware Corporation, and was subsequently qualified and authorized to transact intrastate business in the state of California on October 12, 2001. Systat is a wholly owned subsidiary of Cranes Software International Limited ("CSIL" or Cranes"), located in India. The Company's products are primarily used by organizations to integrate and analyze operational data in the process of formulating strategies more effectively. This process is commonly known as "data mining" or "data analysis using advanced analytical techniques". Analytical solutions include products and services sold for customer relationship management, business intelligence and general purpose statistical analysis.

The Company acquired marketing and other rights under various agreements to own, use modify, enhance and sell certain software products primarily from two companies namely, AISN and SPSS Inc. The Company's research and development activities and core technology are managed by Cranes Software International Ltd, located in India.

The Company is fully owned and managed by Cranes Software International Limited, Bangalore, India. Accordingly, the Company's future success or failure is largely dependant upon the management decisions of, and continued support by the parent company.

On December 18, 2003, CSIL acquired a series of product lines called Sigma Plot from SPSS, Inc. Following the acquisition, the Company commenced the marketing and distribution of these products.

On November 30, 2006, Systat Software, Inc., registered a branch in UK to facilitate its operations and accordingly the operations of the UK branch is combined with the operations of Systat Software, Inc.

Use of Estimates

The preparation of financial statements inconformity with generally accepted accounting principles in the United States requires management to make estimates and assumptions that affect the reported amounts of assets & liabilities and disclosures of contingent assets & liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

Revenue Recognition

The Company recognizes revenue when a particular product is sold or a related service is rendered, which is in accordance with generally accepted accounting principles. (GAAP)

Software Development and Acquisitions Costs

Software development and acquisition costs incurred by Systat in connection with the Company's long-term development projects are capitalized in accordance with Generally Accepted Accounting Principles. In accordance with Generally Accepted Accounting Principles, Research and Development cost are written off when incurred.

Cash & Cash Equivalents

The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. The Company deposits cash and cash equivalents with high credit quality financial institutions.

Concentration of Credit risk

The financial instruments that subject the Company to a potential credit risk are cash and accounts receivable.

Per our report attached	For and on behalf of the Board		
Continental Accounting Solutions, Inc.	**Richard H. Gall**	**Mueed Khader**	**Asif Khader**
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Cash : The Company's cash is held at financial institutions, each of which provides Federal Deposit Insurance coverage up-to $ 250,000. However as of March 31, 2014 the cash balance at these financial institutions did not exceed this amount.

Trade Accounts Receivable : The Company provides goods and services to its customers based on the evaluation of the customers' credit worthiness without requiring any collateral. However a reasonable allowance in the amount of $ 15,000 is provided on the financial statements to mitigate the risk of any anticipated losses.

Advertising & Marketing

It is the policy of the Company to expense all advertising and marketing costs (if any) during the periods to which such advertising costs pertain. The Company does not capitalize any advertising or marketing costs. During the year ended March 31, 2014 the company incurred $64,765 in advertising and marketing costs.

Property and Equipment

Property and equipment are carried at cost less accumulated depreciation. Depreciation is provided over the estimated useful lives of the related assets using the Straight Line method of Depreciation. Maintenance and repairs are charged to operations when incurred. Renewals and betterments of a nature considered to materially extend the useful lives, efficiency or value of the assets are capitalized. It is the policy of the Company to capitalize any acquired asset which has cost of $ 1,000 or more, and provide for a full year's depreciation in the year of purchase and no depreciation in the year of sale. The Company has the following estimated useful lives for the following categories of assets.

Description	Useful Life	Method
Computers & Equipment	3 years	Straight Line
Leasehold Improvements	Shorter of 5 years or remaining Lease term	Straight Line
Software	3 - 15 years	Straight Line
Furniture & Fittings	7 years	Straight Line

Income Tax

The Company is a "C" Corporation under the Internal Revenue Code and is taxed at graduated rates based on its Taxable income for Federal and State Income Tax. However there will not be any federal income tax liability due to the net operating loss sustained in the prior years. The Company will still incur a minimum tax liability in the US at state level.

Deferred Tax

Generally Accepted Accounting Principles requires recognition of deferred tax liabilities and assets for the expected future tax consequences of temporary differences between the book and tax basis of assets and liabilities. Under this method deferred tax assets and liabilities are determined using the current applicable enacted tax rates and provisions of the enacted tax law. However the Company does not provide for deferred income tax for temporary differences resulting from the amounts of assets & liabilities reported for financial reporting purposes and amounts reported for tax purposes as these amounts are immaterial mainly due to the Company being on accrual basis tax payer. However a deferred tax asset in the amount of $ 3,072,312 has been recorded on the financial statements, calculated based on the Company's net operating losses. This deferred tax asset essentially is an income tax benefit the Company would be entitled to receive on all future income tax it would incur on future taxable income. Furthermore the management believes the Company will begin utilizing its net operating losses and therefore a deferred tax valuation allowance is not appropriate at this time.

Per our report attached

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Common Stock

As of March 31, 2014 the Company had issued an aggregate of 974,166 shares of common stock with par value of $ 1.00 each.

Software Products

The Company acquired marketing and other rights to own, use, modify, enhance and sell certain product lines primarily for two major software companies, AISN Inc., and SPSS Inc., These product lines, considered to be long-lived assets, amortized to 15 years. Long lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount should be evaluated. Factors leading to impairment include a combination of historical losses; anticipated future losses and inadequate cash flow. The assessment of recoverability is based on management's estimate. The management has determined that as of March 31, 2014 there has been no impairment in the carrying values of long-lived assets.

2 ACCOUNTS RECEIVABLE

Trade accounts receivable consists for balances due from account holders, net of a provision for estimated returns as follows.

	March 31, 2014 $	March 31, 2013 $
Trade Accounts Receivable	357,367	324,295
Less: Allowance for Doubtful Accounts	(15,000)	(15,000)
Accounts Receivable - Trade (net)	**342,367**	**309,295**

3. AFFILIATE COMPANY RECEIVABLE

	March 31, 2014 $	March 31, 2013 $
Due from Mpower Global, Inc.	5,000	-
Due from Cranes Software, Inc-MI	4,666,277	4,651,277
Due From Cubeware Inc USA	259,120	-
Net Balance Due	**4,930,397**	**4,651,277**

4. INVENTORY

The inventory as of March 31, 2014 was valued at cost or net realizable value whichever is lower. The inventory cost includes the cost of software replication, manuals and other related costs incurred in the process of making the software available for sale, excluding the amortization of the acquired software product costs. Management has determined that all inventories shown on the balance sheet are recoverable for the value shown. The inventory is held at a third party software replication and fulfillment center.

Per our report attached

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5. PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid expenses and other current assets consist of the following as of March 31, 2014.

	March 31, 2014 $	March 31, 2013 $
Prepaid Expenses	13,032	4,383
Refundable Deposits	63,551	23,551
Total	**76,583**	**27,934**

6. EMPLOYEE ADVANCE

The employee advance in the amount of $195,307 represents an informal loan given to an employee. The loan is a interest free loan with no specific repayment terms and is due upon demand.

Per our report attached

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7. PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of March 31, 2014

	01.04.2013 $	Additions $	Disposals $	31.03.2014 $	01.04.2013 $	Dep. For The Year $	Acc.Dep. Disposals $	31.03.2014 $	Net 31.03.2014 $
LHI	9,470	-	-	9,470	9,470	-	-	9,470	-
Equipment	65,575	-	-	65,575	65,575	-	-	65,575	-
Software	87,026	-	-	87,026	87,026	-	-	87,026	-
Furniture & Fixtures	14,103	-	-	14,103	14,103	-	-	14,103	-
Total	**176,174**	**-**	**-**	**176,174**	**176,174**	**-**	**-**	**176,174**	**-**

8. INTANGIBLE ASSETS

As of March 31, 2014, the company had the following intangible assets as a result of various purchases and consulting agreements entered into between Systat, AISN Inc., and SPSS Inc.,

	01.04.2013 $	Additions $	Disposals $	31.03.2014 $	Amortization 01.04.2013 $	Amortizatiion For The Year $	Acc. Amortization Disposals $	31.03.2014 $	Net 31.03.2014 $
AISN Auto Signal	90,000	-	-	90,000	90,000	-	-	90,000	-
TC 2D; TC 3D - PeakFit	360,016	-	-	360,016	360,016	-	-	360,016	-
SPSS Systat Software	27,661,638	-	-	27,661,638	12,855,385	1,844,108	-	14,699,493	12,962,145
Total	**28,111,654**	**-**	**-**	**28,111,654**	**13,305,401**	**1,844,108**	**-**	**15,149,509**	**12,962,145**

Per our report attached

For and on behalf of the Board

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9. ACCRUED LIABILITIES

Accrued liabilities consist of the following as of March 31, 2014

	March 31, 2014 $	March 31, 2013 $
Sales Tax Payable	1,482	743
Accrued Vacation	163,686	201,532
Royalties Payable	22,621	15,396
Commissions Payable	1,500	2,500
CTA Payable	136	-
Payroll Tax Payable - UK	7,571	9,127
Value Added Tax - UK	5,995	7,634
Accrued Expenses - UK	1,777	1,493
Total	**204,768**	**238,425**

10. AFFILIATE COMPANY PAYABLE

This represents the balance owed by Systat Software, Inc., to Cranes Software International Limited and Systat Software GmbH for payments made on behalf of the Company.

	March 31, 2014 $	March 31, 2013 $
Due to Cranes Software Int. Ltd-India	20,638,055	22,047,768
Due to Systat Software-GmbH	644,486	783,944
Total	**21,282,541**	**22,831,712**

11. LOAN PAYABLE TO AFFILIATED COMPANY

As of March 31, 2014, the Company had three loans payable to an Affiliated Company, the details of which are as follows.

1. A loan in the amount of $ 1,182,262 obtained during October 2011 with an annual interest rate of 6% on which the principal balance as of March 31, 2014 amounted to $ 1,182,262. This loan is unsecured and is due upon demand.
2. A loan in the amount of $ 182,233 obtained during March 2013 with an annual interest rate of 4% on which the principal balance as of March 31, 2014 amounted to $ 182,233. This loan is unsecured and is due upon demand.
3. A loan in the amount of $ 130,000 obtained during March 2013 with an annual interest rate of 4% on which the principal balance as of March 31, 2014 amounted to $ 130,000. This loan is unsecured and is due upon demand.

The accrued interest for all three loans as of March 31st, 2014 amounted to $83,424.

Per our report attached

For and on behalf of the Board

Continental Accounting Solutions, Inc.	**Richard H. Gall**	**Mueed Khader**	**Asif Khader**
Auditor	President	Director	Treasurer

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12. REVENUE

	March 31, 2014 $	March 31, 2013 $
Auto signal	7,160	6,731
Table Curve 2D & 3D	78,038	89,947
Peakfit	16,186	21,528
Systat Product Line	340,715	494,584
Sigma Plot	2,413,616	2,682,882
Sigma Scan	16,993	22,482
Sigma Stat	425	240
Genomatix	-	2,980
Inter-Company Sales (GmbH)	36,479	28,370
Inter Company Sales (Cranes)	2,460	35,935
Inter Company Sales (SS UK)	13,010	12,183
UK Branch Sales	591,835	585,432
Freight Recovered	42,694	51,113
Management Fees	-	360,000
Total	**3,559,611**	**4,394,407**

13. SALES, GENERAL AND ADMINISTRATIVE EXPENSES

The following consists of the sales, general and administrative expenses.

	March 31, 2014 $	March 31, 2013 $
Audit & Accounting Fee	15,500	15,500
Freight, Postage & Delivery	2,667	2,630
Internet / Website Expenses	20,887	24,580
Rent	262,677	258,882
Utilities	2,017	2,206
Telephone	90,329	105,825
Repairs and Maintenance	4,840	5,605
Advertising & Promotion	64,765	332,637
Insurance	4,454	10,056
Travel & Lodging	97,651	145,599
Property & Other Taxes	7,137	10,772
Permits and Licenses	14,327	11,945
Credit Card Merchant Fees	63,884	89,098
Outside Services	3,000	-
Bank Charges	10,443	15,126
Legal & Professional fees	10,684	5,110
Sales Commissions	10,138	27,189
Office Expenses	52,346	67,391
Amortization	1,844,108	1,844,108
Payroll Expenses	10,204	13,224
Miscellaneous Expenses	5,368	60
Total	**2,597,426**	**2,987,543**

Per our report attached

For and on behalf of the Board

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14. OTHER INCOME / EXPENSES

	March 31, 2014 $	March 31, 2013 $
Exchange Fluctuations	(14,707)	30,599
Other Income / Expenses	13,800	(1,850)
Interest Income	547	77
Interest Expense	(109,886)	(88,306)
Write-off Parent Co Payable	2,600,000	-
Total	**2,489,754**	**(59,480)**

15. LEASE COMMITMENTS

The Company currently leases office space under three separate lease agreements in San Jose and Chicago, IL.

The San Jose office commenced on October 1, 2013 for a period of one year and calls for a minimum monthly base rent of $ 10,314.

The Chicago office lease commenced on July 1, 2012 for a period of five years and calls for a minimum monthly base payment of $ 3,592.

Future minimum lease payments under all office space leases for the year ended March 31, is as follows.

Year	Amount
2013	$ 201,972

16. 401(K) PROFIT SHARING PLAN

The Company has a 401 (K) plan to which eligible employees can contribute. The plan also provides for discretionary match by the employer. During the year ended March 31, 2013 the company contributed $ 51,767 to the 401 (K) plan.

17. WRITE OFF OF PARTIAL AMOUNT PAYABLE TO PARENT CO

During the year the management of the Company decided to write off $ 2,600,000 out of the $ 23,238,055 due to its Parent Co in India. Accordingly the amount written off reflects as other income as stipulated by accounting principles generally accepted in the United States of America.

18. SUBSEQUENT EVENTS

Generally accepted accounting principles defines subsequent events as events or transactions that occur after the statement of financial positiion date, but before the financial statements are issued or are available to be issued. Management has evaluated subsequent events through April 22, 2014, the date on which the financial statements were available to be issued.

Per our report attached

For and on behalf of the Board

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SYSTAT SOFTWARE GmbH

FINANCIAL STATEMENTS
2013 - 2014

A. Assignment and execution

The general management of
Systat Software GmbH, Erkrath,
(hereinafter referred to as "Company")

engaged us to compile the financial statements as of March 31, 2014.

We have compiled the balance sheet and the statement of income and expenses from the books kept by us and prepared the notes to the financial statements.

The performance of our engagement and our liability thereof including our liability in respect to third party claims, is based on the “General Terms of Engagement for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften” dated January 1, 2002 and our special conditions dated January 1, 2001.

The company’s management and the instructed staff have readily provided us with the necessary information and evidence requested.

A letter of representation referring to the accounting and the financial statements has been provided to us.

An audit of the financial statements was not within the scope of our engagement.

B. Certificate to the shareholder of Systat Software GmbH, Erkrath

We issue to the financial statements as of March 31, 2014 of Systat Software GmbH, Erkrath, with a balance sheet total of ∈ 19,185,228.52 according to appendices I to III following report:

Pursuant to the terms of the engagement, we have compiled the financial statements below - comprising the balance sheet, income statement and notes - of Systat Software GmbH, Erkrath, for the fiscal year from April 1, 2013 to March 31, 2014 in compliance with German commercial law. Basis for the compilation was the books kept by us, the other documents submitted to us, which, in accordance with the engagement terms, we have not audited, as well as other information provided to us. Keeping the books and preparing the list of assets and liabilities and the annual financial statements in accordance with German commercial law are the responsibility of the Company’s management.

We conducted our engagement in accordance with the IDW Standard: Grundsätze für die Erstellung von Jahresabschlüssen (IDW S7) (IDW Standard: Principles for the Compilation of Annual Financial Statements (IDW S7). This involves drafting the balance sheet and income statement and notes on the basis of the bookkeeping, the list of assets and liabilities, and the instructions relating to the applicable accounting policies.

We ascertain that - except for the profit and loss absorption - no intercompany transactions from trading between the company and Cubeware GmbH, Rosenheim, occurred.

Düsseldorf, April 23, 2014

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Carsten Rössel	**Ingeborg Steinbring**
Steuerberater	**Steuerberaterin**

BALANCE SHEET
AS AT MARCH 31, 2014

(Amount in Euros)

	PARTICULARS	31.03.2014 €	31.03.2013 €
ASSETS			
A.	**Fixed assets**		
	I. Intangible assets Concessions, licences and similar rights and values and licences to such rights and values	6.00	6.00
	II. Tangible assets Other plant, factory and office equipment	987.00	744.00
	III. Financial assets Participations	18,433,137.39	18,433,137.39
		18,434,130.39	**18,433,887.39**
B.	**Current assets**		
	I. Receivables and other assets		
	1. Trade receivables	72,142.86	186,741.58
	2. Receivables from affiliates	570,759.00	1,162,786.05
	3. Other assets	78,624.37	14,920.00
		721,526.23	1,364,447.63
	II. Cash on hand, cash in banks	23,257.57	48,714.58
		744,783.80	**1,413,162.21**
C.	**Prepaid expenses**	**6,314.33**	**3,056.60**
	TOTAL	**19,185,228.52**	**19,850,106.20**

BALANCE SHEET
AS AT MARCH 31, 2014

(Amount in Euros)

	PARTICULARS	31.03.2014 ∈	31.03.2013 ∈
EQUITY AND LIABILITIES			
A.	**Equity**		
	I. Subscribed capital	25,000.00	25,000.00
	II. Capital reserve	8,559,870.50	8,559,870.50
	III. Profit brought forward/accumulated loss brought forward	243,041.18	(34,524.32)
	IV. Net loss for the year / Net income for the year	(753,690.39)	277,565.50
		8,074,221.29	**8,827,911.68**
B.	**Accruals**		
	1. Tax accruals	176,133.19	176,133.19
	2. Other accruals	51,621.00	29,608.00
		227,754.19	**205,741.19**
C.	**Liabilities**		
	1. Trade accounts payable (thereof with a residual term of up to one year ∈ 4,114.25; prior year ∈ 142,863.38)	4,114.25	142,863.38
	2. Payables to affiliated companies (thereof with a residual term of up to one year ∈ 143,863.39; prior year ∈ 0.00)	143,863.39	0.00
	3. Liabilities against shareholder (thereof with a residual term of up to one year ∈ 10,569,043.72; prior year ∈ 10,503,822.69)	10,569,043.72	10,503,822.69
	4. Other liabilities (thereof with a residual term of up to one year ∈ 9,851,62; prior year ∈ 9,526.21) (thereof for taxes ∈ 9,112.63; prior year ∈ 9,216.21)	9,851,62	9,526.21
		10,726,872.98	**10,656,212.28**
D.	**Deferred income**	156,380.06	160,241.05
	TOTAL	**19,185,228.52**	**19,850,106.20**

INCOME STATEMENT

FOR THE PERIOD APRIL 1, 2013 TO MARCH 31, 2014

(Amount in Euros)

PARTICULARS	2013 / 2014 ∈	2012 / 2013 ∈
1. Sales	704,819.57	748,377.83
2. Other operating income	10,716.50	264.00
3. Cost of materials		
a) Cost of raw materials, consumables and supplies and of purchased merchandise	(240,854.76)	(251,074.75)
b) Cost of services	(1,916.00)	(198.35)
4. Personnel expenses		
a) Wages and salaries	(223,207.31)	(211,700.97)
b) Social security and pension cost (thereof for old-age-pensions ∈ 2,100.00; prior year ∈ 2,100.00)	(44,558.03)	(47,920.20)
5. Depreciation on intangible assets and tangible assets	(1,022.14)	(519.00)
6. Other operating expenses (thereof from currency translation ∈ 0.00; prior year ∈ 1,925.24)	(158,367.88)	(219,665.46)
7. Other interest and similar income (thereof to affiliated companies ∈ 19,571.76; prior year ∈ 3,294.00)	19,571.76	3,294.00
8. Income due to profit and loss absorption agreement	0.00	443,371.82
9. Interest and similar expenses (thereof to affiliated companies ∈ 65,221.03; prior year ∈ 62,647.05)	(65,221.03)	(62,672.05)
10. Loss due to profit and loss absorption agreement	(817,339.44)	0.00
11. Result from ordinary activities	**(817,378.76)**	**401,556.87**
12. Taxes on income	63,688.37	(123,991.37)
13. Net loss / Net income for the year	**(753,690.39)**	**277,565.50**

NOTES AS OF MARCH 31, 2014

I. General Information

As of the balance sheet date March 31, 2014 the company is classified as small-sized corporation for the purposes of Sections 267 of the German Commercial Code (HGB).

The annual financial statements are prepared in accordance with the accounting regulations applicable for corporation of the German Commercial Code (HGB), with due consideration being given to the law relating to limited liability companies (GmbHG) and also in accordance with the rules of the articles of incorporation of the company.

The company takes advantage of the size-related exemptions set out in Sections 274a and 288 (1) Commercial Code (HGB) partially.

The income statement has been prepared using the type of expenditure format.

The financial year starts on April 1 and ends as of March 31.

The financial statements are prepared under the assumption of the Going-Concern principle.

