1. DATE AND GENERAL INFORMATION

This management’s discussion and analysis (“MD&A”) of GINSMS Inc. (“GINSMS” or the “Company”) has been prepared by management and should be read in conjunction with the Company’s annual audited financial statements and MD&A as at and for the year ended March 31, 2014, the Company’s consolidated financial statements as at and for the three and six months ended September 30, 2014, and the notes thereto which were prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). Specifically they have been prepared in accordance with International Accounting Standard (“IAS”) 34 Interim Financial Reporting.

This MD&A was prepared as of November 19, 2014. Additional information regarding the Company is available on SEDAR at www.sedar.com. All monetary amounts set forth in the MD&A are expressed in Canadian dollars, except where otherwise stated. Other currencies are mainly United States dollars (“USD”), Hong Kong dollars (“HKD”), China Renminbi (“RMB”), Singapore dollars (“SGD”), Malaysian dollars (“MYR”) and Indonesian rupiah (“IDR”).

The Company’s Board of Directors has reviewed and approved this MD&A.

Caution Regarding Forward-Looking Information

Certain information included in this MD&A may contain forward-looking statements. Forward-looking statements generally can be identified by the use of forward-looking terminology such as “may”, ”could”, “will”, “expect”, “intend”, “estimate”, “anticipate”, “believe”, or “continue” or the negative thereof or variations thereon or similar terminology. These statements are not historical facts, but reflect management’s current beliefs and are based on information currently available to management regarding future results and events. Particularly, these forward-looking statements are based on management’s estimate of future events based on technological advances relating to the Company’s services, current market conditions and past experiences of management in relation to how certain contracts will affect revenues. Forward-looking statements, by their very nature, involve significant risks, uncertainties and assumptions.

A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including, but not limited to dependence on major customers, system failures, delays and other problems, increasing competition, security and privacy breaches, dependence on third-party software and equipment, adequacy of network reliance, network diversity and backup systems, loss of significant information, insurance coverage, capacity limits, rapid technology changes, market acceptance, decline in volume of attractions, retention of key members of the management team, success of expansion into Chinese and other Asian markets, credit risk, consolidation of existing customers, dependence on required licenses, economy and politics in countries where the Company operates, conflicts of interest and residency of directors and officers. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Although the forward-looking statements contained herein are based upon what management believes to be reasonable assumptions, the Company cannot assure the reader that actual results will be consistent with these forward-looking statements.

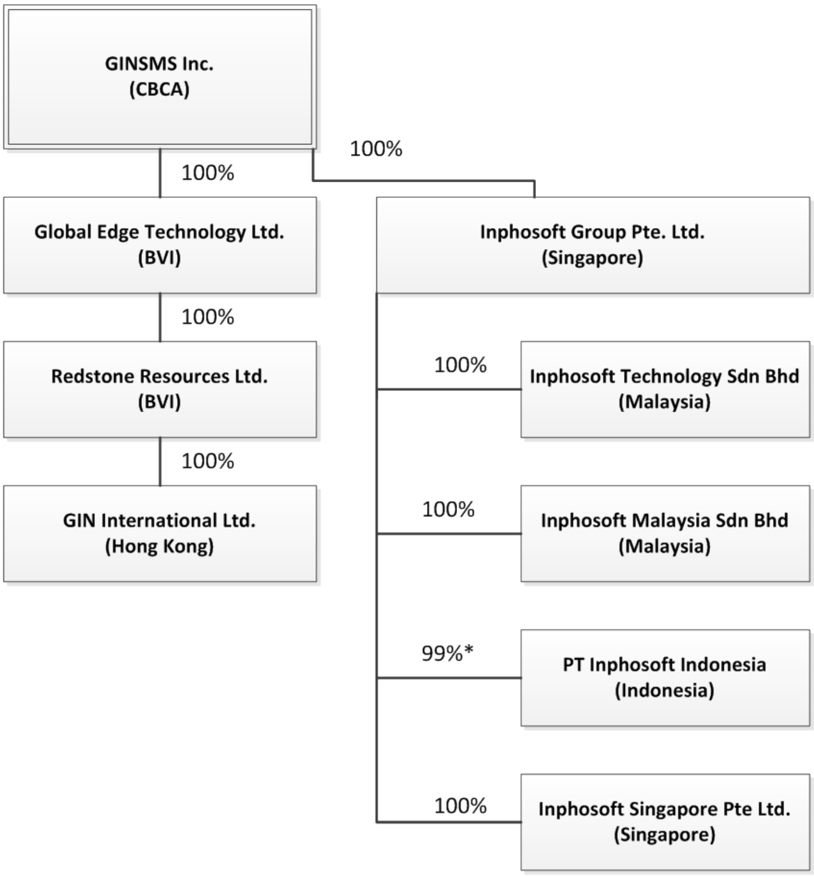
In particular, forward-looking statements include the following assumptions:

