

Audited Financial Results for the Year ended 31st March, 2010

Particulars	3 Months Ended			Year Ended			3 Months Ended			(Rs. in lakh except share data)		
	31.03.2010	31.03.2009	31.03.2010	31.03.2009	31.03.2010	31.03.2009	31.03.2010	31.03.2009	31.03.2010	31.03.2009	31.03.2009	
1) Net Sales/Income from Operations	(7,715.75)	7,270.14	2,867.93	35,813.45	(6,910.53)	15,705.64	23,530.81	50,879.26	50,879.26	50,879.26		
2) Total Income	(7,715.75)	7,270.14	2,867.93	35,813.45	(6,910.53)	15,705.64	23,530.81	50,879.26	50,879.26	50,879.26		
a) Increase/(Decrease) in stock in trade and work in progress	28.85	22.46	112.52	(21.40)	89.27	(215.73)	157.40	(208.51)	(208.51)	(208.51)		
b) Purchase of finished goods	330.12	1,049.21	509.78	4,310.29	1,725.67	4,358.88	9,557.24	11,428.65	11,428.65	11,428.65		
c) Employees cost	704.77	855.84	2,788.43	23,784.41	3,094.81	3,281.75	10,305.92	8,043.68	8,043.68	8,043.68		
d) Depreciation	2,550.25	2,355.36	7,550.35	7,140.36	3,094.81	3,094.81	10,305.92	7,689.91	7,689.91	7,689.91		
e) General & Administrative Expense	14,977.31	16,144.07	15,437.74	6,138.95	18,689.33	3,863.42	19,688.57	18,688.57	18,688.57	18,688.57		
f) Total	18,521.19	5,807.94	26,524.70	21,813.31	28,545.94	14,044.93	48,924.18	35,574.44	35,574.44	35,574.44		
3) Profit from Operations before Other Income, Interest and Exceptional Items (1+2)	(26,236.95)	1,462.20	(23,656.78)	13,994.14	(33,457.57)	1,660.71	(24,993.37)	14,304.82	14,304.82	14,304.82		
4) Other Income	300.86	1,822.43	301.88	1,872.11	490.49	1,967.70	504.57	2,006.32	2,006.32	2,006.32		
5) Profit before Interest and Exceptional Items (1+3)	(25,936.09)	3,284.63	(23,354.90)	15,866.25	(32,967.09)	3,628.41	(24,488.80)	16,311.14	16,311.14	16,311.14		
6) Profit after Interest but before exceptional items (1+4)	3,044.80	1,018.74	8,243.58	2,820.89	2,961.33	1,129.07	6,476.03	3,001.82	3,001.82	3,001.82		
7) Profit (after Interest) but before exceptional items (5+6)	(28,971.59)	2,265.89	(23,596.47)	13,043.36	(33,928.42)	2,478.34	(30,964.84)	13,309.32	13,309.32	13,309.32		
8) Exceptional Items	(28,971.59)	2,265.89	(23,596.47)	13,043.36	(33,928.42)	2,478.34	(30,964.84)	13,309.32	13,309.32	13,309.32		
9) Profit (+) or Loss (-) from Ordinary Activities before tax (7+8)	(10,298.57)	200.00	(10,199.57)	1,500.00	(10,745.50)	(329.36)	(10,541.90)	1,178.10	1,178.10	1,178.10		
10) Tax expense	(18,678.01)	2,065.89	(19,398.50)	11,545.36	(25,182.92)	2,807.70	(20,422.93)	12,131.22	12,131.22	12,131.22		