II. Accounting and valuation methods

The following explained accounting and valuation methods have been applied:

Intangible assets acquired from third parties for a monetary consideration are capitalized at cost of purchase, and are depreciated using the straight-line method over their probable useful life; depreciation is recognized on a pro-rata basis in the year of acquisition. EDP programs acquired for a monetary consideration are written down over a standard useful life between three and four years.

Factory and office equipment is measured with cost of purchase or cost of production less straight-line depreciation. Depreciation in relation to additions to factory and office equipment is recognized on a pro-rata basis. The applied life-time for depreciation purposes is between three and five years.

With regard to the recognition of **minor-value assets**, the tax law regulation of Section 6 (2) and (2a) EStG has been used. The costs of purchase or production of depreciable moveable fixed assets which have been acquired before January 1, 2010 and which are capable of being used independently are recognized in full as business expenses in the financial year in which the assets are purchased, produced or contributed if the costs of purchase or production, less any amount of VAT included in the amount, of the individual asset do not exceed € 150.00. In the case of minor-value assets for which the costs of purchase or production, less the amount of VAT included in the costs, amount to more than € 150.00 and up to € 1,000.00 an annual collective item is created in accordance with Section 6 (2a) EStG. The annual collective item is reversed over a period of five years, with the effect of reducting profit. If an asset is taken out of operating assets ahead of schedule, the collective item is not reduced.

The costs of purchase or production of depreciable moveable fixed assets which are capable of being used independently are recognized in full as business expenses in the financial year in which the assets are purchased, produced or contributed if the costs of purchase or production, less any amount of VAT included in the amount, of the individual asset do not exceed € 410.00.

Participations have been evaluated at acquisition costs.

Trade receivables and **other assets** are evaluated at nominal value. The lower of cost-or-market principle has been observed.

Cash on hand, cash in bank are valued at nominal value.

Prepaid expenses cover expenses for a certain time after the balance sheet date, which have already been paid before the balance sheet date.

Accruals were established under consideration of recognisable risk and were calculated in accordance with reasonable business principles at their redemption values.

The **liabilities** are valued based upon their redemption amounts.

Deferred income has been posted for revenues concerning a certain period after the balance sheet date.

III. Other information

1. Participations

As of March 31, 2014 the company held participations as follows :

	Shares	Equity	Net income of 2014
	%	T∈	T∈
Cubeware GmbH, Rosenheim (Balance Sheet date 31.03.2014)	100	36	0

According to the shareholder's resolution dated March 16, 2012 and notarial deed as of March 19, 2012 a profit and loss agreement has been enforced which was registered with the Commercial Register of Traunstein on March 21, 2012.

2. Shareholder

The company is a wholly-owned subsidiary of Cranes Software International Limited, Bangalore/ India.

3. General Managers

During the financial year 2013 / 2014 the general management was performed by

Mr. Saligram Rajashekar Suresh, Munich.

4. Consolidated Accounts

The company is included into the consolidated accounts of Cranes Software International Limited, Bangalore/India. The parent company, which prepares the consolidated accounts for the greatest group of companies is Cranes Software International Limited, Bangalore/India. The consolidated accounts are available at the seat of Cranes Software International Limited, Bangalore / India.

5. Appropriation of Result

It will be recommended to the shareholder to carry forward the net loss for the year 2014 to new account.

Erkrath, April 22, 2014

Saligram Rajashekar Suresh

ANALYTIX SYSTEMS PRIVATE LIMITED

FINANCIAL STATEMENTS
2013 - 2014

REPORT OF THE BOARD OF DIRECTORS

To,
The Members of
Analytix Systems Private Limited,

Your Directors are pleased to present their 17th Annual Report together with the accounts for the year ended March 31, 2014.

Review of Operations

During the year your Company has not undergone any operation and hence not recorded any turnover, under review compared to Rs. Nil during the previous year. The Net loss for the year was Rs. 40,791/- compared to a loss of Rs. 32,136/- during the previous year.

Deposits

Your Company has not accepted deposits from the public during the current year.

Conservation of Energy

There were no operations in the Company in the year.

Research & Development Activities

No technology indigenous or imported has yet been acquired at any point of time by the Company. Hence disclosure of particulars with regard to this does not arise.

Foreign Exchange Earnings & Outgo

There were no foreign exchange earnings during the year and there was no foreign exchange outgo also during the year.

Employees

There were no employees in the Company; also, hence Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees), Rules 1975 are not applicable and hence no particulars attached.

Directors' Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956, the directors hereby confirm that they have:

i. Followed the applicable Accounting Standards in the preparation of the annual accounts;

ii. Selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profits of the Company for the year under review;

iii. Taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and detecting fraud and other irregularities;

iv. Prepared the accounts for the financial year on a 'Going Concern' basis.

Auditors

The Company's Auditors, M/s Sethia Prabhad Hegde & Co, Chartered Accountants, retire at the ensuing annual general meeting and are eligible for re-appointment. The declaration under Section 224(1)(B) of the Companies Act, 1956, has been received from them.

For and on behalf of the Board

Bangalore	**Asif Khader**	**Mueed Khader**
August 29, 2014	Director	Director

INDEPENDENT AUDITORS' REPORT

To,
The Members of
Analytix Systems Private Limited,

We have audited the accompanying financial statements of **Analytix Systems Private Limited,** which comprise the Balance Sheet as at March 31st, 2014, and the Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;

b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:

   a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books

   c) the Balance Sheet and Statement of Profit and Loss, dealt with by this Report are in agreement with the books of account.

   d) in our opinion, the Balance Sheet and Statement of Profit and Loss, comply with the Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act, 1956;

e) On the basis of the written representations received from the directors as on 31st March 2014, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being re-appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956;

For **SETHIA PRABHAD HEGDE & CO**
Chartered Accountants
Firm Registration No.013367S

Timmayya Hegde
Partner
Membership No.226267

Bangalore
28th May, 2014

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

(i) (a) The Company has no fixed assets during the year and hence provisions of clause (i) of Para (4) of Companies (Auditor's Report) Order, 2003 (as amended) are not applicable.

(ii) (a) The Company has no inventory during the year and hence provisions of clause (ii) of Para (4) of Companies (Auditor's Report) Order, 2003 (as amended) are not applicable.

(iii) The Company has not granted/taken any loans, secured or unsecured, to/from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. In view of the above, clause 4 (iii) (b),(c),(d),(e),(f) and (g) are not applicable.

(iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in the internal control system.

(v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of all contracts and arrangements referred to in section 301 of the Companies Act, 1956, have been entered into the register required to be maintained under that section.

(b) In our opinion and according to the information and explanations given to us, the contracts and arrangements entered in the register maintained under section 301 of the Companies Act, 1956, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

(vi) The Company has not accepted any deposit from the public and as such the provisions of clause 4(vi) of the said Order are not applicable.

(vii) In our opinion, the Company has an in house internal audit system commensurate with the size and nature of its business.

(viii) The Central Government has not prescribed the maintenance of cost records as required under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956.

(ix) (a) According to the information and explanations given to us, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, Wealth-tax, Custom duty and Cess have generally been regularly deposited during the year by the Company with the appropriate authorities.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, Wealth Tax, Customs Duty and Cess were in arrears as at 31st March 2014 for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, there are no dues of Sales tax, Service tax, Income tax, Customs duty, Wealth-tax and Cess with the appropriate authorities which have not been deposited on account of any dispute.

(x) The Company does not have any accumulated losses, as at March 31, 2014. The Company has incurred cash losses in the financial year ended on that date and in the immediately preceeding the financial year.

(xi) The Company has not defaulted in repayment of dues to any financial institution and banks and there are no dues to debenture holders as at the balance sheet date.

(xii) According to information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion, and according to the information and explanations given to us, the Company is not a chit fund or a nidhi /mutual benefit fund/society.

(xiv) In our opinion, and according to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.

(xv) In our opinion and according to information and explanations given to us, and as per our examination of relevant records, the Company has not given any guarantee for loans taken by others from banks or financial institutions.

(xvi) The Company has not borrowed any term loan during the year and hence the provisions of clause 4 (xvi) of the said Order are not applicable.

(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.

(xviii) During the year the Company has not made any preferential allotment of shares to a Companies/firms/ parties covered in the register maintained under section 301 of the Companies Act, 1956.

(xix) During the period, the Company has not raised any funds by issue of debentures during the year.

(xx) The Company has not raised any monies by way of public issue during the year.

(xxi) During the course of our examination of the books of accounts carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For **SETHIA PRABHAD HEGDE & CO**
Chartered Accountants
Firm Registration No.013367S

Timmayya Hegde
Partner
Membership No.226267

Bangalore
28th May, 2014

BALANCE SHEET

AS AT MARCH 31, 2014 (Amount In Rupees)

PARTICULARS	Note No.	March 31, 2014	March 31, 2013
I EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2.1	200,000	200,000
(b) Reserves and surplus	2.2	861,510	902,301
2 Non-current liabilities			
(a) Long-term borrowings		-	-
(b) Deferred tax liabilities (net)		-	-
(c) Other long term liabilities		-	-
(d) Long-term provisions		-	-
3 Current liabilities			
(a) Trade payables	2.3	15,000	30,000
(b) Other current liabilities		-	-
TOTAL		**1,076,510**	**1,132,301**
II ASSETS			
1 Non-current assets		-	-
2 Current assets			
(a) Cash and cash equivalents	2.4	114,730	86,862
(b) Short-term loans and advances	2.5	961,780	1,045,438
TOTAL		**1,076,510**	**1,132,301**
Significant accounting policies and notes to accounts	1 & 2		

As per our report of even date
For Sethia Prabhad Hegde & Co
Chartered Accountants
Firm Registration No. 013367S

For and on behalf of the Board

Timmayya Hegde
Partner
Membership No. 226267

Asif Khader
Director

Mueed Khader
Director

Bangalore
May 28, 2014

Bangalore
May 28, 2014

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2014 (Amount In Rupees)

PARTICULARS	Note No.	March 31, 2014	March 31, 2013
Income		-	-
Total Revenue		**-**	**-**
Expenses :			
Cost of software licence and subscriptions		-	-
Employee benefits expense		-	-
Finance costs		-	-
Depreciation and amortisation expense		-	-
Other expenses	2.6	40,791	32,136
Total Expenses		**40,791**	**32,136**
Profit/(Loss) before exceptional and extraordinary items and tax		**(40,791)**	**(32,136)**
Exceptional items		-	-
Profit / (Loss) before extraordinary items and tax		**(40,791)**	**(32,136)**
Extraordinary items		-	-
Profit / (Loss) before tax		**(40,791)**	**(32,136)**
Tax expense:		-	-
Profit / (Loss) for the period		**(40,791)**	**(32,136)**
Earnings per share:			
(1) Basic		(2.04)	(1.61)
(2) Diluted		(2.04)	(1.61)
Significant accounting policies and notes to the accounts	1 & 2		

As per our report of even date
For Sethia Prabhad Hegde & Co
Chartered Accountants
Firm Registration No. 013367S

For and on behalf of the Board

Timmayya Hegde
Partner
Membership No. 226267

Asif Khader
Director

Mueed Khader
Director

Bangalore
May 28, 2014

Bangalore
May 28, 2014

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

SIGNIFICANT ACCOUNTING POLICIES

1 Basis of preparation of financial statements

The financial statements are prepared and presented in accordance with the Indian Generally Accepted Accounting Principles ("GAAP") under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards issued by the Institute of Chartered Accountants of India (ICAI), Companies (Accounting Standards) Rules, 2006 and guidelines issued by the Securities and Exchange Board of India.

Preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates & assumptions that affect the reported balance of assets & liabilities and disclosures relating to contingent assets & liabilities as on the date of financial statement and reported amounts of income & expenditure during the period. Actual results could differ from these estimates, differences if any between the actual results and estimates are recognized in the period in which the results are known or materialized.

Presentation and disclosure of financial statements during the year ended March 31, 2014 the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the Company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed by the Company for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

All the assets and liabilities have been classified as current or non-current as per Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956.

2 Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Significant estimates used by the management in the preparation of these financial statements include classification of assets and liabilities into current and non-current, estimates of the economic useful lives of fixed assets, provisions for bad and doubtful debts. Any revision to accounting estimates is recognized prospectively.

3 Revenue recognition

(i) Revenue from sale of products is recognized, in accordance with the sales contract, on delivery of goods to the customer. Revenue from product sales are shown net of taxes.

(ii) Revenue on software development services comprises revenue priced on a time and material and fixed-price contracts. Revenue priced on a time and material contracts are recognized as related services are performed. Revenue from fixed-price, fixed time-frame contracts is recognized in accordance with the percentage of completion method.

(iii) Revenue from technical service, training, support and other services is recognized as the related services are performed over the duration of the contract/course.

(iv) Dividend is recognized when the right to receive the dividend is established at the balance sheet date.

4 Fixed assets and capital work-in-progress

(i) The Company does not possess any fixed assets as on the balance sheet date.

5 Intangible assets

(i) All intangible assets are stated at cost less accumulated amortization.

(ii) The cost of acquired intangible assets is the consideration paid for acquisition and other incidental costs incurred to bring the intangible asset for its intended use.

(iii) Internally generated intangible assets are valued at cost which were incurred during the development phase of intangibles which comprises of expenditure on materials and services used or consumed, salaries and other employment related cost of personnel engaged in development of intangible asset, other direct expenditures and overheads that are necessary for the generation of the intangible asset and that can be allocated on a reasonable basis.

(iv) Interest on borrowed money allocated to and utilized for intangible assets, pertaining to the period up to the date the intangible asset is ready for its intended use, is capitalized in accordance with Accounting Standard-16.

(v) Amount paid towards the acquisition of intangible assets, which is not put to use as at reporting date and the cost of intangible assets not ready for its intended use before such date is disclosed under capital work-in-progress.

6 Depreciation and amortization

(i) Depreciation has been provided on straight line method at the rates prescribed under Schedule XIV of the Companies Act, 1956. In respect of assets purchased / sold during the year, depreciation is charged on a pro-rata basis.

(ii) The management estimates the useful life of customized software/commercial rights procured for specific application as 3 years and accordingly amortizes over their estimated useful life on a straight line basis.

(iii) Depreciation on individual low cost assets (costing less than Rs. 5,000) is provided for in full in the year of purchase irrespective of date of installation.

(iv) Other Intangible assets are amortized over their respective individual estimated useful life on a straight-line basis, commencing from the date the asset is available to the Company for its use.

(v) After recognition of impairment loss, the depreciation charge for the asset is on the revalued amount prospectively over the remaining useful life of the asset.

7 Impairment of assets

The Company assesses at each balance sheet date using internal and external sources, whether there is any indication that an asset (both tangible and intangible) may be impaired more than of a temporary nature. If any such indications exist, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs to is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

8 Inventories

The Companies inventories comprises of raw material, work in progress and finished hardware products which are valued at cost or net realizable value, whichever is lower. The cost formula used is specific identification basis. Net realizable value is the estimated selling price in ordinary course of business, less estimated cost of completion and estimated cost necessary to make the sale. The cost of inventories is net of VAT credit.

9 Effect of exchange fluctuation on foreign currency transactions

(i) Foreign currency transactions are recorded at the exchange rate prevailing on the date of the transaction.

(ii) Exchange differences are recorded when the amount actually received on sales or actually paid when the expenditure is incurred, is converted into Indian rupees.

(iii) Exchange differences arising on foreign currency transactions are recognized as income or expense in the period in which they arise.

(iv) Period-end balances of monetary foreign currency assets and liabilities are translated at the closing rate. The resulting exchange difference is recognized in the statement of profit and loss.

(v) Non - monetary assets & liabilities are translated at the rate prevailing on the date of transaction.

(vi) Foreign currency translation differences relating to liabilities incurred for acquiring fixed assets are recognized in statement of profit and loss.

10 Employee benefits

(i) The short-term employee benefits such as salaries and paid leave is debited to expense as and when an employee has rendered services in exchange for these benefits.

11 Income tax/ deferred tax

(i) Current tax is calculated in accordance with the relevant tax regulations.

(ii) Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences that result between the profit offered for income taxes and the profit as per the financial statements. Deferred tax in respect of timing difference which originate during the tax holiday period but reverse after the tax holiday period is recognized in the year in which the timing difference originate. For this purpose the timing difference which originates first is considered to reverse first. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the statement of profit and loss in the year of charge. Deferred tax assets on timing differences are recognized only if there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets are reassessed for the appropriateness of their respective carrying values at each balance sheet dates.

(iii) Minimum Alternative Tax (MAT) paid in accordance to the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax after the tax holiday period. Accordingly, MAT is recognized as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the Company and the asset can be measured reliably.

(iv) Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance taxes paid and income tax provisions arising in the same tax jurisdiction.

(v) The Company offsets deferred tax assets and deferred tax liabilities relating to taxes on income levied by the same governing taxation laws.

12 Provisions and contingent liabilities

The Company creates a provision when there is a present obligation as a result of an obligating event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

13 Earnings per share

(i) Basic earnings per share is calculated by dividing the net earnings available to the equity shareholders by the weighted average number of equity shares outstanding during the year.

(ii) Diluted earnings per share is calculated by dividing the net earnings available to existing and potential equity shareholders by aggregate of the weighted average number of equity shares considered for deriving basic earnings per share. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date.

14 Leases

(i) Lease arrangements where substantial risk and rewards incidental to ownership vests with the lessor, such leases are recognized as operating leases.

(ii) Lease payments under operating lease are recognized as an expense in the statement of profit and loss.

15 Derivative instruments and hedge accounting

The Company uses foreign currency forward contracts and currency options to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. The Company designates these hedging instruments as cash flow hedges applying the recognition and measurement principles set out in the Accounting Standard 30 "Financial Instruments: Recognition and Measurement" (AS-30).

The use of hedging instruments is governed by the Company's policies approved by the board of directors, which provide written principles on the use of such financial derivatives consistent with the Company's risk management strategy.

Hedging instruments are initially measured at fair value, and are remeasured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognized directly in shareholders' funds and the ineffective portion is recognized immediately in the statement of profit and loss.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognized in the statement of profit and loss as they arise.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time for forecasted transactions, any cumulative gain or loss on the hedging instrument recognized in shareholders' funds is retained there until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognized in shareholders' funds is transferred to the statement of profit and loss for the period.

However, the Company has no outstanding hedged transaction nor entered into any hedging transaction during the year.

NOTES ON ACCOUNTS

FOR THE YEAR ENDED MARCH 31, 2014

The previous year figures have been regrouped / reclassified, wherever necessary to conform to the current year presentation.

2.1 SHARE CAPITAL

a) Break-up of shares (Amount in Rupees)

PARTICULARS	As at 31.3.2014	At at 31.3.2013
AUTHORISED 20,000 Equity Shares of Rs. 10/- each	200,000	200,000
ISSUED, SUBSCRIBED AND FULLY PAID-UP 20,000 Equity Shares of Rs. 10/- each fully paid up	200,000	200,000
TOTAL	**200,000**	**200,000**

The Company has only one class of shares referred to as equity shares having a par value of Rs.10/-. Each holder of equity shares is entitled to one vote per share held.

The Company declares and pays dividend in Indian rupees. The Board of Directors have not proposed any dividend during the year. Dividend declared if any, if approved by the Shareholders, is payable to the shareholders in proportion to their shareholding. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

b) Reconciliation of number of shares

Equity Shares	As at 31.3.2014		As at 31.3.2013	
	Number of Shares	Amount (in Rs.)	Number of Shares	Amount (in Rs.)
Balance as at the beginning of the previous year	20,000	200,000	20,000	200,000
Balance as at the end of the year	**20,000**	**200,000**	**20,000**	**200,000**

Neither shares are reserved for issue under options nor securities have been issued, which are convertible into equity / preference shares in future as on the date of balance sheet.

c) Details of shares held by shareholders, holding more than 5% of the aggregate shares in the Company

Name of the share holder	As at 31-3-2014		As at 31-3-2013	
	No. of Shares	% of Share holding	No. of Shares	% of Share holding
Cranes Software International Limited	20,000	100%	20,000	100%

No shares have been allotted as fully paid up, by way of bonus shares during 5 years immediately preceeding March 31, 2013.