- Management's belief that the availability of 3G/4G services in China and the rest of the world will continue to create demand for the Company's software products and services.
- Management's belief that the future growth in messaging is in the area of application-to-person ("A2P") messaging and the Company's investment in this area will create a viable and profitable business in the future.
- Management's belief that the Company is able to generate sufficient amounts of cash through operations and financing activities to fulfil the working capital requirements of its present operations.

These forward-looking statements are made as of the date of this MD&A and the Company assumes no obligation to update or revise them to reflect new events or circumstances except as may be required by law. Accordingly, readers should not place undue reliance on the forward-looking statements. All forward-looking statements contained in this MD&A are qualified by this cautionary statement.

2. OVERALL PERFORMANCE – DESCRIPTION AND OUTLOOK OF BUSINESS

Group Structure



*The remaining 1% is held by Joel Chin Siang Hui.

The Company has two main business segments:

a) Messaging Business
b) Software Products and Services

Messaging Business

The Company operates its messaging business through Gin International Ltd ("GIN"), its wholly-owned subsidiary in Hong Kong. GIN is focused on providing inter-operator short messaging services ("IOSMS") to mobile telecom operators in Hong Kong. IOSMS is a short message services ("SMS") gateway providing connections between all mobile and fixed line operators. The gateway identifies the recipient's operator ID and delivers the message to the corresponding operator's SMS gateway. IOSMS' function is to identify and deliver an SMS correctly. GINSMS has agreements with various telecommunications operators in Hong Kong. These operators are charged a fee based on traffic relayed through GIN's IOSMS gateway. Through increased competition and the continuous decline of person-to-person ("P2P") SMS traffic, the Company is of the opinion that the IOSMS business is not viable as a standalone business and has decided to discontinue its IOSMS service effective from September 12, 2014. Instead, the Company has begun a transition into the application-to-peer ("A2P") messaging business.

On March 27, 2014, the Company announced that GIN has officially launched its cloud-based A2P SMS service. The service allows the transmission of SMS to mobile subscribers of more than 100 mobile operators globally. This is achieved through partnerships with service providers and direct connections with mobile operators globally. GIN's close working relationships with mobile operators in China, Hong Kong and Southeast Asia puts it in a good position to become a leading provider of A2P SMS service in Asia.

Through the provision of the A2P SMS service via cloud, GIN enables mobile application developers, SMS gateways, enterprises and financial institutions to deliver SMS worldwide without any upfront capital investment through the use of GIN's rich application programming interface ("API").

Mobile application developers use A2P SMS service to deliver one-time-passwords ("OTP") for authentication of over-the-top ("OTT") mobile applications, in-app purchase confirmations or promotion of latest game releases. Enterprises and financial institutions use the A2P service in the areas of mobile marketing, mobile transactions, security, customer relationship management ("CRM") and enterprise resource planning ("ERP").

Juniper Research predicts that in 2016, revenue from A2P SMS will overtake that of P2P SMS as the mobile messaging ecosystem shifts from communication between individuals to sending and receiving service-enabling messages.

GIN has since actively marketed the service and has started generating revenue from the service starting in April, 2014. For the three and six months ended September 30, 2014, GIN generated revenue of $104,836 and $182,951 respectively for this new service and is expecting to grow the revenue significantly in the future.

To be successful in this new business, substantial investment has to be made in the areas of research and development. GIN is expected to invest $400,000 in the current financial year to develop new services and improve the performance of the cloud service.

GIN intends to focus entirely on its A2P SMS service and has discontinued its IOSMS operations. GIN has negotiated with the mobile operators in Hong Kong to terminate the IOSMS agreements signed with them without incurring penalty and has terminated its IOSMS business effective September 12, 2014. Moving forward, the Company will no longer generate any IOSMS revenue.