11) Net Profit (+) or Loss (-) from Ordinary Activities after tax (9+10)	(28,976.58)	2,065.89	(21,598.07)	13,045.36	(25,928.42)	2,478.34	(30,964.84)	13,309.32	13,309.32	13,309.32		
12) Extraordinary Items (Net of tax expenses Rs. Nil)	-	-	-	-	-	-	-	-	-	-		
13) Net Profit (+) or Loss (-) for the period (1+12)	(18,678.01)	2,065.89	(19,398.07)	11,545.36	(25,928.42)	2,478.34	(30,964.84)	13,309.32	13,309.32	13,309.32		
14) Prior Period Expense (Income)	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00		
15) Net Profit (+) or Loss (-) for the period (13+14)	(18,669.01)	2,065.89	(19,407.07)	11,554.36	(25,919.42)	2,487.34	(30,955.84)	13,318.32	13,318.32	13,318.32		
16) Paid-up equity share capital of Rs.2/- Each	2,355.34	2,355.34	2,355.34	2,355.34	2,355.34	2,355.34	2,355.34	2,355.34	2,355.34	2,355.34		
17) Reserves excluding Retention Reserves as per balance sheet of previous accounting Year	-	-	60,886.66	-	-	-	-	64,254.44	64,254.44	64,254.44		
18) Earnings Per Share (EPS) (not annualized)												
a) Basic (Rs.)	(16.87)	1.75	(16.48)	9.82	(21.35)	2.45	(17.31)	10.30	10.30	10.30		
b) Diluted (Rs.)	(13.85)	1.63	(13.80)	8.94	(18.29)	2.15	(14.51)	9.38	9.38	9.38		
19) Public shareholding	-	-	-	-	-	-	-	-	-	-		
- Number of shares	98,747,550	74,573,850	98,747,550	74,573,850	98,747,550	74,573,850	98,747,550	74,573,850	74,573,850	74,573,850		
- Percentage of shareholding	83.86%	63.32%	83.86%	63.32%	83.86%	63.32%	83.86%	63.32%	63.32%	63.32%		
20) Promoters and promoter group Share holding												
a) Pledged/Non-pledged												
Number of shares	16,880,000	38,180,000	16,880,000	38,180,000	16,880,000	38,180,000	16,880,000	38,180,000	38,180,000	38,180,000		
Percentage of shares (as a % of the total shareholding of promoter and promoter group)	88.75%	88.39%	88.75%	88.39%	88.75%	88.39%	88.75%	88.39%	88.39%	88.39%		
Percentage of shareholders a % of the total share capital of the company)	14.33%	32.42%	14.33%	32.42%	14.33%	32.42%	14.33%	32.42%	32.42%	32.42%		
b) Non-pledged												
Number of shares	2,139,000	5,013,000	2,139,000	5,013,000	2,139,000	5,013,000	2,139,000	5,013,000	5,013,000	5,013,000		
Percentage of shareholders a % of the total shareholding of promoter and promoter group)	11.25%	11.61%	11.25%	11.61%	11.25%	11.61%	11.25%	11.61%	11.61%	11.61%		
Percentage of shares (as a % of the total share capital of the company)	1.82%	4.26%	1.82%	4.26%	1.82%	4.26%	1.82%	4.26%	4.26%	4.26%		