2.2 RESERVES AND SURPLUS

(Amount in Rupees)

PARTICULARS	As at 31.3.2014	As at 31.3.2013
Surplus in statement of profit and loss		
Balance as at the beginning of the year	902,301	934,437
Less: loss for the year	(40,791)	(32,136)
Balance as at the end of the year	**861,510**	**902,301**

2.3 TRADE PAYABLES

(Amount in Rupees)

PARTICULARS	As at 31.3.2014	At at 31.3.2013
Trades payables	15,000	30,000
Refer note: 2.10 (reg. micro, small and medium enterprises)		
TOTAL	**15,000**	**30,000**

2.4 CASH AND BANK BALANCES

(Amount in Rupees)

PARTICULARS	As at 31.3.2014	At at 31.3.2013
Bank Balances :		
In current accounts	114,730	86,862
TOTAL	**114,730**	**86,862**

2.5 SHORT TERM LOANS AND ADVANCES

(Amount in Rupees)

PARTICULARS	As at 31.3.2014	At at 31.3.2013
Unsecured, considered good		
Balances with group Companies	961,780	1,045,438
TOTAL	**961,780**	**1,045,438**

2.6 OTHER EXPENSES

(Amount in Rupees)

PARTICULARS	For the year 31.3.2014	For the year 31.3.2013
Statutory auditors : Audit fees	15,000	15,000
Professional charges	-	-
Miscellaneous expenses	25,791	17,136
TOTAL	**40,791**	**32,136**

2.7 EARNINGS PER SHARE

PARTICULARS	For the year 31.3.2014		For the year 31.3.2013	
	Before Extraordinary Item	After Extraordinary Items	Before Extraordinary Items	After Extraordinary Items
Basic / Diluted				
Profit / (loss) after tax (in Rs.)	(40,791)	(40,791)	(32,136)	(32,136)
Weighted average number of shares outstanding	20,000	20,000	20,000	20,000
Basic / Diluted EPS	(2.04)	(2.04)	(1.61)	(1.61)

OTHER DISCLOSURES

2.8 RELATED PARTY TRANSACTIONS

(Amount in Rupees)

PARTICULARS	For the year 31.3.2014		For the year 31.3.2013	
	Holding Company	Other Related Parties	Holding Company	Other Related Parties
Balance as on 31.03.14 receivable	961,779	-	1,045,438	-

NAME OF THE RELATED PARTIES AND DESCRIPTION OF RELATIONSHIP

Holding Company	Cranes Software International Limited
Key Management Personnel	Mr. Asif Khader Mr. Mueed Khader

2.9 DUES TO MICRO AND SMALL ENTERPRISES

Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	Nil	Nil
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	Nil	Nil
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	Nil	Nil
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	Nil	Nil
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	Nil	Nil

Interest due and payable towards suppliers registered under MSMED Act, for payments already made.	Nil	Nil
Further Interest remaining due and payable for earlier years.	Nil	Nil

As per our report of even date
For Sethia Prabhad Hegde & Co
Chartered Accountants
Firm Registration No. 013367S

For and on behalf of the Board

Timmayya Hegde
Partner
Membership No. 226267

Asif Khader
Director

Mueed Khader
Director

Bangalore
May 28, 2014

Bangalore
May 28, 2014

CARAVEL INFO SYSTEMS PRIVATE LIMITED

FINANCIAL STATEMENTS 2013 - 2014

REPORT OF THE BOARD OF DIRECTORS

To,
The Members of
Caravel Info Systems Private Limited,

Your Directors are pleased to present their 16th Annual Report together with the accounts for the year ended March 31, 2014.

Review of Operations

The Company was able to record a turnover of Rs. 273.14 lakhs during the year under review compared to Rs. 185.29 lakhs during the previous year. The Net Profit /(Loss) for the year was Rs. 13.02 lakhs, compared to a profit / (loss) of Rs. 42.12 lakhs during the previous year.

Deposits

Your Company has not accepted deposits from the public during the current year

Conservation of Energy

The operations of the Company are not energy intensive.

Research & Development Activities

No technology indigenous or imported has yet been acquired at any point of time by the Company. Hence disclosure of particulars with regard to this does not arise.

Foreign Exchange Earnings & Outgo

The foreign exchange earnings during the year amounted to Rs. 15.03 lakhs and there was Rs. 38.91 lakhs foreign exchange outgo during the year.

Employees

Your Directors wish to register their deep & sincere appreciation for the services rendered by the employees of your Company.

The particulars of employees as per Section 217 (2A) of the Companies Act 1956, read with the Companies (Particulars of Employees), Rules 1975 are not applicable since none of the employees earn remuneration exceeding the amounts specified therein.

Directors' Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956, the directors hereby confirm that they have:

i. Followed the applicable Accounting Standards in the preparation of the annual accounts;

ii. Selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profits of the Company for the year under review;

iii. Taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and detecting fraud and other irregularities;

iv. Prepared the accounts for the financial year on a 'Going Concern' basis.

AUDITORS

The Company's Auditors, M/s Sethia Prabhad Hegde and Co., Chartered Accountants, retire at the ensuing annual general meeting and are eligible for re-appointment. The declaration under Section 224(1)(B) of the Companies Act, 1956, has been received from them.

For and on behalf of the Board

Bangalore	**Asif Khader**	**Mueed Khader**
August 29, 2014	Director	Director

INDEPENDENT AUDITORS' REPORT

To
The Members of
Caravel Info Systems Private Limited,

We have audited the accompanying financial statements of **Caravel Info Systems Private Limited,** which comprise the Balance Sheet as at March 31st, 2014, and the Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956, read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India.This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;

b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:

   a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books

   c) the Balance Sheet and Statement of Profit and Loss, dealt with by this Report are in agreement with the books of account.

   d) in our opinion, the Balance Sheet and Statement of Profit and Loss, comply with the Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act, 1956;

e) On the basis of the written representations received from the directors as on 31st March 2014, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being re-appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956;

For **SETHIA PRABHAD HEGDE & CO**
Chartered Accountants
Firm Registration No. 013367S

Timmayya Hegde
Partner
Membership No.226267

Bangalore
28th May, 2014

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All the Fixed Assets have not been physically verified by the management during the year but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No Material discrepancies were noticed on such verification.

(c) The Company has not disposed off substantial part of fixed assets during the year, and therefore, do not affect the going concern assumption.

(ii) (a) The Company has no inventory during the year and hence provisions of clause (ii) of Para (4) of Companies (Auditor's Report) Order, 2003(as amended) are not applicable.

(iii) The Company has not granted/taken any loans, secured or unsecured, to/from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. In view of the above, clause 4 (iii) (b),(c),(d),(e),(f) and (g) are not applicable.

(iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in the internal control system.

(v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of all contracts and arrangements referred to in section 301 of the Companies Act, 1956, have been entered into the register required to be maintained under that section.

(b) In our opinion and according to the information and explanations given to us, the contracts and arrangements entered in the register maintained under section 301 of the Companies Act, 1956, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

(vi) The Company has not accepted any deposit from the public and as such the provisions of clause 4(vi) of the said Order are not applicable.

(vii) In our opinion, the Company has an in house internal audit system commensurate with the size and nature of its business.

(viii) The Central Government has not prescribed the maintenance of cost records as required under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956.

(ix) (a) According to the information and explanations given to us, undisputed statutory dues including Provident Fund, Employees' State Insurance, Service tax, Wealth-tax, Custom duty and Cess have generally been regularly deposited during the year by the Company with the appropriate authorities except in the below cases.

Name of the Statute	Nature of dues	Amount to be deposited
Income Tax Act	Withholding Taxes	16,01,885
Sales Tax / Value Added Tax	Value Added Tax	42,43,077
Commercial Tax	Professional Tax	39,750

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees State Insurance, Wealth Tax, Service Tax, Customs Duty and Cess were in arrears as at 31st March 2014 for a period of more than six months from the date they became payable except in the below case which is still due for payment:

Name of the Statute	Nature of dues	Amount to be deposited
Income Tax Act	Withholding Taxes	12,08,681
Sales Tax / Value Added Tax	Value Added Tax	26,05,071
Commercial Tax	Professional Tax	21,350

(c) According to the information and explanations given to us, there are no dues of Sales tax, Service tax, Income tax, Customs duty, Wealth-tax and Cess with the appropriate authorities which have not been deposited on account of any dispute.

(x) The Company has not incurred any cash losses during the financial year and its accumulated losses are more than 50% of its net worth at the end of the financial year.

(xi) The Company has not defaulted in repayment of dues to any financial institution and banks and there are no dues to debenture holders as at the balance sheet date.

(xii) According to information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion, and according to the information and explanations given to us, the Company is not a chit fund or a nidhi /mutual benefit fund/society.

(xiv) In our opinion, and according to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.

(xv) In our opinion and according to information and explanations given to us, and as per our examination of relevant records, the Company has not given any guarantee for loans taken by others from banks or financial institutions.

(xvi) The Company has not borrowed any term loan during the year and hence the provisions of clause 4 (xvi) of the said Order are not applicable.

(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.

(xviii) During the year the Company has not made any preferential allotment of shares to a Companies/firms/ parties covered in the register maintained under section 301 of the Companies Act, 1956.

(xix) During the period, the Company has not raised any funds by issue of debentures during the year.

(xx) The Company has not raised any monies by way of public issue during the year.

(xxi) During the course of our examination of the books of accounts carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For **SETHIA PRABHAD HEGDE & CO**
Chartered Accountants
Firm Registration No. 013367S

Timmayya Hegde
Partner
Membership No.226267

Bangalore
28th May, 2014

BALANCE SHEET

AS AT MARCH 31, 2014

(Amount In Rupees)

PARTICULARS	Note No.	March 31, 2014	March 31, 2013
I EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2.1	1,200,000	1,200,000
(b) Reserves and surplus	2.2	(4,646,333)	(5,948,695)
2 Non-current liabilities			
(a) Long-term provisions	2.4	1,602,592	1,602,592
3 Current liabilities			
(a) Short-term borrowings	2.5	2,201,854	7,463,448
(b) Trade payables	2.5	820,723	665,670
(c) Other current liabilities	2.6	13,278,073	11,001,258
TOTAL		**14,456,909**	**15,984,273**
II ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	2.23	1,271,136	1,515,131
(b) Deferred tax assets (net)	2.3	3,564,454	3,564,454
(c) Long-term loans and advances	2.7	7,495	7,495
2 Current assets			
(a) Trade receivables	2.8	3,936,996	7,197,771
(b) Cash and cash equivalents	2.9	5,142,513	3,067,762
(c) Short-term loans and advances	2.10	534,315	631,660
TOTAL		**14,456,909**	**15,984,273**

Notes 2.1 to 2.10 and 2.23 form an integral part of Balance Sheet

As per our report of even date
For Sethia Prabhad Hegde & Co
Chartered Accountants
Firm Registration No. 013367S

For and on behalf of the Board

Timmayya Hegde
Partner
Membership No. 226267

Asif Khader
Director

Mueed Khader
Director

Bangalore
May 28, 2014

Bangalore
May 28, 2014

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2014 (Amount In Rupees)

PARTICULARS	Note No.	March 31, 2014	March 31, 2013
Income from operations	2.11	26,844,456	18,281,153
Other income	2.12	469,891	221,816
Total Revenue		**27,314,347**	**18,502,969**
Expenses :			
Cost of components, licence and software	2.13	8,605,002	5,675,821
Employee benefits expense	2.14	10,257,456	10,109,633
Finance costs	-	698,427	108,813
Depreciation and amortisation expense	2.15	243,995	243,995
Other expenses	2.16	6,207,105	1,217,876
Total Expenses		**26,011,985**	**17,356,138**
Profit/(loss) before exceptional and extraordinary items and tax		**1,302,362**	**1,146,831**
Exceptional items		-	-
Profit/(Loss) before extraordinary items and tax		**1,302,362**	**1,146,831**
Extraordinary items		-	-
Profit before Tax		**1,302,362**	**1,146,831**
Tax expense:			
(1) Current tax			-
(2) Deferred tax		-	(3,343,454)
Income tax relating to earlier year		-	279,514
Profit/(Loss) for the year from continuing operations		**1,302,362**	**4,210,771**
Profit/(Loss) for the period		**1,302,362**	**4,210,771**
Earnings per share:			
(1) Basic		11	10
(2) Diluted		11	10
Notes 2.11 to 2.16 form an integral part of Profit and Loss Account			

As per our report of even date
For Sethia Prabhad Hegde & Co
Chartered Accountants
Firm Registration No. 013367S

For and on behalf of the Board

Timmayya Hegde
Partner
Membership No. 226267

Asif Khader
Director

Mueed Khader
Director

Bangalore
May 28, 2014

Bangalore
May 28, 2014

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

SIGNIFICANT ACCOUNTING POLICIES

1 Basis of preparation of financial statements

The financial statements are prepared and presented in accordance with the Indian Generally Accepted Accounting Principles ("GAAP") under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards issued by the Institute of Chartered Accountants of India (ICAI), Companies (Accounting Standards) Rules, 2006 and guidelines issued by the Securities and Exchange Board of India.

Preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates & assumptions that affect the reported balance of assets & liabilities and disclosures relating to contingent assets & liabilities as on the date of financial statement and reported amounts of income & expenditure during the period. Actual results could differ from these estimates, differences if any between the actual results and estimates are recognized in the period in which the results are known or materialized.

Presentation and disclosure of financial statements during the year ended March 31, 2014 the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the Company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed by the Company for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

All the assets and liabilities have been classified as current or non-current as per Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956.

2 Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Significant estimates used by the management in the preparation of these financial statements include classification of assets and liabilities into current and non-current, estimates of the economic useful lives of fixed assets, provisions for bad and doubtful debts. Any revision to accounting estimates is recognized prospectively.

3 Revenue recognition

(i) Revenue from sale of products is recognized, in accordance with the sales contract, on delivery of goods to the customer. Revenue from product sales are shown net of taxes.

(ii) Revenue on software development services comprises revenue priced on a time and material and fixed-price contracts. Revenue priced on a time and material contracts are recognized as related services are performed. Revenue from fixed-price, fixed time-frame contracts is recognized in accordance with the percentage of completion method.

(iii) Revenue from technical service, training, support and other services is recognized as the related services are performed over the duration of the contract/course.

(iv) Dividend is recognized when the right to receive the dividend is established at the balance sheet date.

4 Fixed assets and capital work-in-progress

(i) Fixed Assets are stated at historical cost less accumulated depreciation. Cost includes all expenses incurred to bring the assets to its present location and condition.

(ii) Interest on borrowed money allocated to and utilized for fixed assets, pertaining to the period up to the date the fixed asset is ready for its intended use, is capitalized.

5 Intangible assets

(i) All intangible assets are stated at cost less accumulated amortization.

(ii) The cost of acquired intangible assets is the consideration paid for acquisition and other incidental costs incurred to bring the intangible asset for its intended use.

(iii) Internally generated intangible assets are valued at cost which were incurred during the development phase of intangibles which comprises of expenditure on materials and services used or consumed, salaries and other employment related cost of personnel engaged in development of intangible asset, other direct expenditures and overheads that are necessary for the generation of the intangible asset and that can be allocated on a reasonable basis.

(iv) Interest on borrowed money allocated to and utilized for intangible assets, pertaining to the period up to the date the intangible asset is ready for its intended use, is capitalized in accordance with Accounting Standard-16.

(v) Amount paid towards the acquisition of intangible assets, which is not put to use as at reporting date and the cost of intangible assets not ready for its intended use before such date is disclosed under capital work-in-progress.

6 Depreciation and amortization

(i) Depreciation has been provided on straight line method at the rates prescribed under Schedule XIV of the Companies Act, 1956. In respect of assets purchased / sold during the year, depreciation is charged on a pro-rata basis.

(ii) The management estimates the useful life of customized software/commercial rights procured for specific application as three years and accordingly amortizes over their estimated useful life on a straight line basis.

(iii) Depreciation on individual low cost assets (costing less than Rs. 5,000) is provided for in full in the year of purchase irrespective of date of installation.

(iv) Other Intangible assets are amortized over their respective individual estimated useful life on a straight-line basis, commencing from the date the asset is available to the Company for its use.

(v) After recognition of impairment loss, the depreciation charge for the asset is on the revalued amount prospectively over the remaining useful life of the asset.

7 Impairment of assets

The Company assesses at each balance sheet date using internal and external sources, whether there is any indication that an asset (both tangible and intangible) may be impaired more than of a temporary nature. If any such indications exist, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs to is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

8 Inventories

The Companies inventories comprises of raw material, work in progress and finished hardware products which are valued at cost or net realizable value, whichever is lower. The cost formula used is specific identification basis. Net realizable value is the estimated selling price in ordinary course of business, less estimated cost of completion and estimated cost necessary to make the sale. The cost of inventories is net of VAT credit.

9 Effect of exchange fluctuation on foreign currency transactions

(i) Foreign currency transactions are recorded at the exchange rate prevailing on the date of the transaction.

(ii) Exchange differences are recorded when the amount actually received on sales or actually paid when the expenditure is incurred, is converted into Indian rupees.

(iii) Exchange differences arising on foreign currency transactions are recognized as income or expense in the period in which they arise.

(iv) Period-end balances of monetary foreign currency assets and liabilities are translated at the closing rate. The resulting exchange difference is recognized in the statement of profit and loss.

(v) Non - monetary assets & liabilities are translated at the rate prevailing on the date of transaction.

(vi) Foreign currency translation differences relating to liabilities incurred for acquiring fixed assets are recognized in statement of profit and loss.

10 Employee benefits

(i) The short-term employee benefits such as salaries and paid leave is debited to expense as and when an employee has rendered services in exchange for these benefits.

11 Income tax/ deferred tax

(i) Current tax is calculated in accordance with the relevant tax regulations.

(ii) Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences that result between the profit offered for income taxes and the profit as per the financial statements. Deferred tax in respect of timing difference which originate during the tax holiday period but reverse after the tax holiday period is recognized in the year in which the timing difference originate. For this purpose the timing difference which originates first is considered to reverse first. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the statement of profit and loss in the year of charge. Deferred tax assets on timing differences are recognized only if there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets are reassessed for the appropriateness of their respective carrying values at each balance sheet dates.

(iii) Minimum Alternative Tax (MAT) paid in accordance to the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax after the tax holiday period. Accordingly, MAT is recognized as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the Company and the asset can be measured reliably.

(iv) Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance taxes paid and income tax provisions arising in the same tax jurisdiction.

(v) The Company offsets deferred tax assets and deferred tax liabilities relating to taxes on income levied by the same governing taxation laws.

12 Provisions and contingent liabilities

The Company creates a provision when there is a present obligation as a result of an obligating event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

13 Earnings per Share

(i) Basic earnings per share is calculated by dividing the net earnings available to the equity shareholders by the weighted average number of equity shares outstanding during the year.

(ii) Diluted earnings per share is calculated by dividing the net earnings available to existing and potential equity shareholders by aggregate of the weighted average number of equity shares considered for deriving basic earnings per share. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date.

14 Leases

(i) Lease arrangements where substantial risk and rewards incidental to ownership vests with the lessor, such leases are recognized as operating leases.

(ii) Lease payments under operating lease are recognized as an expense in the statement of profit and loss.

15 Derivative instruments and hedge accounting

The Company uses foreign currency forward contracts and currency options to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. The Company designates these hedging instruments as cash flow hedges applying the recognition and measurement principles set out in the Accounting Standard 30 "Financial Instruments: Recognition and Measurement" (AS-30).

The use of hedging instruments is governed by the Company’s policies approved by the board of directors, which provide written principles on the use of such financial derivatives consistent with the Company’s risk management strategy.

Hedging instruments are initially measured at fair value, and are remeasured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognized directly in shareholders’ funds and the ineffective portion is recognized immediately in the statement of profit and loss.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognized in the statement of profit and loss as they arise.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time for forecasted transactions, any cumulative gain or loss on the hedging instrument recognized in shareholders’ funds is retained there until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognized in shareholders’ funds is transferred to the statement of profit and loss for the period.

However, the Company has no outstanding hedged transaction nor entered into any hedging transaction during the year.

NOTES ON ACCOUNTS

FOR THE YEAR ENDED MARCH 31, 2014

The previous year figures have been regrouped / reclassified, wherever necessary to conform to the current year presentation.

2.1 SHARE CAPITAL

a) Break-up of shares (Amount in Rupees)

PARTICULARS	As at 31.3.2014	At at 31.3.2013
AUTHORISED		
2,00,000 Equity Shares of Rs. 10/- each	2,000,000	2,000,000
ISSUED, SUBSCRIBED AND FULLY PAID-UP		
1,20,000 Equity Shares of Rs. 10/- each fully paid up	1,200,000	1,200,000
	1,200,000	**1,200,000**

The Company has only one class of shares referred to as equity shares having a par value of Rs.10/-. Each holder of equity shares is entitled to one vote per share held.

The Company declares and pays dividend in Indian rupees. The Board of Directors have not proposed any dividend during the year. Dividend declared if any, if approved by the Shareholders, is payable to the shareholders in proportion to their shareholding. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

b) Reconciliation of number of shares

Equity Shares	As at 31.3.2014		As at 31.3.2013	
	Number of Shares	Amount (in Rs.)	Number of Shares	Amount (in Rs.)
Balance as at the beginning of the previous year	1,20,000	1,200,000	1,20,000	1,200,000
Add: Shares issued during the year	-	-	-	-
Balance as at the end of the year	**1,20,000**	**1,200,000**	**1,20,000**	**1,200,000**

Neither shares are reserved for issue under options nor securities have been issued, which are convertible into equity / preference shares in future as on the date of balance sheet.

c) Details of Shares held by shareholders, holding more than 5% of the aggregate shares in the Company

Name of the Share Holder	As at 31-3-2014		As at 31-3-2013	
	No. of Shares	% of Share holding	No. of Shares	% of Share holding
Cranes Software International Limited	1,20,000	100%	1,20,000	100%

No shares have been allotted as fully paid up, by way of bonus shares during 5 years immediately preceeding March 31, 2012.