Software Products and Services

GINSMS operates its software products and services through Inphosoft Group Pte Ltd ("Inphosoft"), its wholly-owned subsidiary. Inphosoft is headquartered in Singapore with subsidiaries in Malaysia and Indonesia.

The activities of Inphosoft consist of providing software products and services with a principal business focus in the following areas:

a. Provision of products and solutions to mobile operators in the areas 3G/4G mobile data value-added services like mobile entertainment and mobile advertising.
b. Provision of mobile application development services.
c. Provision of support and maintenance services to customers that have purchased its products and solutions.

Inphosoft's main customers are mobile operators and these customers have been cutting their budget on investments in value-added services. This has a negative impact on Inphosoft's business. Inphosoft is also facing increased competition from local and international competitors. Due to these reasons, the management expects Inphosoft's business to continue to weaken. Inphosoft is taking steps to rein in operation cost as well as diversifying its customer base such that it is less dependent on mobile operators. There is some progress made on this matter and Inphosoft managed to increase its revenue for the preceding quarter ended June 30. However, there is slight dip in its revenue for the quarter ended September 30, 2014 compared to the quarter ended June 30, 2014.

3. RESULTS OF OPERATIONS FOR THE THREE AND SIX MONTHS ENDED SEPTEMBER 30, 2014

Selected Profit and Loss Information

Financial Highlights	**Three-month period ended September 30, (Unaudited)**		**Six-month period ended September 30, (Unaudited)**	
	2014	2013	2014	2013
Revenues $				
A2P SMS Service	104,836	-	182,951	-
IOSMS	9,148	34,037	33,327	70,775
S/W Product & Services	199,575	177,704	430,384	586,550
	313,559	211,741	646,662	657,325
Cost of sales $				
A2P SMS Service	96,840	-	169,890	-
IOSMS	28,740	47,895	71,784	105,019
S/W Products & Services	174,291	168,273	337,234	271,593
	299,871	216,168	578,908	376,612
Gross profit $				
A2P SMS Service	7,996	-	13,061	-
IOSMS	(19,592)	(13,858)	(38,457)	(34,244)
S/W Products & Services	25,284	9,431	93,150	314,957
	13,688	(4,427)	67,754	280,713
Gross margin %				
A2P SMS Service	7.6%	-	7.1%	-
IOSMS	(214.2)%	(40.7)%	(115.4)%	(48.4)%
S/W Products & Services	12.7%	5.3%	21.6%	53.7%
	4.4%	(2.1)%	10.5%	42.7%
EBITDA $	(300,197)	(316,192)	(545,793)	(396,044)
EBITDA margin	(95.7)%	(149.3)%	(84.4)%	(60.3)%
Net earnings $	(857,801)	(832,129)	(1,590,226)	(1,205,239)
Net earnings margin	(273.6)%	(393.0)%	(245.9)%	(183.4)%
Net earnings (loss) per share $				
Basic	(0.02)	(0.02)	(0.03)	(0.02)
Diluted	(0.02)	(0.02)	(0.03)	(0.02)

(1) EBITDA is a non-GAAP measure related to cash earnings and is defined for these purposes as earnings before income taxes, depreciation & amortization (in both cost of sales and general and administration expenses) and the accretion on obligations.

The table below outlines the changes in the major categories:

	Three months September 30, 2014 $	Three months September 30, 2013 $	Six months September 30, 2014 $	Six months September 30, 2013 $
Amortization (cost of sales)				
- Development expenditure	89,640	111,306	136,892	123,275
- Property and equipment	17,122	4,172	25,653	8,368
Selling, General & Admin	420,647	427,243	776,092	808,400
Fair value adjustment on convertible debenture	-	-	-	-
Accretion on obligations	352,242	308,902	684,552	599,451
Amortization (expense)				
-Property and equipment	3,457	1,262	7,183	2,522
-Intangible assets-contracts	55,589	50,000	111,179	100,000
-Intangible assets-software	39,337	40,000	78,675	80,000

For the three and six months ended September 30, 2014, revenue were $313,559 and $646,662 respectively compared to $211,741 and $657,325 for the three month and six month ended September 30, 2013 respectively. This is largely due to the decrease in revenue in the software products and services segment. Revenue generated through Inphosoft's global partner, Acision, has declined significantly from a year ago and is not expected to recover soon. Acision has downsized its global sales team to focus on Acision's core products and places less emphasis on reselling partners' products. This resulted in the reduced demand for the Company's products. Moving forward, the business conditions will remain challenging and the Company has to focus its efforts on other areas in order to create new revenue streams.