For S. Janardhan & Associates
 Chartered Accountants

Partner



CRANES SOFTWARE INTERNATIONAL LIMITED
Segment Wise Revenue, Results & Capital Employed

(Rs. in lakh)

Particulars	Audited							
	3 Months Ended		Year Ended		3 Months Ended		Year Ended	
	31.03.2010	31.03.2009	31.03.2010	31.03.2009	31.03.2010	31.03.2009	31.03.2010	31.03.2009
	Standalone		Consolidated					
1 Segment Revenue								
(a) International	(7,797.55)	6,467.46	1,355.92	30,286.25	(7,270.13)	14,751.37	21,661.81	45,085.84
(b) Domestic	81.80	802.68	1,512.01	5,527.20	359.50	954.27	1,869.00	5,793.42
Total	(7,715.75)	7,270.14	2,867.93	35,813.45	(6,910.63)	15,705.64	23,530.81	50,879.26
Less: Inter Segment Revenue								
Net sales/Income	(7,715.75)	7,270.14	2,867.93	35,813.45	(6,910.63)	15,705.64	23,530.81	50,879.26
From Operations								
2 Segment Results (Profit)/+/- Loss								
(-) Before tax and interest from Each segment)								
(a) International	(13,542.87)	1,230.63	(11,184.59)	13,032.27	(31,049.20)	1,417.32	(23,008.21)	13,303.09
(b) Domestic	(12,694.07)	181.89	(12,472.18)	980.92	(2,408.37)	183.97	(1,985.17)	1,020.52
Total	(26,236.95)	1,412.52	(23,656.78)	14,013.19	(33,457.56)	1,601.29	(24,993.37)	14,323.61
Less: i) Interest	3,041.50	1,018.74	6,243.58	2,820.89	2,961.33	1,129.07	6,476.03	3,001.82
ii) Other Un-allocable Expenditure net off								
(iii) Un-allocable income	300.86	1,872.11	301.88	1,853.06	490.49	2,006.12	504.57	1,987.53
Total Profit Before Tax	(28,977.58)	2,265.89	(29,598.47)	13,045.36	(35,928.40)	2,478.34	(30,964.84)	13,309.32
3 Capital Employed								
(Segment assets – Segment Liabilities)								
(a) International	(201,106.87)	116,020.71	(61,567.55)	116,020.71	(24,913.01)	118,367.43	123,242.82	118,367.43
(b) Domestic	(101,386.75)	36,638.12	(68,655.30)	36,638.12	(27,804.93)	37,379.19	10,633.48	37,379.19
Total	(302,493.62)	152,658.83	(130,222.85)	152,658.83	(52,717.94)	155,746.62	133,876.30	155,746.62

For **S. Janardhan & Associates**
Chartered Accountants

Partner




Notes:

1 The above results have been approved by the Audit Committee and taken on record by the Board of Directors at its meeting held on September 30, 2010

2 The consolidated result have been prepared in line with the requirements of Accounting Standards-21 "Consolidated Financial Statements"

3 There were no investor complaints at the beginning of the Quarter. There were 15 investor complaints received during the quarter relating to non-receipt of dividends.

4 The consolidated results includes results of following:

Name of the Company	% of holding	Holding Company
Systat Software Asia Pacific Ltd.,	100%	Cranes Software International Ltd.,
Systat Software Inc., USA	100%	Cranes Software International Ltd.,
Cranes Software UK Ltd.,	100%	Systat Software Inc., USA
Cranes Software International Pte. Ltd.,	100%	Cranes Software International Ltd.,
Systat Software GmbH,,	100%	Cranes Software International Ltd.,
Cranes Software Inc., USA	100%	Cranes Software International Ltd.,
Analytix Systems Pvt. Ltd.,	100%	Cranes Software International Ltd.,
Tiak Autitech Pvt. Ltd.,	100%	Cranes Software International Ltd.,
Dunn Solutions Group Inc.,	100%	Cranes Software Inc. USA
Caravel Info Systems Pvt. Ltd.,	100%	Cranes Software International Ltd.,
Proland Software Pvt. Ltd.,	100%	Cranes Software International Ltd.,
Engineering Technology Associates Inc., USA	100%	Cranes Software Inc., USA
Engineering Technology Associates (Shanghai) Inc., China	100%	Engineering Technology Associates Inc., USA
Esquebe Communication Solutions Pvt. Ltd.,	76%	Cranes Software International Ltd.,
Cubeware GmbH,,	100%	Systat Software GmbH,,