2.2 RESERVES AND SURPLUS

(Amount in Rupees)

PARTICULARS	As at 31.3.2014	As at 31.3.2013
Surplus in statement of profit and loss		
Opening balance	(5,948,695)	(10,159,467)
Profit for the year	1,302,362	4,210,772
Amount available for appropriation	(4,646,333)	(5,948,695)
Balance as at the end of the year	**(4,646,333)**	**(5,948,695)**

2.3 DEFERRED TAXES ASSET (NET)

(Amount in Rupees)

PARTICULARS	As at 31.3.2014	At at 31.3.2013
Deferred tax asset	3,564,454	3,564,454
Attributable to carried forward losses	-	-
Attributable to expenses allowable when paid	-	-
TOTAL	**3,564,454**	**3,564,454**

2.4 LONG TERM PROVISIONS

(Amount in Rupees)

PARTICULARS	As at 31.3.2014	At at 31.3.2013
Gratuity obligation	1,170,684	1,170,684
Accrued leave liability	431,908	431,908
TOTAL	**1,602,592**	**1,602,592**

2.5 SHORT TERM BORROWINGS

(Amount in Rupees)

PARTICULARS	As at 31.3.2014	At at 31.3.2013
Unsecured Loan		
From related parties	2,201,854	7,463,448
TOTAL	**2,201,854**	**7,463,448**
Trade payables	820,723	665,670
Refer note: (reg. micro, small and medium enterprises)		
TOTAL	**820,723**	**665,670**

2.6 OTHER CURRENT LIABILITIES

(Amount in Rupees)

PARTICULARS	As at 31.3.2014	At at 31.3.2013
Current maturities of long term debt :		
Statutory dues (including provident fund, withholding and other taxes payable)	6,449,479	3,745,779
Employee related liabilities	6,534,277	6,741,912
Advance received from customers	294,317	513,567
TOTAL	**13,278,073**	**11,001,258**

2.7 LONG TERM LOANS AND ADVANCES

(Amount in Rupees)

PARTICULARS	As at 31.3.2014	At at 31.3.2013
Unsecured, considered good		
Security deposits	7,495	7,495
TOTAL	**7,495**	**7,495**

2.8 TRADE RECEIVABLES

(Amount in Rupees)

PARTICULARS	As at 31.3.2014	At at 31.3.2013
Unsecured, considered good		
Outstanding for a period exceeding six months from the date they are due for payment	1,475,246	4,736,021
From related party	2,461,750	2,461,750
TOTAL	**3,936,996**	**7,197,771**

2.9 CASH AND BANK BALANCES

(Amount in Rupees)

PARTICULARS	As at 31.3.2014	At at 31.3.2013
Cash and cash equivalents		
Cash on hand	834	16,048
Bank balances :		
In current account	78,139	705,489
In deposit account (margin money)	5,063,540	2,346,225
TOTAL	**5,142,513**	**3,067,762**

2.10 SHORT TERM LOANS AND ADVANCES

(Amount in Rupees)

PARTICULARS	As at 31.3.2014	At at 31.3.2013
Unsecured, considered good		
Advance income tax (net of provision)	534,315	631,660
Other advances	-	-
TOTAL	**534,315**	**631,660**

2.11 INCOME FROM OPERATION

(Amount in Rupees)

PARTICULARS	For the year 31.3.2014	For the year 31.3.2013
(a) Sale of hardware (domestic)	22,099,339	14,001,835
(b) Export sales	1,503,117	1,256,806
(c) Software consultancy	3,242,000	3,022,512
TOTAL	**26,844,456**	**18,281,153**

2.12 OTHER INCOME

(Amount in Rupees)

PARTICULARS	For the year 31.3.2014	For the year 31.3.2014
(a) Interest received from FD	251,711	144,429
(b) Miscellaneous income	218,180	77,387
TOTAL	**469,891**	**221,816**

2.13 COST OF COMPONENTS, LICENCE AND SOFTWARE

(Amount in Rupees)

PARTICULARS	For the year 31.3.2014	For the year 31.3.2013
Components for projects	5,822,115	3,998,655
Assembling charges	1,530,684	753,274
Design charges	468,288	553,024
Customs and freight	783,915	370,868
TOTAL	**8,605,002**	**5,675,821**

2.14 EMPLOYEE BENEFIT EXPENSES

(Amount in Rupees)

PARTICULARS	For the year 31.3.2014	For the year 31.3.2013
Salaries, wages and bonus	10,083,508	9,754,099
Contribution to provident and other funds	141,669	323,429
Staff welfare expenses	32,279	32,105
TOTAL	**10,257,456**	**10,109,633**

2.15 DEPRECIATION AND AMORTISATION EXPENSES

(Amount in Rupees)

PARTICULARS	For the year 31.3.2014	For the year 31.3.2013
Depreciation on tangible assets	243,995	243,995
Amortisation on intangible assets	-	-
TOTAL	**243,995**	**243,995**

2.16 OTHER EXPENSES

(Amount in Rupees)

PARTICULARS	For the year 31.3.2014	For the year 31.3.2013
Repairs and maintenance - others	318,369	1,100
Rates and taxes	13,866	48,021
Travelling and conveyance	1,205,375	222,273
Statutory auditors : Audit fees	33,708	39,326
Professional charges	2,194,208	55,000
Postage and courier	13,719	6,087
Exchange loss	(64,671)	3,437
Printing and stationary	277,300	20,074
Telephone expenses	583,220	44,065
Marketing expenses	187,321	13,575
Bad debts written off	-	-
Miscellaneous expenses	1,444,690	764,918
TOTAL	**6,207,105**	**1,217,876**

2.17 CONTINGENT LIABILITIES AND COMMITMENTS (to the extent not provided for)

(Amount in Rupees)

PARTICULARS	For the year 31.3.2014	For the year 31.3.2013
Claims against the Company not acknowledged as debts		
(a) Guarantees and counter guarantee	5,063,540	1,635,100
TOTAL	**5,063,540**	**1,635,100**

2.18 CIF VALUE OF IMPORTS

(Amount in Rupees)

PARTICULARS	For the year 31.3.2014	For the year 31.3.2013
Components and spare parts	3,890,842	685,661
TOTAL	3,890,842	**685,661**

2.19 EARNINGS IN FOREIGN CURRENCY

(Amount in Rupees)

PARTICULARS	For the year 31.3.2014	For the year 31.3.2013
Revenue from exports on FOB basis	1,503,117	2,857,608
TOTAL	**1,503,117**	**2,857,608**

2.20 EARNINGS PER SHARE

PARTICULARS	For the year 31.3.2014		For the year 31.3.2013	
	Before Extraordinary Items	After Extraordinary Items	Before Extraordinary Items	After Extraordinary Items
(a) Basic / Diluted				
Profit / (loss) after tax (in Rs.)	1,302,362	1,302,362	1,146,832	1,146,832
Weighted average number of shares outstanding	120,000	120,000	120,000	120,000
Basic EPS (in Rs.)	10.85	10.85	9.56	9.56
Face value per share (in Rs.)	10	10	10	10

OTHER DISCLOSURES

2.21 RELATED PARTY TRANSACTIONS

(Amount in Rupees)

PARTICULARS	For the year 31.3.2014		For the year 31.3.2013	
	Holding Company	Other Related Parties	Holding Company	Other Related Parties
Receivables as on 31-3-2014	2,461,750	-	2,461,750	420,650
Payables as on 31-3-2014	2,201,854	-	7,463,448	32,067

NAME OF THE RELATED PARTIES AND DESCRIPTION OF RELATIONSHIP

Holding Company	Cranes Software International Limited
Key Management Personnel	Mr. Asif Khader Mr. Mueed Khader
Other Related Parties	-

2.22 DUES TO MICRO AND SMALL ENTERPRISES

Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	Nil	Nil
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	Nil	Nil
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	Nil	Nil
Interst paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	Nil	Nil
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	Nil	Nil

Interest due and payable towards suppliers registered under MSMED Act, for payments already made.	Nil	Nil
Further Interest remaining due and payable for earlier years.	Nil	Nil

As per our report of even date
For Sethia Prabhad Hegde & Co
Chartered Accountants
Firm Registration No. 013367S

For and on behalf of the Board

Timmayya Hegde
Partner
Membership No. 226267

Asif Khader
Director

Mueed Khader
Director

Bengaluru
May 28, 2014

Bengaluru
May 28, 2014

2.23 FIXED ASSETS

(Amount in Rupees)

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK	
	Cost of Assets as on 1-4-2013	Additions/ (Deletions)	Total as on 31-3-2014	Rate %	Upto 01-04-2013	For the Year	Total 31-03-2014	As on 31-03-2014	As on 31-03-2013
Furniture & Fixtures	2,345,325	-	2,345,325	6.33%	1,514,868	148,459	1,663,327	681,998	830,457
Plant and Machinery	1,014,314	-	1,014,314	4.75%	583,462	48,180	631,642	382,672	430,852
Computers	3,803,533	-	3,803,533	16.21%	3,803,533	-	3,803,533	-	-
Electrical Fittings	264,196	-	264,196	4.75%	264,196	-	264,196	-	-
Software and Manual	2,011,289	-	2,011,289	16.21%	2,011,289	-	2,011,289	-	-
Motor Car	431,800	-	431,800	9.50%	218,779	41,021	259,800	172,000	213,021
Office Equipments	133,373	-	133,373	4.75%	92,572	6,335	98,907	34,466	40,801
TOTAL	**10,003,830**	**-**	**10,003,830**	**-**	**8,488,699**	**243,995**	**8,732,694**	**1,271,136**	**1,515,131**
Previous Year	10,003,830	-	10,003,830	-	8,244,704	243,995	8,488,699	1,515,131	1,759,126

ESQUBE COMMUNICATION SOLUTIONS PRIVATE LIMITED

FINANCIAL STATEMENTS 2013 - 2014

REPORT OF THE BOARD OF DIRECTORS

To,
The Members of
Esqube Communication Solutions Private Limited,

Your Directors are pleased to present their 11th Annual Report together with the accounts for the year ended March 31, 2014.

Review of Operations

The Company was able to record a turnover of Rs. 5.68 lakhs during the year under review compared to Rs. 13.26 lakhs during the previous year. The Net Profit /(Loss) for the year was Rs. (4.09) lakhs, compared to a profit / (loss) of Rs. (2.55) lakhs during the previous year.

Deposits

Your Company has not accepted deposits from the public during the current year

Conservation of Energy

The operations of the Company are not energy intensive.

Research & Development Activities

No technology indigenous or imported has yet been acquired at any point of time by the Company. Hence disclosure of particulars with regard to this does not arise.

Foreign Exchange Earnings & Outgo

The foreign exchange earnings during the year amounted to Rs. Nil and foreign exchange outgo during the year amounted to Rs. Nil.

Employees

Your Directors wish to register their deep & sincere appreciation for the services rendered by the employees of your Company.

The particulars of employees as per Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees), Rules 1975 are not applicable since none of the employees earn remuneration exceeding the amounts specified therein.

Directors' Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956, the directors hereby confirm that they have:

i. Followed the applicable Accounting Standards in the preparation of the annual accounts;

ii. Selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profits of the Company for the year under review;

iii. Taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and detecting fraud and other irregularities;

iv. Prepared the accounts for the financial year on a 'Going Concern' basis.

AUDITORS

The Company's Auditors, M/s Sethia Prabhad Hegde and Co., Chartered Accountants, retire at the ensuing annual general meeting and are eligible for re-appointment. The declaration under Section 224(1)(B) of the Companies Act, 1956, has been received from them.

For and on behalf of the Board

Bangalore	**Asif Khader**	**Mueed Khader**
August 29, 2014	Director	Director

INDEPENDENT AUDITORS' REPORT

To
The Members of
Esqube Communication Solutions Private Limited,

We have audited the accompanying financial statements of **Esqube Communication Solutions Private Limited,** which comprise the Balance Sheet as at March 31st, 2014, and the Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956, read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India.This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;

b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:

    a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

    b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books

    c) the Balance Sheet and Statement of Profit and Loss, dealt with by this Report are in agreement with the books of account.

    d) in our opinion, the Balance Sheet and Statement of Profit and Loss, comply with the Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act, 1956;

e) On the basis of the written representations received from the directors as on 31st March 2014, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being re-appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956;

For **SETHIA PRABHAD HEGDE & CO**
Chartered Accountants
Firm Registration No. 013367S

Timmayya Hegde
Partner
Membership No.226267

Bangalore
28th May, 2014

ANNEXURE TO THE AUDITORS' REPORT
(Referred to in paragraph 3 of our report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All the Fixed Assets have not been physically verified by the management during the year but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No Material discrepancies were noticed on such verification.

(c) The Company has not disposed off substantial part of fixed assets during the year, and therefore, do not affect the going concern assumption.

(ii) (a) The Company has no inventory during the year and hence provisions of clause (ii) of Para (4) of Companies (Auditor's Report) Order, 2003(as amended) are not applicable.

(iii) The Company has not granted/taken any loans, secured or unsecured, to/from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. In view of the above, clause 4 (iii) (b),(c),(d),(e),(f) and (g) are not applicable.

(iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in the internal control system.

(v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of all contracts and arrangements referred to in section 301 of the Companies Act, 1956, have been entered into the register required to be maintained under that section.

(b) In our opinion and according to the information and explanations given to us, the contracts and arrangements entered in the register maintained under section 301 of the Companies Act, 1956, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

(vi) The Company has not accepted any deposit from the public and as such the provisions of clause 4(vi) of the said Order are not applicable.

(vii) In our opinion the Company has an in house internal audit system commensurate with the size and nature of the Business.

(viii) The Central Government has not prescribed the maintenance of cost records as required under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956.

(ix) (a) According to the information and explanations given to us, undisputed statutory dues including Provident Fund, Employees' State Insurance, Sales-tax, Wealth-tax, Custom duty and Cess have generally been regularly deposited during the year by the Company with the appropriate authorities, except in the below cases which is still due for payment

Name of the Statute	Nature of dues	Amount ot be deposited
Income Tax Act	Withholding Taxes	1,09,316
Service Tax	Service Tax	6,18,740

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Wealth Tax, Customs duty, Sales tax and Cess were in arrears as at 31st March 2014 for a period of more than six months from the date they became payable except in the below cases which is still due for payment:

Name of the Statute	Nature of dues	Amount ot be deposited
Income Tax Act	Withholding Taxes	1,09,316
Service Tax	Service Tax	5,76,781

(c) According to the information and explanations given to us, there are no dues of Sales tax, Service tax, Income tax, Customs duty, Wealth-tax and Cess with the appropriate authorities which have not been deposited on account of any dispute.

(x) The Company has incurred cash losses in the financial year and its accumulated losses are more than 50% of its net worth at the end of the financial year.

(xi) The Company has not defaulted in repayment of dues to any financial institution and banks and there are no dues to debenture holders as at the balance sheet date.

(xii) According to information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion, and according to the information and explanations given to us, the Company is not a chit fund or a nidhi /mutual benefit fund/society.

(xiv) In our opinion, and according to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.

(xv) In our opinion and according to information and explanations given to us, and as per our examination of relevant records, the Company has not given any guarantee for loans taken by others from banks or financial institutions.

(xvi) The Company has not borrowed any term loan during the year and hence the provisions of clause 4 (xvi) of the said Order are not applicable.

(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.

(xviii) During the year the Company has not made any preferential allotment of shares to a Companies/firms/ parties covered in the register maintained under section 301 of the Companies Act, 1956.

(xix) During the period, the Company has not raised any funds by issue of debentures during the year.

(xx) The Company has not raised any monies by way of public issue during the year.

(xxi) During the course of our examination of the books of accounts carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For **SETHIA PRABHAD HEGDE & CO**
Chartered Accountants
Firm Registration No. 013367S

Timmayya Hegde
Partner
Membership No.226267

Bangalore
28th May, 2014

BALANCE SHEET

AS AT MARCH 31, 2014 (Amount In Rupees)

PARTICULARS	Note No.	March 31, 2014	March 31, 2013
I EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2.1	117,650	117,650
(b) Reserves and surplus	2.2	(5,994,392)	(5,584,762)
2 Non-current liabilities			
(a) Long-term provisions	2.3	208,898	225,861
3 Current liabilities			
(a) Short-term borrowings	2.4	24,204,658	24,029,980
(b) Trade payables	2.5	780,463	805,351
(c) Other current liabilities	2.6	2,482,877	2,451,920
TOTAL		**21,800,155**	**22,046,001**
II ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets		-	-
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
(b) Deferred tax assets (net)	2.7	95,000	95,000
(c) Long-term loans and advances	2.8	10,000	10,000
(d) Other non-current assets	2.9	19,230,680	19,230,680
2 Current assets			
(a) Trade receivables	2.10	2,129,005	2,267,023
(b) Cash and cash equivalents	2.11	6,260	66,445
(c) Short-term loans and advances	2.12	329,210	376,853
TOTAL		**21,800,155**	**22,046,001**

Notes 2.1 to 2.12 form an integral part of Balance Sheet

As per our report of even date
For Sethia Prabhad Hegde & Co
Chartered Accountants
Firm Registration No. 013367S

For and on behalf of the Board

Timmayya Hegde
Partner
Membership No. 226267

Asif Khader
Director

Mueed Khader
Director

Bangalore
May 28, 2014

Bangalore
May 28, 2014

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2014 (Amount In Rupees)

PARTICULARS	Note No.	March 31, 2014	March 31, 2013
Income - software consultancy		565,303	1,323,155
Other income	2.13	3,239	2,666
Total Revenue		**568,542**	**1,325,821**
Expenses :			
Cost of interest subscription	2.14	233,251	362,809
Employee benefits expense	2.15	703,001	665,629
Depreciation and amortisation expense	2.16	-	270,591
Other expenses	2.17	41,920	290,880
Total Expenses		**978,172**	**1,589,909**
Profit/(Loss) before exceptional and extraordinary items and tax		**(409,630)**	**(264,088)**
Exceptional items		-	-
Profit/(Loss) before extraordinary items and tax		**(409,630)**	**(264,088)**
Extraordinary Items		-	-
Profit / (Loss) before tax		**(409,630)**	**(264,088)**
Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	-
(3) Mat Tax Credit		-	-
Profit/(Loss) for the year from continuing operations		**(409,630)**	**(264,088)**
Income tax relating to earlier year		-	(9,340)
Profit / (Loss) from discontinuing operations		**-**	**-**
Tax expense of discontinuing operations		-	-
Profit / (Loss) from discontinuing operations (after tax)		**-**	**-**
Add: MAT credit entitlement		-	-
Profit/(Loss) for the period		**(409,630)**	**(254,748)**
Earnings per share:			
(1) Basic		(34.82)	(22)
(2) Diluted		(34.82)	(22)

Notes 2.13 to 2.16 form an integral part of Profit and Loss Account

As per our report of even date
For Sethia Prabhad Hegde & Co
Chartered Accountants
Firm Registration No. 013367S

For and on behalf of the Board

Timmayya Hegde
Partner
Membership No. 226267

Asif Khader
Director

Mueed Khader
Director

Bangalore
May 28, 2014

Bangalore
May 28, 2014

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

SIGNIFICANT ACCOUNTING POLICIES

1 Basis of preparation of financial statements

The financial statements are prepared and presented in accordance with the Indian Generally Accepted Accounting Principles ("GAAP") under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards issued by the Institute of Chartered Accountants of India (ICAI), Companies (Accounting Standards) Rules, 2006 and guidelines issued by the Securities and Exchange Board of India.

Preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates & assumptions that affect the reported balance of assets & liabilities and disclosures relating to contingent assets & liabilities as on the date of financial statement and reported amounts of income & expenditure during the period. Actual results could differ from these estimates, differences if any between the actual results and estimates are recognized in the period in which the results are known or materialized.

Presentation and disclosure of financial statements during the year ended March 31, 2014 the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the Company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed by the Company for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

All the assets and liabilities have been classified as current or non-current as per Company’s normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956.

2 Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management’s best knowledge of current events and actions, actual results could differ from these estimates. Significant estimates used by the management in the preparation of these financial statements include classification of assets and liabilities into current and non-current, estimates of the economic useful lives of fixed assets, provisions for bad and doubtful debts. Any revision to accounting estimates is recognized prospectively.

3 Revenue recognition

(i) Revenue from sale of products is recognized, in accordance with the sales contract, on delivery of goods to the customer. Revenue from product sales are shown net of taxes.

(ii) Revenue on software development services comprises revenue priced on a time and material and fixed-price contracts. Revenue priced on a time and material contracts are recognized as related services are performed. Revenue from fixed-price, fixed time-frame contracts is recognized in accordance with the percentage of completion method.

(iii) Revenue from technical service, training, support and other services is recognized as the related services are performed over the duration of the contract/course.

(iv) Dividend is recognized when the right to receive the dividend is established at the balance sheet date.

4 Fixed assets and capital work-in-progress

(i) Fixed Assets are stated at historical cost less accumulated depreciation. Cost includes all expenses incurred to bring the assets to its present location and condition.

(ii) Interest on borrowed money allocated to and utilized for fixed assets, pertaining to the period up to the date the fixed asset is ready for its intended use, is capitalized.

5 Intangible assets

(i) All intangible assets are stated at cost less accumulated amortization.

(ii) The cost of acquired intangible assets is the consideration paid for acquisition and other incidental costs incurred to bring the intangible asset for its intended use.