The A2P SMS Service that the Company introduced in March 27, 2014 generated revenue of $104,836 and $182,951 for the three and six months ended September 30, 2014 respectively. This represents a growth of 34.2% for the three months ended September 30, 2014 compared to the three months ended June 30, 2014. The management expects growth to continue in the coming quarter.

Revenue from the Company's IOSMS activities, taken separately, declined by 73% and 53% for the three and six months ended September 30, 2014 respectively compared to the same period in the previous year. The decline in the revenue generated from the IOSMS platform is due to the less favourable terms of the contracts signed with mobile network operators that came into effect on March 1, 2013 as well as the general downtrend of P2P SMS traffic in Hong Kong. This situation is not expected to improve as consumers will continue to migrate to over-the-top ("OTT") messaging applications like Whatsapp, Line and Facebook Messenger for P2P text communication. As explained earlier, GIN has terminated its IOSMS business effective September 12, 2014. This should improve the overall gross margin of the Company.

The gross margin of software products and services for comparative three months ended September 2013 was only 5.3% due to the overprovision of depreciation of the development of cost of one project that amounted to $94,023 in the book of Inphosoft Singapore Pte Ltd and PT Inphosoft Indonesia. Overprovision of depreciation amounted to $78,945 in the Singapore subsidiary was rectified in March 2014 and the overprovision of depreciation amounted to $15,078 in the Indonesian subsidiary was rectified in November 2013. Excluding the overprovision of depreciation, the gross margin would be 57%.

The net loss for the three and six months ended September 30, 2014 amounted to $857,801 and $1,590,226 respectively compared to a loss of $832,129 and $1,205,239 for the same periods in the previous year due to lower revenue, lower gross profit margin and the increase in non-cash charge to earnings of $352,242 and $684,552 respectively representing accretion on obligations related to the convertible debentures and promissory notes issued in connection with the acquisition of Inphosoft. The amounts amounted to $308,902 and $599,451 respectively in the same periods in previous year.

Selling, general and administrative expenses decreased from $427,243 and $808,400 for the three and six months ended September 30, 2013 to $420,647 and $776,092 for the three and six months ended September 30, 2014 respectively. This is attributed to a cost cutting exercise undertaken by the Company.

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Selected Balance Sheet Information

	September 30, 2014 (Unaudited) $	March 31, 2014 (Audited) $
Current assets		
Cash	**87,694**	115,309
Accounts receivable and other	**476,150**	384,481
Prepaid expenses	**74,901**	92,104
	638,745	591,894
Fixed Assets		
Property and equipment	90,242	108,874
Development expenditures	742,281	758,678
Goodwill	2,830,364	2,830,364
Intangible Assets - contracts	-	111,181
Intangible Assets - software	472,050	550,725
TOTAL ASSETS	4,773,682	4,951,716
Current Liabilities		
Accounts payable and accrued liabilities	591,466	562,031
Loans from related parties	940,514	225,981
Promissory note payable	400,000	400,000
	1,931,978	1,188,012
Convertible debentures	7,542,229	6,857,677
Deferred income tax liability	127,594	127,601
TOTAL LIABILITIES	9,601,801	8,173,290
Shareholders' Equity		
Share capital	1,339,386	1,339,386
Subscriptions received	-	-
Reserves	429,431	429,431
Equity component of convertible debentures	35,776	35,776
Accumulated comprehensive loss	73,269	89,628
Deficit	(6,703,731)	(5,114,619)
Non-controlling interest	(2,250)	(1,176)
	(4,828,119)	(3,221,574)
TOTAL LIABILITIES & EQUITY	4,773,682	4,951,716

(1) The figures reported above are based on the consolidated financial statements of the Company which have been prepared in accordance with International Financial Reporting Standard.

Total assets of GINSMS including cash, accounts receivable, prepaid expenses, property and equipment, development expenditures, goodwill, intangible assets and other assets as at September 30, 2014 totalled $4,773,682, compared to $4,951,716 as at March 31, 2014. Cash on hand amounted to $87,694, compared to $115,309, a decrease of 23.9%.