5 Previous period figures have been regrouped/reclassified wherever necessary.



For S. Janardhan & Associates
Chartered Accountants

Partner

	The auditors have rendered a qualified Audit Report in respect of the Company's assumption of Going Concern on account of the following reasons observed:	
6.1	Auditors' Opinion The Company has incurred a cash loss of Rs. 220.08 Crore for the year under review	Management Response The year under review had been highly demanding and challenging and hence the cash loss which was additionally contributed by conservative provisioning
6.2	The security provided to Banks and other lending institutions is not adequate to cover the amounts outstanding as appearing in the Balance Sheet.	The matter is under active discussion with each such entity to reach an amicable negotiated phased settlement to meet the liability. In some cases like HSBC (amongst the largest lenders), such settlement has been reached as well.
6.3	The company has not carried out the exercise of assessing the value of intangible assets appearing in the books with a view to provide for any impairment	It is believed that there is no impairment in value and the realizable value is atleast equal to the carrying value. Any diminution on account of the global economic conditions are not of permanent nature
6.4	A Principal supplier of the company The Mathworks Inc. has filed a petition for Winding up of the company u/s 434 of the Companies Act, 1956 before the High Court of Karnataka for non-payment of dues.	An out - of - court settlement has been executed with the Principal, involving phased payment. Payments of agreed instalments as per this schedule are being done hence this is not a risk anymore
6.5	The company has also received several legal notices from creditors and employees for non-payment of dues to them.	The matter is under active discussion with each person to reach an amicable negotiated phased settlement to meet this liability
6.6	There has been a considerable erosion of staff strength for the year under review	Such erosion was largely on account of the organizational turmoil. With greater stability and working out arrangements with lenders in the recent months, it should soon be possible to attract needed talent
6.7	The Trustees of Foreign Currency Convertible Bond holders due for redemption in March, 2011 have served a legal notice on the Company for non-payment of interest due on the Bonds from September 2008 and stated that a Petition u/s 434 for winding up of the company would be filed in the event of non-payment of interest.	No notice of the petition having been filed as yet been received. Maintaining the matter is under discussion with the Bond Holders to arrive at a negotiated settlement by repaying the liability discharge
6.8	The ability of the company to recover the book debt/advance advances representing substantial part of these assets under in the Balance Sheet particularly in the absence of confirmation of balances and any tangible evidence for follow up of collection	Any delay in follow up of book debts is on account of staff turmoil and is under correction; needed steps to seek and obtain needed approvals under FEMA for extension of time is also being sought. The recoverable advances arose because during the year, some lenders invoked guarantees given by the Company on behalf other entities, as Securities for the borrowings of those entities, such amounts recovered by the lenders are treated as amounts recoverable from the beneficiaries of such guarantees as at end fiscal year. Steps to arrange recovery have been initiated
6.9	There are several cases filed u/s 138 of the Negotiable Instruments Act against the company	The matter is under active discussion with each such entity to reach an amicable negotiated phased settlement to meet this liability. In some cases like HSBC (amongst the largest lenders), such settlement has been reached as well.
6.10	Some Banks and lending institutions have applied the DRT for review of dues and provisions of SARFAESI have also been invoked against the company	
7	The auditors have also further qualified the accounts for the following reasons:	
7.1	Auditors' Opinion The company has defaulted in discharge of undeposited statutory dues like Provident Fund, ESU, VAT, Income Tax, including Tax deducted at source and Dividend Tax and Service Tax.	Management Response Caused by acute liquidity crisis, the matter has been represented to the authorities and time sought to discharge these liabilities in a phased manner.
7.02	Non provision for the book debts to the extent of Rs.319.94 Crore and Rs. 234.44 Crore on account of the advances, which in the auditors' opinion is doubtful.	This is already dealt with in clause no. 6.5 above. Needed steps to obtain statutory approvals and arrange recovery, etc have been initiated.
7.03	Recognition of Deferred Tax asset in respect of the carried forward losses to the extent of Rs. 102 Crore. In the absence of any reasonable certainty of future taxable income	With the steps already taken to maintain and grow the business, there is no reason to presume that the Company will not have future taxable income to take advantage of the Deferred Tax Asset. Hence this is recognised.
7.04	Non payment of dividend declared in the Annual General meeting held on 28th September, 2009 for the FY ending 31st March, 2009.	Apart from being caused by the acute liquidity position, this was also postponed as a matter of good order when some of the lenders who had initiated coercive legal action included in their

8 Standalone Results of the Company are available in website www.cranesoftwares.com

For S. Janardhan & Associates
Chartered Accountants

Place : Bangalore
Date : 30th September 2010

Partner



By Order of the Board
Ajit Krutler
Managing Director