(iii) Internally generated intangible assets are valued at cost which were incurred during the development phase of intangibles which comprises of expenditure on materials and services used or consumed, salaries and other employment related cost of personnel engaged in development of intangible asset, other direct expenditures and overheads that are necessary for the generation of the intangible asset and that can be allocated on a reasonable basis.

(iv) Interest on borrowed money allocated to and utilized for intangible assets, pertaining to the period up to the date the intangible asset is ready for its intended use, is capitalized in accordance with Accounting Standard-16.

(v) Amount paid towards the acquisition of intangible assets, which is not put to use as at reporting date and the cost of intangible assets not ready for its intended use before such date is disclosed under capital work-in-progress.

6 Depreciation and amortization

(i) Depreciation has been provided on straight line method at the rates prescribed under Schedule XIV of the Companies Act, 1956. In respect of assets purchased / sold during the year, depreciation is charged on a pro-rata basis.

(ii) The management estimates the useful life of customized software/commercial rights procured for specific application as three years and accordingly amortizes over their estimated useful life on a straight line basis.

(iii) Depreciation on individual low cost assets (costing less than Rs. 5,000) is provided for in full in the year of purchase irrespective of date of installation.

(iv) Other Intangible assets are amortized over their respective individual estimated useful life on a straight-line basis, commencing from the date the asset is available to the Company for its use.

(v) After recognition of impairment loss, the depreciation charge for the asset is on the revalued amount prospectively over the remaining useful life of the asset.

7 Impairment of assets

The Company assesses at each balance sheet date using internal and external sources, whether there is any indication that an asset (both tangible and intangible) may be impaired more than of a temporary nature. If any such indications exist, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs to is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

8 Inventories

The Companies inventories comprises of raw material, work in progress and finished hardware products which are valued at cost or net realizable value, whichever is lower. The cost formula used is specific identification basis. Net realizable value is the estimated selling price in ordinary course of business, less estimated cost of completion and estimated cost necessary to make the sale. The cost of inventories is net of VAT credit.

9 Effect of exchange fluctuation on foreign currency transactions

(i) Foreign currency transactions are recorded at the exchange rate prevailing on the date of the transaction.

(ii) Exchange differences are recorded when the amount actually received on sales or actually paid when the expenditure is incurred, is converted into Indian rupees.

(iii) Exchange differences arising on foreign currency transactions are recognized as income or expense in the period in which they arise.

(iv) Period-end balances of monetary foreign currency assets and liabilities are translated at the closing rate. The resulting exchange difference is recognized in the statement of profit and loss.

(v) Non - monetary assets & liabilities are translated at the rate prevailing on the date of transaction.

(vi) Foreign currency translation differences relating to liabilities incurred for acquiring fixed assets are recognized in statement of profit and loss.

10 Employee benefits

(i) The short-term employee benefits such as salaries and paid leave is debited to expense as and when an employee has rendered services in exchange for these benefits.

11 Income tax/ deferred tax

(i) Current tax is calculated in accordance with the relevant tax regulations.

(ii) Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences that result between the profit offered for income taxes and the profit as per the financial statements. Deferred tax in respect of timing difference which originate during the tax holiday period but reverse after the tax holiday period is recognized in the year in which the timing difference originate. For this purpose the timing difference which originates first is considered to reverse first. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the statement of profit and loss in the year of charge. Deferred tax assets on timing differences are recognized only if there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets are reassessed for the appropriateness of their respective carrying values at each balance sheet dates.

(iii) Minimum Alternative Tax (MAT) paid in accordance to the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax after the tax holiday period. Accordingly, MAT is recognized as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the Company and the asset can be measured reliably.

(iv) Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance taxes paid and income tax provisions arising in the same tax jurisdiction.

(v) The Company offsets deferred tax assets and deferred tax liabilities relating to taxes on income levied by the same governing taxation laws.

12 Provisions and contingent liabilities

The Company creates a provision when there is a present obligation as a result of an obligating event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

13 Earnings per Share

(i) Basic earnings per share is calculated by dividing the net earnings available to the equity shareholders by the weighted average number of equity shares outstanding during the year.

(ii) Diluted earnings per share is calculated by dividing the net earnings available to existing and potential equity shareholders by aggregate of the weighted average number of equity shares considered for deriving basic earnings per share. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date.

14 Leases

(i) Lease arrangements where substantial risk and rewards incidental to ownership vests with the lessor, such leases are recognized as operating leases.

(ii) Lease payments under operating lease are recognized as an expense in the statement of profit and loss.

15 Derivative instruments and hedge accounting

The Company uses foreign currency forward contracts and currency options to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. The Company designates these hedging instruments as cash flow hedges applying the recognition and measurement principles set out in the Accounting Standard 30 "Financial Instruments: Recognition and Measurement" (AS-30).

The use of hedging instruments is governed by the Company's policies approved by the board of directors, which provide written principles on the use of such financial derivatives consistent with the Company's risk management strategy.

Hedging instruments are initially measured at fair value, and are remeasured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognized directly in shareholders' funds and the ineffective portion is recognized immediately in the statement of profit and loss.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognized in the statement of profit and loss as they arise.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time for forecasted transactions, any cumulative gain or loss on the hedging instrument recognized in shareholders' funds is retained there until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognized in shareholders' funds is transferred to the statement of profit and loss for the period.

However, the Company has no outstanding hedged transaction nor entered into any hedging transaction during the year.

NOTES ON ACCOUNTS

FOR THE YEAR ENDED MARCH 31, 2014

The previous year figures have been regrouped / reclassified, wherever necessary to conform to the current year presentation.

2.1 SHARE CAPITAL

a) Break-up of shares (Amount in Rupees)

PARTICULARS	As at 31.3.2014	At at 31.3.2013
AUTHORISED		
50,000 Equity Shares of Rs. 100/- each	500,000	500,000
ISSUED, SUBSCRIBED AND FULLY PAID-UP		
11,765 Equity Shares of Rs. 10/- each fully paid up	117,650	117,650
	117,650	**117,650**

The Company has only one class of shares referred to as equity shares having a par value of Rs.10/-. Each holder of equity shares is entitled to one vote per share held.

The Company declares and pays dividend in Indian rupees. The Board of Directors have not proposed any dividend during the year. Dividend declared if any, if approved by the Shareholders, is payable to the shareholders in proportion to their shareholding. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

b) Reconciliation of number of shares

EQUITY SHARES	As at 31.3.2014		As at 31.3.2013	
	Number of Shares	Amount (in Rs.)	Number of Shares	Amount (in Rs.)
Balance as at the beginning of the previous year	11,765	117,650	11,765	117,650
Add: Shares issued during the year	-	-	-	-
Balance as at the end of the year	**11,765**	**117,650**	**11,765**	**117,650**

Neither shares are reserved for issue under options nor securities have been issued, which are convertible into equity / preference shares in future as on the date of balance sheet.

c) Details of Shares held by shareholders, holding more than 5% of the aggregate shares in the Company

NAME OF THE SHARE HOLDERS	As at 31-3-2014		As at 31-3-2013	
	No. of Shares	% of Share holding	No. of Shares	% of Share holding
Cranes Software International Limited	8,941	76%	8,941	76%
K V S Hari	1,767	15%	1,767	15%
H S Jamadagni	717	6%	717	6%

2.2 RESERVES AND SURPLUS

(Amount in Rupees)

PARTICULARS			As at 31.3.2014	As at 31.3.2013
(a)	**Securities premium account**			
	Opening balance		9,982,350	9,982,350
	Add: Receipt on issue of securities		-	-
	Balance as at the end of the year	**A**	**9,982,350**	**9,982,350**
(b)	**Surplus in statement of profit and loss**			
	Opening balance		(15,567,112)	(15,312,364)
	Loss for the year		(409,630)	(254,748)
	Amount available for appropriation		(15,976,742)	(15,567,112)
	Balance as at the end of the year	**B**	**(15,976,742)**	**(15,567,112)**
		TOTAL (A+B)	**(5,994,392)**	**(5,584,762)**

2.3 LONG TERM PROVISIONS

(Amount in Rupees)

PARTICULARS	As at 31.3.2014	At at 31.3.2013
Gratuity obligation (refer note)	176,883	195,611
Leave encashment	32,015	30,250
TOTAL	**208,898**	**225,861**

2.4 SHORT TERM BORROWINGS

(Amount in Rupees)

PARTICULARS	As at 31.3.2014	At at 31.3.2013
Unsecured		
From related parties	24,204,658	24,029,980
TOTAL	**24,204,658**	**24,029,980**

2.5 TRADE PAYABLES

(Amount in Rupees)

PARTICULARS	As at 31.3.2014	At at 31.3.2013
Trade payables	780,463	805,351
Refer note: (reg. micro, small and medium enterprises)		
TOTAL	**780,463**	**805,351**

2.6 OTHER CURRENT LIABILITIES (Amount in Rupees)

PARTICULARS	As at 31.3.2014	At at 31.3.2013
Current maturities of long term debt :		
Statutory dues (including provident fund, withholding and other taxes payable)	898,753	861,188
Other payables	8,810	2,099
Employee related liabilities	1,575,314	1,588,633
TOTAL	**2,482,877**	**2,451,920**

2.7 DEFERRED TAX ASSETS (NET) (Amount in Rupees)

PARTICULARS	As at 31.3.2014	At at 31.3.2013
Deferred Tax Asset	95,000	95,000
TOTAL	**95,000**	**95,000**

2.8 LONG TERM LOANS AND ADVANCES (Amount in Rupees)

PARTICULARS	As at 31.3.2014	At at 31.3.2013
Unsecured, considered good		
Security deposits	10,000	10,000
TOTAL	**10,000**	**10,000**

2.9 OTHER NON CURRENT ASSETS (Amount in Rupees)

PARTICULARS	As at 31.3.2014	At at 31.3.2013
Unamortized expenses	19,230,680	19,230,680
TOTAL	**19,230,680**	**19,230,680**

2.10 TRADE RECEIVABLES (Amount in Rupees)

PARTICULARS	As at 31.3.2014	At at 31.3.2013
Unsecured, considered good		
Outstanding for a period exceeding six months from the date they are due for payment	1,792,967	1,792,967
Others	336,038	474,056
TOTAL	**2,129,005**	**2,267,023**

2.11 CASH AND BANK BALANCES (Amount in Rupees)

PARTICULARS	As at 31.3.2014	At at 31.3.2013
Bank balances :		
In current account	6,260	66,445
TOTAL	**6,260**	**66,445**

2.12 SHORT TERM LOANS AND ADVANCES (Amount in Rupees)

PARTICULARS	As at 31.3.2014	At at 31.3.2013
Unsecured, considered good		
Balances with group Companies	-	-
Advance income tax (net of provision)	329,210	376,853
Prepaid expenses	-	-
TOTAL	**329,210**	**376,853**

2.13 OTHER INCOME (Amount in Rupees)

PARTICULARS	For the year 31.3.2014	For the year 31.3.2013
Miscellaneous income	3,239	2,666
TOTAL	**3,239**	**2,666**

2.14 COST OF INTERNET SUBSCRIPTION (Amount in Rupees)

PARTICULARS	For the year 31.3.2014	For the year 31.3.2013
Internet and e-mail charges	233,251	362,809
TOTAL	**233,251**	**362,809**

2.15 EMPLOYEE BENEFIT EXPENSES (Amount in Rupees)

PARTICULARS	For the year 31.3.2014	For the year 31.3.2013
Salaries, wages and bonus	625,564	625,131
Contribution to provident and other funds	77,437	40,498
TOTAL	**703,001**	**665,629**
(Refer note: on disclosure requirement as per Accounting Standard 15 on employee benefits)		

2.16 DEPRECIATION AND AMORTISATION EXPENSES (Amount in Rupees)

PARTICULARS	For the year 31.3.2014	For the year 31.3.2013
Depreciation on tangible assets	-	223,231
Amortisation on intangible assets	-	47,360
TOTAL	**-**	**270,591**

2.17 OTHER EXPENSES

(Amount in Rupees)

PARTICULARS	For the year 31.3.2014	For the year 31.3.2013
Repairs and maintenance - others	22,566	-
Rates and taxes	2,500	2,800
Statutory auditors : Audit fees	16,854	15,000
Professional charges	-	15,000
Miscellaneous expenses	-	15,188
Sundry balances written off	-	242,892
TOTAL	**41,920**	**290,880**

2.18 EARNINGS PER SHARE

PARTICULARS	For the year 31.3.2014		For the year 31.3.2013	
	Before Extraordinary Item	After Extraordinary Items	Before Extraordinary Items	After Extraordinary Items
Basic / Diluted				
Profit / (loss) after tax (in Rs.)	(409,630)	(409,630)	(264,088)	(264,088)
Weighted average number of shares outstanding	11,765	11,765	11,765	11,765
Basic EPS (in Rs.)	(35)	(35)	(22)	(22)
Nominal value per share (in Rs.)	10	10	10	10

OTHER DISCLOSURES

2.19 RELATED PARTY TRANSACTIONS

PARTICULARS	For the year 31.3.2014		For the year 31.3.2013	
	Holding Company	Other Related Parties	Holding Company	Other Related Parties
Balance as on 31.03.14 receivable	-	-	-	-
Balance as on 31.03.14 payable	23,653,178	-	23,478,500	-

NAME OF THE RELATED PARTIES AND DESCRIPTION OF RELATIONSHIP

Holding Company	Cranes Software International Limited
Key Management Personnel	Mr. Asif Khader Mr. Mueed Khader

2.20 DUES TO MICRO AND SMALL ENTERPRISES

Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	Nil	Nil
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	Nil	Nil
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	Nil	Nil
Interst paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	Nil	Nil
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	Nil	Nil
Interest due and payable towards suppliers registered under MSMED Act, for payments already made.	Nil	Nil
Further interest remaining due and payable for earlier years.	Nil	Nil

As per our report of even date
For Sethia Prabhad Hegde & Co
Chartered Accountants
Firm Registration No. 013367S

For and on behalf of the Board

Timmayya Hegde
Partner
Membership No. 226267

Bangalore
May 28, 2014

Asif Khader
Director

Mueed Khader
Director

Bangalore
May 28, 2014

PROLAND SOFTWARE PRIVATE LIMITED

FINANCIAL STATEMENTS
2013 - 2014

REPORT OF THE BOARD OF DIRECTORS

To,
The Members of
Proland Software Private Limited,

Your Directors are pleased to present their 23rd Annual Report together with the accounts for the year ended March 31, 2014.

Review of operations

The Company was able to record a turnover of Rs. 7.86 lakhs during the year under review compared to Rs. 25.63 lakhs during the previous year. The Net Loss for the year was Rs. 36.62 lakhs, compared to a loss of Rs. 9.47 lakhs during the previous year.

Deposits

Your Company has not accepted deposits from the public during the current year

Conservation of energy

The operations of the Company are not energy intensive.

Research & development activities

No technology indigenous or imported has yet been acquired at any point of time by the Company. Hence disclosure of particulars with regard to this does not arise.

Foreign exchange earnings & outgo

The foreign exchange earnings during the year amounted to Rs. 10.33 lakhs and foreign exchange outgo during the year amounted to Rs. NIL.

Employees

Your Directors wish to register their deep & sincere appreciation for the services rendered by the employees of your Company.

The particulars of employees as per Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees), Rules 1975 are not applicable since none of the employees earn remuneration exceeding the amounts specified therein.

Directors' responsibility statement

Pursuant to Section 217(2AA) of the Companies Act, 1956, the directors hereby confirm that they have:

i Followed the applicable Accounting Standards in the preparation of the annual accounts;

ii Selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profits of the Company for the year under review;

iii Taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and detecting fraud and other irregularities;

iv Prepared the accounts for the financial year on a 'Going Concern' basis.

AUDITORS

The Company's Auditors, M/s Sethia Prabhad Hegde and Co., Chartered Accountants, retire at the ensuing annual general meeting and are eligible for re-appointment. The declaration under Section 224(1)(B) of the Companies Act, 1956, has been received from them.

For and on behalf of the Board

Bangalore	**Asif Khader**	**Mueed Khader**
August 29, 2014	Director	Director

INDEPENDENT AUDITORS' REPORT

To
The Members of
Proland Software Private Limited,

We have audited the accompanying financial statements of **Proland Software Private Limited,** which comprise the Balance Sheet as at March 31st, 2014, and the Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956, read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;

b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:

   a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books

   c) the Balance Sheet and Statement of Profit and Loss, dealt with by this Report are in agreement with the books of account.

   d) in our opinion, the Balance Sheet and Statement of Profit and Loss, comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;

e) On the basis of the written representations received from the directors as on 31st March 2014, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being re-appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956;

For **SETHIA PRABHAD HEGDE & CO**
Chartered Accountants
Firm Registration No. 013367S

Timmayya Hegde
Partner
Membership No.226267

Bangalore
28th May, 2014

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All the Fixed Assets have not been physically verified by the management during the year but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No Material discrepancies were noticed on such verification.

(c) The Company has not disposed off substantial part of fixed assets during the year, and therefore, do not affect the going concern assumption.

(ii) (a) The Company has no inventory during the year and hence provisions of clause (ii) of Para (4) of Companies (Auditor's Report) Order, 2003(as amended) are not applicable.

(iii) The Company has not granted/taken any loans, secured or unsecured, to/from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. In view of the above, clause 4 (iii) (b),(c),(d),(e),(f) and (g) are not applicable.

(iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in the internal control system.

(v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of all contracts and arrangements referred to in section 301 of the Companies Act, 1956, have been entered into the register required to be maintained under that section.

(b) In our opinion and according to the information and explanations given to us, the contracts and arrangements entered in the register maintained under section 301 of the Companies Act, 1956, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

(vi) The Company has not accepted any deposit from the public and as such the provisions of clause 4(vi) of the said Order are not applicable.

(vii) In our opinion, the Company has an in house internal audit system commensurate with the size and nature of its business.

(viii) The Central Government has not prescribed the maintenance of cost records as required under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956.

(ix). (a) According to the information and explanations given to us, there have been delays and defaults in depositing of undisputed statutory dues including, Employees' State Insurance, Income Tax, Sales Tax and Profession Tax with the appropriate authorities. As of 31st March, 2014, the following amounts are still to be deposited on account of statutory liabilities:

Name of the Statute	Nature of dues	Amount to be deposited
Commercial Taxes Act	Professional Tax	91,150
Employee State Insurance Act	ESI	64,991
Income Tax Act	Withholding Taxes	1,98,484
Sales Tax / Value Added Tax	Value Added Tax	21,538

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees State Insurance, Income Tax, Wealth Tax, Service Tax, Customs Duty, Sales Tax and Cess were in arrears as at 31st March 2014 for a period of more than six months from the date they became payable except in the below case which is still due for payment:

Name of the Statute	Nature of dues	Amount to be deposited
Commercial Taxes Act	Professional Tax	86,350
Income Tax Act	Withholding Taxes	1,86,031
Sales Tax / Value Added Tax	Value Added Tax	37,138
Employee State Insurance Act	ESI	62,915

(c) According to the information and explanations given to us, there are no dues of Sales tax, Service tax, Income tax, Customs duty, Wealth-tax and Cess with the appropriate authorities which have not been deposited on account of any dispute.

(x) The Company has incurred cash losses during the financial year and in the immediately preceeding financial year. It's accumulated losses are more than 50% of its net worth at the end of the financial year.

(xi) The Company has not defaulted in repayment of dues to any financial institution and banks and there are no dues to debenture holders as at the balance sheet date.

(xii) According to information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion, and according to the information and explanations given to us, the Company is not a chit fund or a nidhi /mutual benefit fund/society.

(xiv) In our opinion, and according to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.

(xv) In our opinion and according to information and explanations given to us, and as per our examination of relevant records, the Company has not given any guarantee for loans taken by others from banks or financial institutions.

(xvi) The Company has not borrowed any term loan during the year and hence the provisions of clause 4 (xvi) of the said Order are not applicable.

(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.

(xviii) During the year the Company has not made any preferential allotment of shares to a Companies/firms/ parties covered in the register maintained under section 301 of the Companies Act, 1956.

(xix) During the period, the Company has not raised any funds by issue of debentures during the year.

(xx) The Company has not raised any monies by way of public issue during the year.