Shareholders' equity as at September 30, 2014, showed a deficit of $4,828,119, deteriorated from a deficit of $3,221,574 as at March 31, 2014. The drop in shareholders' equity is largely due to the loss of $1,590,226 recorded in the six months ended September 30, 2014. As can be seen from the table above, with the acquisition of Inphosoft, the capitalization of the Company changed substantially and now includes the current value of the convertible debentures issued in settlement of the acquisition and which are due in three years from the date of the acquisition, namely September 28, 2012. The issue of convertible debentures in lieu of equity in compensation for the acquisition of Inphosoft accentuated the relative weakness of shareholders' equity compared to the size of the company. Note, however, that the convertible debentures are non-interest bearing and are convertible at $0.10.

4. SUMMARY OF QUARTERLY RESULTS

The quarterly information set forth below has been presented on the same basis as the audited consolidated financial statements, and all necessary adjustments have been included in the amounts stated below to present fairly the unaudited quarterly results when read in conjunction with the audited consolidated financial statements and the notes thereto.

$	Q3/FY13	Q4/FY13	Q1/FY14	Q2/FY14	Q3/FY14	Q4/FY14	Q1/2015	Q2/2015
Revenue								
A2P SMS Service	-	-	-	-	-	-	78,115	**104,836**
IOSMS	140,013	102,318	36,738	34,037	30,427	28,158	24,179	**9,148**
S/W Products & Services	337,227	416,360	408,846	177,704	223,900	190,977	230,809	**199,575**
	477,240	518,678	445,584	211,741	254,327	219,135	333,103	**313,559**
Cost of Sales								
A2P SMS Service	-	-	-	-	-	-	73,050	**96,840**
IOSMS	66,763	71,150	57,124	47,895	51,497	59,050	43,044	**28,740**
S/W Products & Services	56,802	96,873	103,320	168,273	131,704	(37,093)	162,943	**174,291**
	123,565	168,023	160,444	216,168	183,201	21,957	297,037	**299,871**
Operating Expenses*	821,116	1,243,788	923,410	1,043,575	1,027,101	1,145,023	1,065,446	**1,171,143**
Net Earnings Before Income Taxes	(343,876)	(725,110)	(368,945)	(831,834)	(772,774)	(997,934)	(732,343)	**(857,584)**
Income Taxes expense (recovery)	(249)	(7,258)	4,165	295	(135)	(3,604)	82	**217**
Net Earnings	(343,627)	(717,852)	(373,110)	(832,129)	(772,639)	(994,330)	(732,425)	**(857,801)**
Net Earnings (per share)								
Basic	(0.01)	(0.02)	(0.01)	(0.02)	(0.01)	(0.02)	(0.02)	**(0.02)**
Diluted	(0.01)	(0.02)	(0.01)	(0.02)	(0.01)	(0.02)	(0.02)	**(0.02)**

* Represent the sum of cost of sales, selling, general and administrative expenses, amortization, accretion on obligations related to the convertible debentures and promissory notes and unrealized foreign exchange gain/loss. For Q1-14 and Q4-14, for comparative purposes, the fair value adjustment of convertible debenture was excluded.

The A2P SMS Service generated revenue for the first time for the quarter ended June 30, 2014, increased in the quarter ended September 30, 2014 and is expected to continue to grow. IOSMS revenue continues to decline due to the reasons discussed earlier in the MD&A. The software products and services segment shows signs of improving but there is no clear visibility on the trend moving forward.

5. LIQUIDITY AND CAPITAL RESOURCES

	Three months ended September 30 (Unaudited)		Six months ended September 30 (Unudited)	
	2014	2013	2014	2013
	$	$	$	$
Cash, beginning of period	145,218	670,500	115,309	965,917
Net loss for the period	(857,799)	(832,129)	(1,590,224)	(1,205,239)
Future income tax expenses (recovery)	54	-	(8)	-
Exchange loss /(gain)	493	16,631	16,090	(3,131)
Interest expense	31,066	-	42,468	-
Accretion on obligations	352,242	308,902	684,552	599,451
Fair value adjustment of convertible debenture	-	-	-	(108,881)
Amortization	149,365	206,740	303,802	314,165
Changes in non-cash working capital	312,811	161,971	610,064	390,954
Cash flow from operations	(11,768)	(137,885)	66,744)	(12,681)
Financing activity	-	-	-	(400,000)
Investing activity	(47,392)	(61,830)	(85,932)	(120,327)
Effect of exchange rate	1,636	(25,272)	(8,427)	12,604
Cash, end of period	87,694	445,513	87,694	445,513
Total Cash Provided (Used)	(57,524)	(224,987)	(27,615)	520,404