(xxi) During the course of our examination of the books of accounts carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For **SETHIA PRABHAD HEGDE & CO**
Chartered Accountants
Firm Registration No. 013367S

Timmayya Hegde
Partner
Membership No.226267

Bangalore
28th May, 2014

BALANCE SHEET

AS AT MARCH 31, 2014 (Amount In Rupees)

PARTICULARS	Note No.	March 31, 2014	March 31, 2013
I EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2.1	484,000	484,000
(b) Reserves and surplus	2.2	(10,355,446)	(6,693,541)
2 Non-current liabilities			
(a) Long-term borrowings		-	-
(b) Deferred tax liabilities (net)	2.3	165,906	165,906
3 Current liabilities			
(a) Short-term borrowings	2.4	62,449,236	4,141,218
(b) Trade payables	2.5	2,160,526	1,905,590
(c) Other current liabilities	2.6	1,374,267	1,326,635
TOTAL		**56,278,489**	**1,329,808**
II ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	2.7	431,134	709,782
(ii) Intangible assets	2.7	379,984	410,289
(iii) Capital work-in-progress		55,189,631	-
2 Current assets			
(a) Trade receivables	2.8	237,649	130,000
(b) Cash and cash equivalents	2.9	40,091	79,737
TOTAL		**56,278,489**	**1,329,808**

Notes 2.1 to 2.8 and 2.18 form an integral part of Balance Sheet

As per our report of even date
For Sethia Prabhad Hegde & Co
Chartered Accountants
Firm Registration No. 013367S

Timmayya Hegde
Partner
Membership No. 226267

Bangalore
May 28, 2014

For and on behalf of the Board

Asif Khader
Director

Mueed Khader
Director

Bangalore
May 28, 2014

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2014 (Amount In Rupees)

PARTICULARS	Note No.	March 31, 2014	March 31, 2013
Income from sale of software product		756,910	2,550,007
Other income		28,982	12,500
Total Revenue		**785,893**	**2,562,507**
Expenses :			
Cost of software licence and subscriptions & purchase	2.10	3,135,042	2,080,832
Employee benefits expense	2.11	824,590	999,589
Depreciation and amortisation expense	2.12	308,953	308,953
Other expenses	2.13	179,212	120,320
Total Expenses		**4,447,797**	**3,509,694**
Profit before exceptional and extraordinary items and tax		**(3,661,905)**	**(947,186)**
Exceptional items		-	-
Profit before extraordinary items and tax		**(3,661,905)**	**(947,186)**
Extraordinary Items		-	-
Profit before Tax		**(3,661,905)**	**(947,186)**
Tax expense:			
(1) Current tax			
(2) Deferred tax		-	-
Profit for the year from continuing operations		**(3,661,905)**	**(947,186)**
Profit for the period		**(3,661,905)**	**(947,186)**
Earnings per share:			
(1) Basic		(757)	(196)
(2) Diluted		(757)	(196)

Notes 2.9 to 2.12 form an integral part of Profit and Loss Account

As per our report of even date
For Sethia Prabhad Hegde & Co
Chartered Accountants
Firm Registration No. 013367S

For and on behalf of the Board

Timmayya Hegde
Partner
Membership No. 226267

Asif Khader
Director

Mueed Khader
Director

Bangalore
May 28, 2014

Bangalore
May 28, 2014

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

SIGNIFICANT ACCOUNTING POLICIES

1 Basis of preparation of financial statements

The financial statements are prepared and presented in accordance with the Indian Generally Accepted Accounting Principles ("GAAP") under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards issued by the Institute of Chartered Accountants of India (ICAI), Companies (Accounting Standards) Rules, 2006 and guidelines issued by the Securities and Exchange Board of India.

Preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates & assumptions that affect the reported balance of assets & liabilities and disclosures relating to contingent assets & liabilities as on the date of financial statement and reported amounts of income & expenditure during the period. Actual results could differ from these estimates, differences if any between the actual results and estimates are recognized in the period in which the results are known or materialized.

Presentation and disclosure of financial statements during the year ended March 31, 2014 the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the Company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed by the Company for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

All the assets and liabilities have been classified as current or non-current as per Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956.

2 Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Significant estimates used by the management in the preparation of these financial statements include classification of assets and liabilities into current and non-current, estimates of the economic useful lives of fixed assets, provisions for bad and doubtful debts. Any revision to accounting estimates is recognized prospectively.

3 Revenue recognition

(i) Revenue from sale of products is recognized, in accordance with the sales contract, on delivery of goods to the customer. Revenue from product sales are shown net of taxes.

(ii) Revenue on software development services comprises revenue priced on a time and material and fixed-price contracts. Revenue priced on a time and material contracts are recognized as related services are performed. Revenue from fixed-price, fixed time-frame contracts is recognized in accordance with the percentage of completion method.

(iii) Revenue from technical service, training, support and other services is recognized as the related services are performed over the duration of the contract/course.

(iv) Dividend is recognized when the right to receive the dividend is established at the balance sheet date.

4 Fixed assets and capital work-in-progress

(i) Fixed Assets are stated at historical cost less accumulated depreciation. Cost includes all expenses incurred to bring the assets to its present location and condition.

(ii) Interest on borrowed money allocated to and utilized for fixed assets, pertaining to the period up to the date the fixed asset is ready for its intended use, is capitalized.

5 **Intangible assets**

(i) All intangible assets are stated at cost less accumulated amortization.

(ii) The cost of acquired intangible assets is the consideration paid for acquisition and other incidental costs incurred to bring the intangible asset for its intended use.

(iii) Internally generated intangible assets are valued at cost which were incurred during the development phase of intangibles which comprises of expenditure on materials and services used or consumed, salaries and other employment related cost of personnel engaged in development of intangible asset, other direct expenditures and overheads that are necessary for the generation of the intangible asset and that can be allocated on a reasonable basis.

(iv) Interest on borrowed money allocated to and utilized for intangible assets, pertaining to the period up to the date the intangible asset is ready for its intended use, is capitalized in accordance with Accounting Standard-16.

(v) Amount paid towards the acquisition of intangible assets, which is not put to use as at reporting date and the cost of intangible assets not ready for its intended use before such date is disclosed under capital work-in-progress.

6 **Depreciation and amortization**

(i) Depreciation has been provided on straight line method at the rates prescribed under Schedule XIV of the Companies Act, 1956. In respect of assets purchased / sold during the year, depreciation is charged on a pro-rata basis.

(ii) The management estimates the useful life of customized software/commercial rights procured for specific application as 3 years and accordingly amortizes over their estimated useful life on a straight line basis.

(iii) Depreciation on individual low cost assets (costing less than Rs. 5,000) is provided for in full in the year of purchase irrespective of date of installation.

(iv) Other Intangible assets are amortized over their respective individual estimated useful life on a straight-line basis, commencing from the date the asset is available to the Company for its use.

(v) After recognition of impairment loss, the depreciation charge for the asset is on the revalued amount prospectively over the remaining useful life of the asset.

7 **Impairment of assets**

The Company assesses at each balance sheet date using internal and external sources, whether there is any indication that an asset (both tangible and intangible) may be impaired more than of a temporary nature. If any such indications exist, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs to is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

8 **Inventories**

The Companies inventories comprises of raw material, work in progress and finished hardware products which are valued at cost or net realizable value, whichever is lower. The cost formula used is specific identification basis. Net realizable value is the estimated selling price in ordinary course of business, less estimated cost of completion and estimated cost necessary to make the sale. The cost of inventories is net of VAT credit.

9 **Effect of exchange fluctuation on foreign currency transactions**

(i) Foreign currency transactions are recorded at the exchange rate prevailing on the date of the transaction.

(ii) Exchange differences are recorded when the amount actually received on sales or actually paid when the expenditure is incurred, is converted into Indian rupees.

(iii) Exchange differences arising on foreign currency transactions are recognized as income or expense in

the period in which they arise.

(iv) Period-end balances of monetary foreign currency assets and liabilities are translated at the closing rate. The resulting exchange difference is recognized in the statement of profit and loss.

(v) Non - monetary assets & liabilities are translated at the rate prevailing on the date of transaction.

(vi) Foreign currency translation differences relating to liabilities incurred for acquiring fixed assets are recognized in statement of profit and loss.

10 Employee benefits

(i) The short-term employee benefits such as salaries and paid leave is debited to expense as and when an employee has rendered services in exchange for these benefits.

11 Income tax/ deferred tax

(i) Current tax is calculated in accordance with the relevant tax regulations.

(ii) Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences that result between the profit offered for income taxes and the profit as per the financial statements. Deferred tax in respect of timing difference which originate during the tax holiday period but reverse after the tax holiday period is recognized in the year in which the timing difference originate. For this purpose the timing difference which originates first is considered to reverse first. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the statement of profit and loss in the year of charge. Deferred tax assets on timing differences are recognized only if there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets are reassessed for the appropriateness of their respective carrying values at each balance sheet dates.

(iii) Minimum Alternative Tax (MAT) paid in accordance to the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax after the tax holiday period. Accordingly, MAT is recognized as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the Company and the asset can be measured reliably.

(iv) Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance taxes paid and income tax provisions arising in the same tax jurisdiction.

(v) The Company offsets deferred tax assets and deferred tax liabilities relating to taxes on income levied by the same governing taxation laws.

12 Provisions and contingent liabilities

The Company creates a provision when there is a present obligation as a result of an obligating event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

13 Earnings per share

(i) Basic earnings per share is calculated by dividing the net earnings available to the equity shareholders by the weighted average number of equity shares outstanding during the year.

(ii) Diluted earnings per share is calculated by dividing the net earnings available to existing and potential equity shareholders by aggregate of the weighted average number of equity shares considered for deriving basic earnings per share. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date.

14 Leases

(i) Lease arrangements where substantial risk and rewards incidental to ownership vests with the lessor, such leases are recognized as operating leases.

(ii) Lease payments under operating lease are recognized as an expense in the statement of profit and loss.

15 Derivative instruments and hedge accounting

The Company uses foreign currency forward contracts and currency options to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. The Company designates these hedging instruments as cash flow hedges applying the recognition and measurement principles set out in the Accounting Standard 30 "Financial Instruments: Recognition and Measurement" (AS-30).

The use of hedging instruments is governed by the Company's policies approved by the board of directors, which provide written principles on the use of such financial derivatives consistent with the Company's risk management strategy.

Hedging instruments are initially measured at fair value, and are remeasured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognized directly in shareholders' funds and the ineffective portion is recognized immediately in the statement of profit and loss.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognized in the statement of profit and loss as they arise.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time for forecasted transactions, any cumulative gain or loss on the hedging instrument recognized in shareholders' funds is retained there until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognized in shareholders' funds is transferred to the statement of profit and loss for the period.

However, the Company has no outstanding hedged transaction nor entered into any hedging transaction during the year.

NOTES ON ACCOUNTS

FOR THE YEAR ENDED MARCH 31, 2014

The previous year figures have been regrouped / reclassified, wherever necessary to conform to the current year presentation.

2.1 SHARE CAPITAL

a) Break-up of shares (Amount in Rupees)

PARTICULARS	As at 31.3.2014	At at 31.3.2013
AUTHORISED		
5,000 Equity Shares of Rs. 100/- each	500,000	500,000
ISSUED, SUBSCRIBED AND FULLY PAID-UP		
4,840 Equity Shares of Rs. 100/- each fully paid up	484,000	484,000
	484,000	**484,000**

The Company has only one class of shares referred to as equity shares having a par value of Rs.100/-. Each holder of equity shares is entitled to one vote per share held.

The Company declares and pays dividend in Indian rupees. The Board of Directors have not proposed any dividend during the year. Dividend declared if any, if approved by the Shareholders, is payable to the shareholders in proportion to their shareholding. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

b) Reconciliation of number of Shares

Equity Shares	As at 31.3.2014		As at 31.3.2013	
	Number of Shares	Amount (in Rs.)	Number of Shares	Amount (in Rs.)
Balance as at the beginning of the previous year	4,840	484,000	4,840	484,000
Add: Shares issued during the year	-	-	-	-
Balance as at the end of the year	**4,840**	**484,000**	**4,840**	**484,000**

Neither shares are reserved for issue under options nor securities have been issued, which are convertible into equity / preference shares in future as on the date of balance sheet.

c) Details of Shares held by shareholders, holding more than 5% of the aggregate shares in the Company

Name of the Share Holder	As at 31-3-2014		As at 31-3-2013	
	No. of Shares	% of Share holding	No. of Shares	% of Share holding
Cranes Software International Limited	4,840	100%	4,840	100%

2.2 RESERVES AND SURPLUS

(Amount in Rupees)

PARTICULARS	As at 31.3.2014	As at 31.3.2013
Surplus in statement of profit and loss		
Opening balance	(6,693,541)	(5,746,355)
Loss for the year	(3,661,905)	(947,186)
Amount available for appropriation	(10,355,446)	(6,693,541)
Balance as at the end of the year	**(10,355,446)**	**(6,693,541)**

2.3 DEFERRED TAXES LIABILITY (NET)

(Amount in Rupees)

PARTICULARS	As at 31.3.2014	At at 31.3.2013
Deferred tax liability		
Attributable to depreciation	165,906	165,906
Deferred tax asset		
Attributable to carried forward losses	-	-
Attributable to expenses allowable when paid	-	-
TOTAL	**165,906**	**165,906**

2.4 SHORT TERM BORROWINGS

(Amount in Rupees)

PARTICULARS	As at 31.3.2014	At at 31.3.2013
Loan from related parties	62,449,236	4,141,218
TOTAL	**62,449,236**	**4,141,218**

2.5 TRADE PAYABLE

(Amount in Rupees)

PARTICULARS	As at 31.3.2014	At at 31.3.2013
Trades payables		
From related party	1,335,052	1,273,440
From others	825,474	632,150
TOTAL	**2,160,526**	**1,905,590**
Refer note: (reg. micro, small and medium enterprises)		

2.6 OTHER CURRENT LIABILITIES

(Amount in Rupees)

PARTICULARS	As at 31.3.2014	At at 31.3.2013
Current maturities of long term debt :		
Statutory dues (including provident fund, withholding and other taxes payable)	382,636	371,378
Advance received from customers	-	6,079
Employee related liabilities	991,631	1,041,391
TOTAL	**1,374,267**	**1,418,848**

2.8 TRADE RECEIVABLES

(Amount in Rupees)

PARTICULARS	As at 31.3.2014	At at 31.3.2013
Unsecured, considered good		
Outstanding for a period exceeding six months from the date they are due for payment	130,000	130,000
Others	107,649	-
TOTAL	**237,649**	**130,000**

2.9 CASH AND BANK BALANCES

(Amount in Rupees)

PARTICULARS	As at 31.3.2014	At at 31.3.2013
Bank balances :		
In current account	40,091	79,737
TOTAL	**40,091**	**79,737**

2.10 COST OF SOFTWARE LICENCE AND SUBSCRIPTION & PURCHASE

(Amount in Rupees)

PARTICULARS	For the year 31.3.2014	For the year 31.3.2013
Membership, subscriptions and licenses	2,468,474	368,115
Purchase of software	184,900	1,207,052
Webhosting charges	481,668	505,665
TOTAL	**3,135,042**	**2,080,832**

2.11 EMPLOYEE BENEFIT EXPENSES

(Amount in Rupees)

PARTICULARS	For the year 31.3.2014	For the year 31.3.2013
Salaries, wages and bonus	783,115	799,730
Contribution to provident and other funds	41,475	199,859
(Refer Note: on disclosure requirement as per Accounting Standard 15 on employee benefits)		
TOTAL	**824,590**	**999,589**

2.12 DEPRECIATION AND AMORTISATION EXPENSES

(Amount in Rupees)

PARTICULARS	For the year 31.3.2014	For the year 31.3.2013
Depreciation on tangible assets	278,648	278,648
Amortisation on Intangible assets	30,305	30,305
TOTAL	**308,953**	**308,953**

2.13 OTHER EXPENSES

(Amount in Rupees)

PARTICULARS	For the year 31.3.2014	For the year 31.3.2013
Statutory auditors : Audit fees	39,326	39,326
Professional charges	2,810	11,236
Miscellaneous expenses	137,076	69,758
TOTAL	**179,212**	**120,320**

2.14 EARNINGS IN FOREIGN CURRENCY

(Amount in Rupees)

PARTICULARS	For the year 31.3.2014	For the year 31.3.2013
Revenue from exports on FOB basis	1,032,849	1,032,849
TOTAL	**1,032,849**	**1,032,849**

2.15 EARNINGS PER SHARE

PARTICULARS	For the year 31.3.2014		For the year 31.3.2013	
	Before Extraordinary Item	After Extraordinary Items	Before Extraordinary Items	After Extraordinary Items
Basic				
Profit / (loss) after tax (in Rs.)	(3,661,905)	(3,661,905)	(947,186)	(947,186)
Weighted average number of shares outstanding	4,840	4,840	4,840	4,840
Basic EPS	(756.59)	(756.59)	(195.70)	(195.70)
Face value per share (in Rs.)	100	100	100	100

OTHER DISCLOSURES

2.16 RELATED PARTY TRANSACTIONS

(Amount in Rupees)

PARTICULARS	For the year 31.3.2014		For the year 31.3.2013	
	Holding Company	Other Related Parties	Holding Company	Other Related Parties
Balance as on 31.03.14 Receivable	-	-	-	-
Balance as on 31.03.14 Payable	62,449,236	-	5,414,658	-

2.17 DUES TO MICRO AND SMALL ENTERPRISES

Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	Nil	Nil
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	Nil	Nil
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	Nil	Nil
Interst paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	Nil	Nil
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	Nil	Nil
Interest due and payable towards suppliers registered under MSMED Act, for payments already made.	Nil	Nil
Further Interest remaining due and payable for earlier years.	Nil	Nil

As per our report of even date
For Sethia Prabhad Hegde & Co
Chartered Accountants
Firm Registration No. 013367S

Timmayya Hegde
Partner
Membership No. 226267

Bangalore
May 28, 2014

For and on behalf of the Board

Asif Khader
Director

Mueed Khader
Director

Bangalore
May 28, 2014

2.7 FIXED ASSETS

(Amount in Rupees)

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK	
	Cost of Assets As on 1-4-2013	Additions (Deletions)	Total As on 31-3-2014	Rate %	Upto 01-4-2013	For the Year	Total 31-3-2014	As on 31-3-2014	As on 31-3-2013
Computers & Peripherals	8,124,521	-	8,124,521	16.21%	8,124,521	-	8,124,521	-	-
Furniture & Fixtures	1,112,714	-	1,112,714	6.33%	884,475	70,435	954,910	157,804	228,239
Office Equipments	421,233	-	421,233	4.75%	257,473	20,009	277,481	143,752	163,760
Vehicles	1,922,149	-	1,922,149	9.50%	1,643,865	182,604	1,826,469	95,680	278,284
Electrification	117,910	-	117,910	4.75%	78,412	5,601	84,012	33,898	39,498
Network / Webhost	638,000	-	638,000	4.75%	227,711	30,305	258,016	379,984	410,289
TOTAL	**12,336,527**	**-**	**12,336,527**	**-**	**11,216,456**	**308,953**	**11,525,409**	**811,118**	**1,120,071**
Previous Year	12,336,527	-	12,336,527	-	10,907,503	308,953	11,216,456	1,120,071	1,429,024

SYSTAT SOFTWARE ASIA PACIFIC LIMITED

FINANCIAL STATEMENTS
2013 - 2014

REPORT OF THE BOARD OF DIRECTORS

To,
The Members of
Systat Software Asia Pacific Limited,

Your Directors are pleased to present their 14th Annual Report together with the accounts for the year ended March 31, 2014.

Review of Operations

The Company recorded turnover of Rs. Nil lakhs during the year under review compared to Rs. Nil lakhs during the previous year. The Net loss for the year was Rs. 0.26 lakhs, compared to a loss of Rs. 0.15 lakhs during the previous year.

Deposits

Your Company has not accepted deposits from the public during the current year.

Conservation of Energy

The operations of the Company are not energy intensive.

Research & Development Activities

No technology indigenous or imported has yet been acquired at any point of time by the Company. Hence disclosure of particulars with regard to this does not arise.

Foreign Exchange Earnings & Outgo

There was no foreign exchange earnings or foreign exchange outgo during the year.

Employees

Your Directors wish to register their deep & sincere appreciation for the services rendered by the employees of your Company.

The particulars of employees as per Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees), Rules 1975 are not applicable since none of the employees earn remuneration exceeding the amounts specified therein.

Directors' Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956, the directors hereby confirm that they have:

i. Followed the applicable Accounting Standards in the preparation of the annual accounts;

ii. Selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profits of the Company for the year under review;

iii. Taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and detecting fraud and other irregularities;

iv. Prepared the accounts for the financial year on a 'Going Concern' basis.

AUDITORS

The Company's Auditors, M/s Sethia Prabhad Hegde and Co., Chartered Accountants, retire at the ensuing annual general meeting and are eligible for re-appointment. The declaration under Section 224(1)(B) of the Companies Act, 1956, has been received from them.

For and on behalf of the Board

Bangalore	**Asif Khader**	**Mueed Khader**
August 29, 2014	Director	Director

INDEPENDENT AUDITORS' REPORT

To
The Members of
Systat Software Asia Pacific Limited,

We have audited the accompanying financial statements of Systat Software Asia Pacific Limited, which comprise the Balance Sheet as at March 31st, 2014, and the Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956, read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013, and in accordance with the accounting principles generally accepted in India.This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;

b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:

   a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books

   c) the Balance Sheet and Statement of Profit and Loss, dealt with by this Report are in agreement with the books of account.

   d) in our opinion, the Balance Sheet and Statement of Profit and Loss, comply with the Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act, 1956;

e) On the basis of the written representations received from the directors as on 31st March 2014, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being re-appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956;

For **SETHIA PRABHAD HEGDE & CO**
Chartered Accountants
Firm Registration No. 013367S

Timmayya Hegde
Partner
Membership No.226267

Bangalore
28th May, 2014

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

(i) (a) The Company has no fixed assets during the year and hence provisions of clause (i) of Para (4) of Companies (Auditor's Report) Order, 2003(as amended) are not applicable.

(ii) (a) The Company has no inventory during the year and hence provisions of clause (ii) of Para (4) of Companies (Auditor's Report) Order, 2003(as amended) are not applicable.

(iii) The Company has not granted/taken any loans, secured or unsecured, to/from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. In view of the above, clause 4 (iii) (b),(c),(d),(e),(f) and (g) are not applicable.

(iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in the internal control system.

(v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of all contracts and arrangements referred to in section 301 of the Companies Act 1956, have been entered into the register required to be maintained under that section.

(b) In our opinion and according to the information and explanations given to us, the contracts and arrangements entered in the register maintained under section 301 of the Companies Act 1956, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

(vi) The Company has not accepted any deposit from the public and as such the provisions of clause 4(vi) of the said Order are not applicable.

(vii) In our opinion, the Company has an in house internal audit system commensurate with the size and nature of its business.

(viii) The Central Government has not prescribed the maintenance of cost records as required under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956.

(ix) (a) According to the information and explanations given to us, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, Wealth-tax, Custom duty and Cess have generally been regularly deposited during the year by the Company with the appropriate authorities.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, Wealth Tax, Customs Duty and Cess were in arrears as at 31st March 2014 for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, there are no dues of Sales tax, Service tax, Income tax, Customs duty, Wealth-tax and Cess with the appropriate authorities which have not been deposited on account of any dispute.

(x) The Company does not have any accumulated losses, as at March 31, 2014.The Company has incurred cash losses in the financial year ended on that date and in the immediately preceeding the financial year.

(xi) The Company has not defaulted in repayment of dues to any financial institution and banks and there are no dues to debenture holders as at the balance sheet date.

(xii) According to information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion, and according to the information and explanations given to us, the Company is not a chit fund or a nidhi /mutual benefit fund/society.

(xiv) In our opinion, and according to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.

(xv) In our opinion and according to information and explanations given to us, and as per our examination of relevant records, the Company has not given any guarantee for loans taken by others from banks or financial institutions.

(xvi) The Company has not borrowed any term loan during the year and hence the provisions of clause 4 (xvi) of the said Order are not applicable.

(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.

(xviii) During the year the Company has not made any preferential allotment of shares to a Companies/firms/ parties covered in the register maintained under section 301 of the Companies Act, 1956.

(xix) During the period, the Company has not raised any funds by issue of debentures during the year.

(xx) The Company has not raised any monies by way of public issue during the year.

(xxi) During the course of our examination of the books of accounts carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For **SETHIA PRABHAD HEGDE & CO**
Chartered Accountants
Firm Registration No. 013367S

Timmayya Hegde
Partner
Membership No.226267

Bangalore
28th May, 2014

BALANCE SHEET

AS AT MARCH 31, 2014 (Amount In Rupees)

PARTICULARS	Note No.	March 31, 2014	March 31, 2013
I EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2.1	3,800,000	3,800,000
(b) Reserves and surplus	2.2	1,521,263	1,547,422
2 Non-current liabilities			
(a) Deferred tax liabilities (net)	2.3	51,535	51,535
3 Current liabilities			
(a) Trade payables	2.4	36,746	56,241
(b) Other current liabilities	2.5	7,733	1,654
TOTAL		**5,417,277**	**5,456,852**
II ASSETS			
1 Non-current assets			
2 Current Assets			
(a) Cash and cash equivalents	2.6	56,062	65,637
(b) Short-term loans and advances	2.7	5,361,215	5,391,215
TOTAL		**5,417,277**	**5,456,852**

Notes 2.1 to 2.7 form an integral part of Balance Sheet

As per our report of even date
For Sethia Prabhad Hegde & Co
Chartered Accountants
Firm Registration No. 013367S

Timmayya Hegde
Partner
Membership No. 226267

Bangalore
May 28, 2014

For and on behalf of the Board

Asif Khader
Director

Mueed Khader
Director

Bangalore
May 28, 2014

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2014 (Amount In Rupees)

PARTICULARS	Note No.	March 31, 2014	March 31, 2013
Income		-	-
Total Revenue		**-**	**-**
Expenses :			
Finance costs		-	-
Other expenses	2.8	26,159	15,588
Total Expenses		**26,159**	**15,588**
Profit/(Loss) before exceptional and extraordinary items and tax		**(26,159)**	**(15,588)**
Exceptional items		-	-
Profit/(Loss) before extraordinary items and tax		**(26,159)**	**(15,588)**
Extraordinary items		-	-
Profit/(Loss) before Tax		**(26,159)**	**(15,588)**
Tax expense:		-	-
Profit/(Loss) for the period		**(26,159)**	**(15,588)**
Earnings per share:			
(1) Basic		(0.07)	(0.04)
(2) Diluted		(0.07)	(0.04)
Notes 2.8 form an integral part of Profit and Loss Account			

As per our report of even date
For Sethia Prabhad Hegde & Co
Chartered Accountants
Firm Registration No. 013367S

For and on behalf of the Board

Timmayya Hegde
Partner
Membership No. 226267

Asif Khader
Director

Mueed Khader
Director

Bangalore
May 28, 2014

Bangalore
May 28, 2014

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

SIGNIFICANT ACCOUNTING POLICIES

1 Basis of preparation of financial statements

The financial statements are prepared and presented in accordance with the Indian Generally Accepted Accounting Principles ("GAAP") under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards issued by the Institute of Chartered Accountants of India (ICAI), Companies (Accounting Standards) Rules, 2006 and guidelines issued by the Securities and Exchange Board of India.

Preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates & assumptions that affect the reported balance of assets & liabilities and disclosures relating to contingent assets & liabilities as on the date of financial statement and reported amounts of income & expenditure during the period. Actual results could differ from these estimates, differences if any between the actual results and estimates are recognized in the period in which the results are known or materialized.

Presentation and disclosure of financial statements during the year ended March 31, 2014 the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the Company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed by the Company for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

All the assets and liabilities have been classified as current or non-current as per Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956.

2 Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Significant estimates used by the management in the preparation of these financial statements include classification of assets and liabilities into current and non-current, estimates of the economic useful lives of fixed assets, provisions for bad and doubtful debts. Any revision to accounting estimates is recognized prospectively.

3 Revenue recognition

(i) Revenue from sale of products is recognized, in accordance with the sales contract, on delivery of goods to the customer. Revenue from product sales are shown net of taxes.

(ii) Revenue on software development services comprises revenue priced on a time and material and fixed-price contracts. Revenue priced on a time and material contracts are recognized as related services are performed. Revenue from fixed-price, fixed time-frame contracts is recognized in accordance with the percentage of completion method.

(iii) Revenue from technical service, training, support and other services is recognized as the related services are performed over the duration of the contract/course.

(iv) Dividend is recognized when the right to receive the dividend is established at the balance sheet date.

4 Fixed assets and capital work-in-progress

(i) Fixed Assets are stated at historical cost less accumulated depreciation. Cost includes all expenses incurred to bring the assets to its present location and condition.

(ii) Interest on borrowed money allocated to and utilized for fixed assets, pertaining to the period up to the date the fixed asset is ready for its intended use, is capitalized.

5 Intangible assets

(i) All intangible assets are stated at cost less accumulated amortization.

(ii) The cost of acquired intangible assets is the consideration paid for acquisition and other incidental costs incurred to bring the intangible asset for its intended use.

(iii) Internally generated intangible assets are valued at cost which were incurred during the development phase of intangibles which comprises of expenditure on materials and services used or consumed, salaries and other employment related cost of personnel engaged in development of intangible asset, other direct expenditures and overheads that are necessary for the generation of the intangible asset and that can be allocated on a reasonable basis.

(iv) Interest on borrowed money allocated to and utilized for intangible assets, pertaining to the period up to the date the intangible asset is ready for its intended use, is capitalized in accordance with Accounting Standard-16.

(v) Amount paid towards the acquisition of intangible assets, which is not put to use as at reporting date and the cost of intangible assets not ready for its intended use before such date is disclosed under capital work-in-progress.

6 Depreciation and amortization

(i) Depreciation has been provided on straight line method at the rates prescribed under Schedule XIV of the Companies Act, 1956. In respect of assets purchased / sold during the year, depreciation is charged on a pro-rata basis.

(ii) The management estimates the useful life of customized software/commercial rights procured for specific application as 3 years and accordingly amortizes over their estimated useful life on a straight line basis.

(iii) Depreciation on individual low cost assets (costing less than Rs. 5,000) is provided for in full in the year of purchase irrespective of date of installation.

(iv) Other Intangible assets are amortized over their respective individual estimated useful life on a straight-line basis, commencing from the date the asset is available to the Company for its use.

(v) After recognition of impairment loss, the depreciation charge for the asset is on the revalued amount prospectively over the remaining useful life of the asset.

7 Impairment of assets

The Company assesses at each balance sheet date using internal and external sources, whether there is any indication that an asset (both tangible and intangible) may be impaired more than of a temporary nature. If any such indications exist, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs to is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

8 Inventories

The Companies inventories comprises of raw material, work in progress and finished hardware products which are valued at cost or net realizable value, whichever is lower. The cost formula used is specific identification basis. Net realizable value is the estimated selling price in ordinary course of business, less estimated cost of completion and estimated cost necessary to make the sale. The cost of inventories is net of VAT credit.

9 Effect of exchange fluctuation on foreign currency transactions

(i) Foreign currency transactions are recorded at the exchange rate prevailing on the date of the transaction.

(ii) Exchange differences are recorded when the amount actually received on sales or actually paid when the expenditure is incurred, is converted into Indian rupees.

(iii) Exchange differences arising on foreign currency transactions are recognized as income or expense in

the period in which they arise.

(iv) Period-end balances of monetary foreign currency assets and liabilities are translated at the closing rate. The resulting exchange difference is recognized in the statement of profit and loss.

(v) Non - monetary assets & liabilities are translated at the rate prevailing on the date of transaction.

(vi) Foreign currency translation differences relating to liabilities incurred for acquiring fixed assets are recognized in statement of profit and loss.

10 Employee benefits

(i) The short-term employee benefits such as salaries and paid leave is debited to expense as and when an employee has rendered services in exchange for these benefits.

11 Income tax/ deferred tax

(i) Current tax is calculated in accordance with the relevant tax regulations.

(ii) Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences that result between the profit offered for income taxes and the profit as per the financial statements. Deferred tax in respect of timing difference which originate during the tax holiday period but reverse after the tax holiday period is recognized in the year in which the timing difference originate. For this purpose the timing difference which originates first is considered to reverse first. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the statement of profit and loss in the year of charge. Deferred tax assets on timing differences are recognized only if there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets are reassessed for the appropriateness of their respective carrying values at each balance sheet dates.

(iii) Minimum Alternative Tax (MAT) paid in accordance to the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax after the tax holiday period. Accordingly, MAT is recognized as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the Company and the asset can be measured reliably.

(iv) Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance taxes paid and income tax provisions arising in the same tax jurisdiction.

(v) The Company offsets deferred tax assets and deferred tax liabilities relating to taxes on income levied by the same governing taxation laws.

12 Provisions and contingent liabilities

The Company creates a provision when there is a present obligation as a result of an obligating event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

13 Earnings per Share

(i) Basic earnings per share is calculated by dividing the net earnings available to the equity shareholders by the weighted average number of equity shares outstanding during the year.

(ii) Diluted earnings per share is calculated by dividing the net earnings available to existing and potential equity shareholders by aggregate of the weighted average number of equity shares considered for deriving basic earnings per share. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date.

14 Leases

(i) Lease arrangements where substantial risk and rewards incidental to ownership vests with the lessor, such leases are recognized as operating leases.

(ii) Lease payments under operating lease are recognized as an expense in the statement of profit and loss.

15 Derivative instruments and hedge accounting

The Company uses foreign currency forward contracts and currency options to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. The Company designates these hedging instruments as cash flow hedges applying the recognition and measurement principles set out in the Accounting Standard 30 "Financial Instruments: Recognition and Measurement" (AS-30).

The use of hedging instruments is governed by the Company's policies approved by the board of directors, which provide written principles on the use of such financial derivatives consistent with the Company's risk management strategy.

Hedging instruments are initially measured at fair value, and are remeasured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognized directly in shareholders' funds and the ineffective portion is recognized immediately in the statement of profit and loss.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognized in the statement of profit and loss as they arise.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time for forecasted transactions, any cumulative gain or loss on the hedging instrument recognized in shareholders' funds is retained there until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognized in shareholders' funds is transferred to the statement of profit and loss for the period.

However, the Company has no outstanding hedged transaction nor entered into any hedging transaction during the year.

NOTES ON ACCOUNTS

FOR THE YEAR ENDED MARCH 31, 2014

The previous year figures have been regrouped / reclassified, wherever necessary to conform to the current year presentation.

2.1 SHARE CAPITAL

a) Break-up of shares (Amount in Rupees)

PARTICULARS	As at 31.3.2014	As at 31.3.2013
AUTHORISED		
5,00,000 Equity Shares of Rs. 10/- each	5,000,000	5,000,000
ISSUED, SUBSCRIBED AND FULLY PAID-UP		
3,80,000 Equity Shares of Rs. 10/- each fully paid up	3,800,000	3,800,000
	3,800,000	**3,800,000**

The Company has only one class of shares referred to as equity shares having a par value of Rs.10/-. Each holder of equity shares is entitled to one vote per share held.

The Company declares and pays dividend in Indian rupees. The Board of Directors have not proposed any dividend during the year. Dividend declared if any, if approved by the Shareholders, is payable to the shareholders in proportion to their shareholding. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

b) Reconciliation of number of Shares

Equity Shares	As at 31.03.2014		As at 31.03.2013	
	Number of Shares	Amount (in Rs.)	Number of Shares	Amount (in Rs.)
Balance as at the beginning of the previous year	380,000	3,800,000	380,000	3,800,000
Add: Shares issued during the year	-	-	-	-
Balance as at the end of the year	**380,000**	**3,800,000**	**380,000**	**3,800,000**

Neither shares are reserved for issue under options nor securities have been issued, which are convertible into equity / preference shares in future as on the date of balance sheet.

c) Details of Shares held by shareholders, holding more than 5% of the aggregate shares in the Company.

Name of the Share Holder	As at 31-3-2014		As at 31-3-2013	
	No. of Shares	% of Share holding	No. of Shares	% of Share holding
Cranes Software International Limited	380,000	100%	380,000	100%

No shares have been allotted as fully paid up, by way of bonus shares during 5 years immediately preceeding March 31, 2014.

2.2 RESERVES AND SURPLUS

(Amount in Rupees)

PARTICULARS	As at 31.3.2014	As at 31.3.2013
Surplus in statement of profit and loss		
Opening balance	1,547,422	1,563,011
Profit for the year	(26,159)	(15,588)
Amount available for appropriation	1,521,263	1,547,422
Balance as at the end of the year	1,521,263	1,547,422

2.3 DEFERRED TAXES LIABILITY (NET)

(Amount in Rupees)

PARTICULARS	As at 31.3.2014	At at 31.3.2013
Deferred Tax Liability		
Attributable to Depreciation	51,535	51,535
TOTAL	**51,535**	**51,535**

2.4 TRADE PAYABLE

(Amount in Rupees)

PARTICULARS	As at 31.3.2014	At at 31.3.2013
Trades Payables	36,746	56,241
Refer note: (reg. micro, small and medium enterprises)		
TOTAL	**36,746**	**56,241**

2.5 OTHER CURRENT LIABILITIES

(Amount in Rupees)

PARTICULARS	As at 31.3.2014	At at 31.3.2013
Current maturities of long term debt :		
Statutory dues (including provident fund, withholding and other taxes payable)	1,654	1,654
Other payables	-	-
Advance received	6,079	-
TOTAL	**7,733**	**1,654**

2.6 CASH AND BANK BALANCES

(Amount in Rupees)

PARTICULARS	As at 31.3.2014	At at 31.3.2013
Bank balances :		
In current account	56,062	65,637
TOTAL	56,062	**65,637**

2.7 SHORT TERM LOANS AND ADVANCES

(Amount in Rupees)

PARTICULARS	As at 31.3.2014	At at 31.3.2013
Unsecured, considered good		
Balances with group Companies	5,361,215	5,391,215
Other advances	-	-
TOTAL	**5,361,215**	**5,391,215**

2.8 OTHER EXPENSES

(Amount in Rupees)

PARTICULARS	For the year 31.3.2014	For the year 31.3.2013
Rates and taxes	-	500
Statutory auditors : Audit fees	16,584	15,000
Professional charges	-	-
Miscellaneous expenses	9,575	88
TOTAL	**26,159**	**15,588**

2.9 EARNINGS PER SHARE

PARTICULARS	For the year 31.3.2014		For the year 31.3.2013	
	Basic Extraordinary Item	After Extraordinary Items	Basic Extraordinary Items	After Extraordinary Items
Basic				
Profit / (loss) after tax (in Rs.)	(26,159)	(26,159)	(15,588)	(15,588)
Weighted average number of shares outstanding	380,000	380,000	380,000	380,000
Basic EPS	(0.07)	(0.07)	(0.04)	(0.04)

OTHER DISCLOSURES

2.10 RELATED PARTY TRANSACTIONS

(Amount in Rupees)

PARTICULARS	For the year 31.3.2014		For the year 31.3.2013	
	Holding Company	Other Related Parties	Holding Company	Other Related Parties
Balance as on 31.03.14 Receivable	5,361,215	-	5,391,215	-
Balance as on 31.03.14 Payable	-	-	-	-

NAME OF THE RELATED PARTIES AND DESCRIPTION OF RELATIONSHIP

Holding Company	Cranes Software International Limited
Key Management Personnel	Mr. Asif Khader
	Mr. Mueed Khader

2.11 DUES TO MICRO AND SMALL ENTERPRISES

Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	Nil	Nil
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	Nil	Nil
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	Nil	Nil
Interest paid, other than under section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	Nil	Nil
Interest paid, under section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	Nil	Nil
Interest due and payable towards suppliers registered under MSMED Act, for payments already made.	Nil	Nil
Further Interest remaining due and payable for earlier years.	Nil	Nil

As per our report of even date
For Sethia Prabhad Hegde & Co
Chartered Accountants
Firm Registration No. 013367S

For and on behalf of the Board

Timmayya Hegde
Partner
Membership No. 226267

Asif Khader
Director

Mueed Khader
Director

Bangalore
May 28, 2014

Bangalore
May 28, 2014

TILAK AUTO TECH PRIVATE LIMITED

FINANCIAL STATEMENTS
2013 - 2014

REPORT OF THE BOARD OF DIRECTORS

To,
The Members of
Tilak Autotech Private Limited,

Your Directors are pleased to present their 20th Annual Report together with the accounts for the year ended March 31, 2014.

Review of Operations

The Company was able to record a turnover of Rs. Nil during the year under review compared to Rs. Nil during the previous year. The Net loss for the year was Rs. 0.43 lakhs, compared to a loss of Rs. 0.54 lakhs during the previous year.

Deposits

Your Company has not accepted deposits from the public during the current year.

Conservation of Energy

The operations of the Company are not energy intensive.

Research & Development Activities

No technology indigenous or imported has yet been acquired at any point of time by the Company. Hence disclosure of particulars with regard to this does not arise.

Foreign Exchange Earnings & Outgo

The foreign exchange earnings during the year amounted to Rs. Nil and foreign exchange outgo during the year amounted to Rs. Nil.

Employees

Your Directors wish to register their deep & sincere appreciation for the services rendered by the employees of your Company.

The particulars of employees as per Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees), Rules 1975 are not applicable since none of the employees earn remuneration exceeding the amounts specified therein.

Directors' Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956, the directors hereby confirm that they have:

i. Followed the applicable Accounting Standards in the preparation of the annual accounts;

ii. Selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profits of the Company for the year under review;

iii. Taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and detecting fraud and other irregularities;

iv. Prepared the accounts for the financial year on a 'Going Concern' basis.

AUDITORS

The Company's Auditors, M/s Sethia Prabhad Hegde and Co., Chartered Accountants, retire at the ensuing annual general meeting and are eligible for re-appointment. The declaration under Section 224(1)(B) of the Companies Act, 1956, has been received from them.

For and on behalf of the Board

Bangalore	**Asif Khader**	**Mueed Khader**
August 29, 2014	Director	Director

INDEPENDENT AUDITORS' REPORT

To
The Members of
Tilak Auto Tech Private Limited,

We have audited the accompanying financial statements of **Tilak Auto Tech Private Limited,** which comprise the Balance Sheet as at March 31st, 2014, and the Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956, read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India.This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;

b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:

   a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.

   c) the Balance Sheet and Statement of Profit and Loss, dealt with by this Report are in agreement with the books of account.

   d) in our opinion, the Balance Sheet and Statement of Profit and Loss, comply with the Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act, 1956;

e) On the basis of the written representations received from the directors as on 31st March 2014, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being re-appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956;

For **SETHIA PRABHAD HEGDE & CO**
Chartered Accountants
Firm Registration No. 013367S

Timmayya Hegde
Partner
Membership No.226267

Bangalore
28th May, 2014

ANNEXURE TO THE AUDITORS' REPORT
(Referred to in paragraph 3 of our report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All the Fixed Assets have not been physically verified by the management during the year but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No Material discrepancies were noticed on such verification.