GINSMS has a slightly improved liquidity position for the three months ended September 2014 compared to that as at 30 September 2013 primarily due to the unsecured interest-bearing loans provided by the related parties and the revenue generated from the new A2P SMS Service business in this quarter.

GINSMS is subject to liquidity risks as the Company has working capital deficiency. However, the risk is mitigated as the Company is currently in discussion on extending the due date on the promissory note payable and the interest-bearing loans financed by the related parties. The related parties have given written undertaking that they will not recall the loans in the next twelve months.

The promissory note payable has an initial present value of $366,523 with accretion recorded at an annual interest rate of 6%.

Apart from obligations to pay the promissory note payables and the loans made by related parties, the Company has also liabilities related to convertible debentures and operating lease obligations for the lease of its office space, data lines and data centre facilities to host the IOSMS system.

The face value of the convertible debentures issued as part of the consideration paid for the acquisition of Inphosoft on September 28, 2012 is $10.5m. The convertible debentures are outstanding for a period of three years from date of closing and are non-interest bearing, convertible at any time into common shares at $0.10 per share. The value assigned to the conversion option for the convertible debentures is $35,776.

On August 8, 2013, the Company announced that the profit for the fifteen-month period then ended was $380,792 leading to a release of $609,267 in convertible debentures from escrow. This adjustment to the contingent consideration, as a result of an event that occurred subsequent to the acquisition date, resulted in a fair value decrease to the debentures of $36,835 based on a third party appraisal of the debentures. This has been recorded in net loss for the year ended March 31, 2014 with no adjustment to the purchase price allocation on acquisition, with the total value on maturity of $9,109,267, down $1,390,733 from the previous value of $10.5m. Accretion has been recorded at the implied interest rate of 19.44%

The Company has lease agreements outstanding for various terms up to September 9, 2015. Payments are to be incurred in SGD, RMB and IDR. The Canadian dollar equivalent as of September 30, 2014 is a total of $83,139 to be incurred within one year of the statement of financial position date.

The capital resources of the Company are comprised mainly of the convertible debentures, promissory notes payable, loans by the related parties and the equity of the Company.

6. OFF BALANCE SHEET ARRANGEMENTS

GINSMS does not utilize off-balance sheet arrangements.

7. TRANSACTIONS WITH RELATED PARTIES

The Company was a party to the following related party transactions that have been recorded at their exchange amounts for the three and six month ended September 30, 2014 and 2013:

	Three-month period ended September 30,		Six-month period ended September 30,	
	2014	2013	2014	2013
Consulting fees paid to a company controlled by a director or a shareholder	-	-	-	$33,000
Consulting fees paid to directors	2,950	2,814	5,905	5,582
Management salaries paid to directors of a subsidiary	57,198	54,832	114,423	107,692
Management salaries paid to officers	30,779	45,552	61,572	90,843
Rent charges by a family member	2,950	2,814	5,905	5,582
Interest charged on loan from an officer	8,552	-	10,769	-
Interest charged on loan from a director of a subsidiary	598	-	888	-
Interest charged on loan from a related party	21,915	-	30,808	-

Loans from related parties of $940,514 (September 30, 2013 - $Nil) are interest-bearing, unsecured and are repayable on demand. The loans bear interest rate of 12% per annum (compounded daily based on a 365-day year) for first three months, after which such loans bear an interest rate of 24% per annum (compounded daily based on a 365-day year).

Included in accounts payable and accrued liabilities are amounts of $31,402 (September 30, 2013 - $22,452) owed to related parties.

The above transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

8. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CHANGES) AND BASIS OF PRESENTATIONAND ADOPTION OF IFRS

The significant accounting policies used in the preparation of these unaudited condensed interim consolidated financial statements are described in Note 3 of the audited consolidated financial statements for the year ended March 31, 2014. There have been no changes to our accounting policies since March 31, 2014, except for those described in the Note 3 of the condensed interim consolidated financial statements for the three and six months ended September 30, 2014 and 2013.