(c) The Company has not disposed off substantial part of fixed assets during the year, and therefore, do not affect the going concern assumption.

(ii) (a) The Company has no inventory during the year and hence provisions of clause (ii) of Para (4) of Companies (Auditor's Report) Order, 2003(as amended) are not applicable.

(iii) The Company has not granted/taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. In view of the above, clause 4 (iii) (b),(c),(d),(e),(f) and (g) are not applicable.

(iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in the internal control system.

(v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of all contracts and arrangements referred to in section 301 of the Companies Act, 1956, have been entered into the register required to be maintained under that section.

(b) In our opinion and according to the information and explanations given to us, the contracts and arrangements entered in the register maintained under section 301 of the Companies Act 1956, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

(vi) The Company has not accepted any deposit from the public and as such the provisions of clause 4(vi) of the said Order are not applicable.

(vii) In our opinion the Company has an in house internal audit system commensurate with the size and nature of the Business.

(viii) The Central Government has not prescribed the maintenance of cost records as required under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956.

(ix) (a) According to the information and explanations given to us, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, Wealth-tax, Custom duty and Cess have generally been regularly deposited during the year by the Company with the appropriate authorities, except Profession Tax of Rs. 11,825 and TDS of Rs. 8,612, which is still due for payment.

(b)According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, Wealth Tax, Customs Duty and Cess were in arrears as at 31st March 2014 for a period of more than six months from the date they became payable, except TDS of Rs. 8,612, which is still due for payment.

(c) According to the information and explanations given to us, there are no dues of Sales tax, Service tax, Income tax, Customs duty, Wealth-tax and Cess with the appropriate authorities which have not been deposited on account of any dispute.

(x) The Company has accumulated losses, as at March 31, 2014. The Company has incurred cash losses in the financial year ended on that date and in the immediately preceeding the financial year.

(xi) The Company has not defaulted in repayment of dues to any financial institution and banks and there are no dues to debenture holders as at the balance sheet date.

(xii) According to information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion, and according to the information and explanations given to us, the Company is not a chit fund or a nidhi /mutual benefit fund/society.

(xiv) In our opinion, and according to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.

(xv) In our opinion and according to information and explanations given to us, and as per our examination of relevant records, the Company has not given any guarantee for loans taken by others from banks or financial institutions.

(xvi) The Company has not borrowed any term loan during the year and hence the provisions of clause4 (xvi) of the said Order are not applicable.

(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.

(xviii) During the year the Company has not made any preferential allotment of shares to a Companies/firms/ parties covered in the register maintained under section 301 of the Companies Act, 1956.

(xix) During the period, the Company has not raised any funds by issue of debentures during the year.

(xx) The Company has not raised any monies by way of public issue during the year.

(xxi) During the course of our examination of the books of accounts carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For **SETHIA PRABHAD HEGDE & CO**
Chartered Accountants
Firm Registration No. 013367S

Timmayya Hegde
Partner
Membership No.226267

Bangalore
28th May, 2014

BALANCE SHEET

AS AT MARCH 31, 2014 (Amount In Rupees)

PARTICULARS	Note No.	March 31, 2014	March 31, 2013
I EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2.1	100,000	100,000
(b) Reserves and surplus	2.2	(18,157,408)	(18,114,538)
2 Non-current liabilities			
(a) Deferred tax liabilities (net)	2.3	20,181	20,181
3 Current liabilities			
(a) Short-term borrowings	2.4	20,219,041	20,189,041
(b) Trade payables	2.5	17,990	31,136
(c) Other current liabilities	2.6	173,433	111,333
TOTAL		**2,373,237**	**2,337,153**
II ASSETS			
1 Non-current assets			
(a) Fixed Assets			
(i) Tangible assets	2.7	140,419	155,544
(ii) Intangible assets	2.7	-	7,291
(b) Long-term loans and advances	2.8	620,000	620,000
2 Current assets			
(a) Trade receivables	2.9	181,058	181,058
(b) Cash and cash equivalents	2.10	72,661	14,161
(c) Short-term loans and advances	2.11	1,359,099	1,359,099
(d) Other current assets			
TOTAL		**2,373,237**	**2,337,153**

Notes 2.1 to 2.11 and 2.14 form an integral part of Balance Sheet

As per our report of even date
For Sethia Prabhad Hegde & Co
Chartered Accountants
Firm Registration No. 013367S

Timmayya Hegde
Partner
Membership No. 226267

Bangalore
May 28, 2014

For and on behalf of the Board

Asif Khader
Director

Mueed Khader
Director

Bangalore
May 28, 2014

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2014 (Amount In Rupees)

PARTICULARS	Note No.	March 31, 2014	March 31, 2013
Income from operations		-	
Other income			
Total Revenue		**-**	**-**
Expenses :			
Cost of goods sold		-	-
Employee benefits expense		-	-
Finance costs		-	-
Depreciation and amortisation expense		22,416	26,021
Other expenses	2.12	20,454	28,000
Total Expenses		**42,870**	**54,021**
Profit before exceptional and extraordinary items and tax		**(42,870)**	**(54,021)**
Exceptional items		-	-
Profit before extraordinary items and tax		**(42,870)**	**(54,021)**
Extraordinary Items		-	-
Profit before Tax		**(42,870)**	**(54,021)**
Tax expense:			
(1) Deferred tax		-	-
Profit for the period		**(42,870)**	**(54,021)**
Earnings per share:			
(1) Basic		(42.87)	(54.02)
(2) Diluted		(42.87)	(54.02)

Notes 2.10 and 2.11 form an integral part of Profit and Loss Account

As per our report of even date
For Sethia Prabhad Hegde & Co
Chartered Accountants
Firm Registration No. 013367S

Timmayya Hegde
Partner
Membership No. 226267

Bangalore
May 28, 2014

For and on behalf of the Board

Asif Khader
Director

Mueed Khader
Director

Bangalore
May 28, 2014

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

SIGNIFICANT ACCOUNTING POLICIES

1 Basis of preparation of financial statements

The financial statements are prepared and presented in accordance with the Indian Generally Accepted Accounting Principles ("GAAP") under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards issued by the Institute of Chartered Accountants of India (ICAI), Companies (Accounting Standards) Rules, 2006 and guidelines issued by the Securities and Exchange Board of India.

Preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates & assumptions that affect the reported balance of assets & liabilities and disclosures relating to contingent assets & liabilities as on the date of financial statement and reported amounts of income & expenditure during the period. Actual results could differ from these estimates, differences if any between the actual results and estimates are recognized in the period in which the results are known or materialized.

Presentation and disclosure of financial statements during the year ended March 31, 2014 the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the Company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed by the Company for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

All the assets and liabilities have been classified as current or non-current as per Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956.

2 Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Significant estimates used by the management in the preparation of these financial statements include classification of assets and liabilities into current and non-current, estimates of the economic useful lives of fixed assets, provisions for bad and doubtful debts. Any revision to accounting estimates is recognized prospectively.

3 Revenue recognition

(i) Revenue from sale of products is recognized, in accordance with the sales contract, on delivery of goods to the customer. Revenue from product sales are shown net of taxes.

(ii) Revenue on software development services comprises revenue priced on a time and material and fixed-price contracts. Revenue priced on a time and material contracts are recognized as related services are performed. Revenue from fixed-price, fixed time-frame contracts is recognized in accordance with the percentage of completion method.

(iii) Revenue from technical service, training, support and other services is recognized as the related services are performed over the duration of the contract/course.

(iv) Dividend is recognized when the right to receive the dividend is established at the balance sheet date.

4 Fixed assets and capital work-in-progress

(i) Fixed Assets are stated at historical cost less accumulated depreciation. Cost includes all expenses incurred to bring the assets to its present location and condition.

(ii) Interest on borrowed money allocated to and utilized for fixed assets, pertaining to the period up to the date the fixed asset is ready for its intended use, is capitalized.

5 Intangible assets

(i) All intangible assets are stated at cost less accumulated amortization.

(ii) The cost of acquired intangible assets is the consideration paid for acquisition and other incidental costs incurred to bring the intangible asset for its intended use.

(iii) Internally generated intangible assets are valued at cost which were incurred during the development phase of intangibles which comprises of expenditure on materials and services used or consumed, salaries and other employment related cost of personnel engaged in development of intangible asset, other direct expenditures and overheads that are necessary for the generation of the intangible asset and that can be allocated on a reasonable basis.

(iv) Interest on borrowed money allocated to and utilized for intangible assets, pertaining to the period up to the date the intangible asset is ready for its intended use, is capitalized in accordance with Accounting Standard-16.

(v) Amount paid towards the acquisition of intangible assets, which is not put to use as at reporting date and the cost of intangible assets not ready for its intended use before such date is disclosed under capital work-in-progress.

6 Depreciation and amortization

(i) Depreciation has been provided on straight line method at the rates prescribed under Schedule XIV of the Companies Act, 1956. In respect of assets purchased / sold during the year, depreciation is charged on a pro-rata basis.

(ii) The management estimates the useful life of customized software/commercial rights procured for specific application as three years and accordingly amortizes over their estimated useful life on a straight line basis.

(iii) Depreciation on individual low cost assets (costing less than Rs. 5,000) is provided for in full in the year of purchase irrespective of date of installation.

(iv) Other Intangible assets are amortized over their respective individual estimated useful life on a straight-line basis, commencing from the date the asset is available to the Company for its use.

(v) After recognition of impairment loss, the depreciation charge for the asset is on the revalued amount prospectively over the remaining useful life of the asset.

7 Impairment of assets

The Company assesses at each balance sheet date using internal and external sources, whether there is any indication that an asset (both tangible and intangible) may be impaired more than of a temporary nature. If any such indications exist, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs to is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

8 Inventories

The Companies inventories comprises of raw material, work in progress and finished hardware products which are valued at cost or net realizable value, whichever is lower. The cost formula used is specific identification basis. Net realizable value is the estimated selling price in ordinary course of business, less estimated cost of completion and estimated cost necessary to make the sale. The cost of inventories is net of VAT credit.

9 Effect of exchange fluctuation on foreign currency transactions

(i) Foreign currency transactions are recorded at the exchange rate prevailing on the date of the transaction.

(ii) Exchange differences are recorded when the amount actually received on sales or actually paid when the expenditure is incurred, is converted into Indian rupees.

(iii) Exchange differences arising on foreign currency transactions are recognized as income or expense in

the period in which they arise.

(iv) Period-end balances of monetary foreign currency assets and liabilities are translated at the closing rate. The resulting exchange difference is recognized in the statement of profit and loss.

(v) Non - monetary assets & liabilities are translated at the rate prevailing on the date of transaction.

(vi) Foreign currency translation differences relating to liabilities incurred for acquiring fixed assets are recognized in statement of profit and loss.

10 Employee benefits

(i) The short-term employee benefits such as salaries and paid leave is debited to expense as and when an employee has rendered services in exchange for these benefits.

11 Income tax/ deferred tax

(i) Current tax is calculated in accordance with the relevant tax regulations.

(ii) Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences that result between the profit offered for income taxes and the profit as per the financial statements. Deferred tax in respect of timing difference which originate during the tax holiday period but reverse after the tax holiday period is recognized in the year in which the timing difference originate. For this purpose the timing difference which originates first is considered to reverse first. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the statement of profit and loss in the year of charge. Deferred tax assets on timing differences are recognized only if there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets are reassessed for the appropriateness of their respective carrying values at each balance sheet dates.

(iii) Minimum Alternative Tax (MAT) paid in accordance to the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax after the tax holiday period. Accordingly, MAT is recognized as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the Company and the asset can be measured reliably.

(iv) Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance taxes paid and income tax provisions arising in the same tax jurisdiction.

(v) The Company offsets deferred tax assets and deferred tax liabilities relating to taxes on income levied by the same governing taxation laws.

12 Provisions and contingent liabilities

The Company creates a provision when there is a present obligation as a result of an obligating event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

13 Earnings per Share

(i) Basic earnings per share is calculated by dividing the net earnings available to the equity shareholders by the weighted average number of equity shares outstanding during the year.

(ii) Diluted earnings per share is calculated by dividing the net earnings available to existing and potential equity shareholders by aggregate of the weighted average number of equity shares considered for deriving basic earnings per share. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date.

14 Leases

(i) Lease arrangements where substantial risk and rewards incidental to ownership vests with the lessor, such leases are recognized as operating leases.

(ii) Lease payments under operating lease are recognized as an expense in the statement of profit and loss.

15 Derivative instruments and hedge accounting

The Company uses foreign currency forward contracts and currency options to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. The Company designates these hedging instruments as cash flow hedges applying the recognition and measurement principles set out in the Accounting Standard 30 "Financial Instruments: Recognition and Measurement" (AS-30).

The use of hedging instruments is governed by the Company's policies approved by the board of directors, which provide written principles on the use of such financial derivatives consistent with the Company's risk management strategy.

Hedging instruments are initially measured at fair value, and are remeasured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognized directly in shareholders' funds and the ineffective portion is recognized immediately in the statement of profit and loss.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognized in the statement of profit and loss as they arise.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time for forecasted transactions, any cumulative gain or loss on the hedging instrument recognized in shareholders' funds is retained there until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognized in shareholders' funds is transferred to the statement of profit and loss for the period.

However, the Company has no outstanding hedged transaction nor entered into any hedging transaction during the year.

NOTES ON ACCOUNTS

FOR THE YEAR ENDED MARCH 31, 2014

The previous year figures have been regrouped / reclassified, wherever necessary to conform to the current year presentation.

2.1 SHARE CAPITAL

(a) Break-up of shares

(Amount in Rupees)

PARTICULARS	As at 31.3.2014	At at 31.3.2013
AUTHORISED		
5,000 Equity Shares of Rs. 100/- each	500,000	500,000
ISSUED, SUBSCRIBED AND FULLY PAID-UP		
1,000 Equity Shares of Rs. 100/- each fully paid up	100,000	100,000
	100,000	**100,000**

The Company has only one class of shares referred to as equity shares having a par value of Rs.100/-. Each holder of equity shares is entitled to one vote per share held.

The Company declares and pays dividend in Indian rupees. The Board of Directors have not proposed any dividend during the year. Dividend declared if any, if approved by the Shareholders, is payable to the shareholders in proportion to their shareholding. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

(b) Reconciliation of number of shares

EQUITY SHARES	As at 31.03.2014		As at 31.03.2013	
	Number of Shares	Amount (in Rs.)	Number of Shares	Amount (in Rs.)
Balance as at the beginning of the previous year	1,000	100,000	1,000	100,000
Add: Shares issued during the year	-	-	-	-
Balance as at the end of the year	**1,000**	**100,000**	**1,000**	**100,000**

Neither shares are reserved for issue under options nor securities have been issued, which are convertible into equity / preference shares in future as on the date of balance sheet.

(c) Details of Shares held by shareholders, holding more than 5% of the aggregate shares in the Company.

NAME OF THE SHARE HOLDER	As at 31.3.2014		As at 31.3.2013	
	No. of Shares	% of Share holding	No. of Shares	% of Share holding
Cranes Software International Limited	1,000	100%	1,000	100%

2.2 RESERVES AND SURPLUS

(Amount in Rupees)

PARTICULARS	As at 31.3.2014	As at 31.3.2013
Surplus in statement of profit and loss		
Opening balance	(18,114,538)	(18,060,517)
Loss for the year	(42,870)	(54,021)
Balance as at the end of the year	**(18,157,408)**	**(18,114,538)**

2.3 DEFERRED TAXES LIABILITY (NET)

(Amount in Rupees)

PARTICULARS	As at 31.3.2014	At at 31.3.2013
Deferred tax liability		
Attributable to Depreciation	20,181	20,181
TOTAL	**20,181**	**20,181**

2.4 SHORT TERM BORROWINGS

(Amount in Rupees)

PARTICULARS	As at 31.3.2014	At at 31.3.2013
Unsecured Loan		
From related parties	20,219,041	20,189,041
TOTAL	**20,219,041**	**20,189,041**

2.5 TRADE PAYABLES

(Amount in Rupees)

PARTICULARS	As at 31.3.2014	At at 31.3.2013
Trade payables	17,990	31,136
Refer note: (reg. micro, small and medium enterprises)		
TOTAL	**17,990**	**31,136**

2.6 OTHER CURRENT LIABILITIES

(Amount in Rupees)

PARTICULARS	As at 31.3.2014	At at 31.3.2013
Current maturities of long term debt :		
Statutory dues (including provident fund, withholding and other taxes payable)	72,033	72,033
Advance received from customers	101,400	39,300
TOTAL	**173,433**	**111,333**

2.8 LONG TERM LOANS AND ADVANCES

(Amount in Rupees)

PARTICULARS	As at 31.3.2014	At at 31.3.2013
Unsecured, considered good		
EMD	440,000	440,000
Rent Deposit	180,000	180,000
TOTAL	**620,000**	**620,000**

2.9 TRADE RECEIVABLES

(Amount in Rupees)

PARTICULARS	As at 31.3.2014	At at 31.3.2013
Unsecured, considered good		
Outstanding for a period exceeding six months from the date they are due for payment	181,058	181,058
TOTAL	**181,058**	**181,058**

2.10 CASH AND BANK BALANCES

(Amount in Rupees)

PARTICULARS	As at 31.3.2014	At at 31.3.2013
Cash and cash equivalents		
Cash on hand	1,790	1,790
Bank balances :		
In current account	70,871	12,371
TOTAL	**72,661**	**14,161**

2.11 SHORT TERM LOANS AND ADVANCES

(Amount in Rupees)

PARTICULARS	As at 31.3.2014	At at 31.3.2013
Unsecured, considered good		
Balances with customs, central excise, VAT etc.	215,489	215,489
Advance income tax (net of provision)	1,143,610	1,143,610
TOTAL	**1,359,099**	**1,359,099**

2.12 OTHER EXPENSES

(Amount in Rupees)

PARTICULARS	For the year 31.3.2014	For the year 31.3.2013
Statutory auditors : Audit fees	16,854	15,000
Rent	-	13,000
Miscellaneous expenses	3,600	-
TOTAL	**20,454**	**28,000**

2.13 EARNINGS PER SHARE

PARTICULARS	For the year 31.3.2014		For the year 31.3.2013	
	Before Extraordinary Item	After Extraordinary Items	Before Extraordinary Items	After Extraordinary Items
(a) Basic				
Profit / (loss) after tax (in Rs.)	(42,870)	(42,870)	(54,021)	(54,021)
Weighted average number of shares outstanding	1,000	1,000	1,000	1,000
Basic EPS (in Rs.)	(43)	(43)	(54)	(54)
(b) Diluted				
Profit / (loss) after tax (in Rs.)	(42,870)	(42,870)	(54,021)	(54,021)
Adjusted net profit for the year (in Rs.)	(42,870)	(42,870)	(54,021)	(54,021)
Weighted average number of shares outstanding	1,000	1,000	1,000	1,000
Add : Weighted average number of potential equity shares	-	-	-	-
Weighted average number of shares outstanding for diluted EPS	1,000	1,000	1,000	1,000
Diluted EPS (in Rs.)	(43)	(43)	(54)	(54)
Face value per share				

OTHER DISCLOSURES

2.14 RELATED PARTY TRANSACTIONS

(Amount in Rupees)

PARTICULARS	For the year 31.3.2014		For the year 31.3.2013	
	Holding Company	Other Related Parties	Holding Company	Other Related Parties
Balance as on 31.03.14 receivable	-	-	-	-
Balance as on 31.03.14 payable	20,219,041	-	20,189,041	-

NAME OF THE RELATED PARTIES AND DESCRIPTION OF RELATIONSHIP

Holding Company	Cranes Software International Limited
Key Management Personnel	Mr. Asif Khader Mr. Mueed Khader

2.15 DUES TO MICRO AND SMALL ENTERPRISES

Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	Nil	Nil
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	Nil	Nil
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	Nil	Nil
Interst paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	Nil	Nil
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	Nil	Nil
Interest due and payable towards suppliers registered under MSMED Act, for payments already made.	Nil	Nil
Further Interest remaining due and payable for earlier years.	Nil	Nil

As per our report of even date
For Sethia Prabhad Hegde & Co
Chartered Accountants
Firm Registration No. 013367S

Timmayya Hegde
Partner
Membership No. 226267

Bangalore
May 28, 2014

For and on behalf of the Board

Asif Khader
Director

Mueed Khader
Director

Bangalore
May 28, 2014

2.7 FIXED ASSETS

(Amount in Rupees)

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK	
	Cost of Assets As on 1-4-2013	Additions (Deletions)	Total As on 31-3-2014	Rate %	Upto 01-04-2013	For the Year	Total 31-03-2014	As on 31-03-2014	As on 31-03-2013
Computer Software	307,262	-	307,262	16.21%	299,971	7,291	307,262	-	7,291
Computer	488,386	-	488,386	16.21%	488,386	-	488,386	-	-
Plant & Machinery	149,309	-	149,309	6.33%	34,730	9,451	44,182	105,127	114,579
Furniture and Fixtures	119,442	-	119,442	4.75%	78,477	5,673	84,150	35,292	40,965
TOTAL	**1,064,399**	**-**	**1,064,399**	**-**	**901,564**	**22,416**	**923,980**	**140,419**	**162,835**