9. FINANCIAL INSTRUMENTS

Financial instruments of GINSMS consist of cash, account receivables, accounts payable, accrued liabilities, interest-bearing loans of related parties, promissory notes payable and convertible debentures. GINSMS limits exposure to credit loss by placing its cash with high credit quality financial institutions.

The carrying amounts of cash, accounts receivable and other accounts payable, accrued liabilities, interest-bearing loans of related parties and promissory notes payable approximate their values due to the short-term nature of these instruments. The carrying amounts of convertible debentures approximate their values due to their long-term nature. The functional currency of GET, a subsidiary of the Company is the HKD. In the case of Inphosoft, the functional currency is principally that of the SGD but also the IDR and the MYR. In accordance with Canadian GAAP, the consolidated financial statements of GINSMS, which are prepared using the functional currencies, have been translated into Canadian dollars. Assets and liabilities are translated at exchange rates applicable at the balance sheet dates; revenues and expenses are translated at the average exchange rates applicable during the period covered by the financial statements; and capital and statutory capital reserves are translated at historical exchange rates.

10. SHAREHOLDERS' EQUITY & DISCLOSURE OF OUTSTANDING SHARE DATA

Share Capital

	September 30, 2014	March 31, 2014
Share capital	**1,339,386**	1,339,386
Subscriptions received	**-**	-
Reserves	**429,431**	429,431
Equity Component of Convertible Debentures	**35,776**	35,776
Accumulated comprehensive income (loss)	**73,269**	89,628
Deficit	**(6,703,733)**	(5,114,619)
Non-controlling interest	**(2,250)**	(1,176)
	(4,828,121)	(3,221,574)

Shareholders' equity as at September 30, 2014 is a negative amount of $4,828,121 compared to a negative amount of $3,221,574 as at March 31, 2014. The deterioration in shareholders' equity is due to a large extent to the loss of $1,590,226 recorded in the six months ended September 30, 2014 reflecting the impact on results resulting from the deterioration in the two business segments of the group. The issue of convertible debentures in lieu of equity in compensation for the acquisition of Inphosoft accentuated the relative weakness of shareholders' compared to the size of the company. Note that the convertible debentures are non-interest bearing and are convertible at $0.10.

On April 5, 2013, GINSMS closed a non-brokered private placement by issuing 8,000,000 common shares at a price of $0.05 per share for total gross proceeds of $400,000 which were received in full as of March 31, 2013.

Authorized

Unlimited common shares, unlimited preferred shares, non-voting, non-participating, non-cumulative dividends, redeemable and retractable. The table below summarizes the issued and outstanding shares of the Company for the six months ended September 30, 2014 versus the twelve months ended March 31, 2014.

Issued	**June 30, 2014**		**March 31, 2014**	
	Shares	**Amount ($)**	**Shares**	**Amount ($)**
Balance, beginning of period	**51,537,499**	**1,339,386**	**43,537,499**	**929,386**
Share issue costs	-	-	8,000,000	400,000
Balance, end of period	**51,537,499**	**1,339,386**	**51,537,499**	**1,339,386**

Information on the Company's capital, including the numbers of common shares issued outstanding is detailed in the Company's audited consolidated financial statements which are available at www.sedar.com.

During fiscal year 2010, the Company completed its IPO by issuing 11,337,500 units at $0.15 per unit with each unit consisting of one common share and one-half of one common share purchase warrant. During the three month period ended December 31, 2011, 5,668,750 share purchase warrants exercisable into common shares at a price of $0.20 per share and 907,000 broker warrants exercisable into common shares at a price of $0.15 per share expired unexercised.

During fiscal year 2010, 233,333 shares were issued to directors and officers for gross proceeds of $35,000.

In 2012, 200,000 were issued to the Sponsor of GINSMS as part of its compensation in connection with the acquisition of Inphosoft.

On April 5, 2013, the Company closed a private placement by issuing 8,000,000 common shares at a price of $0.05 per share for total gross proceeds of $400,000.

Stock-based compensation plan

On May 13, 2009, the Company adopted a stock option plan which provides that the Board of Directors of the Company may, from time to time, in its discretion and in accordance with the TSX Venture Exchange requirements, grant to directors, officers, employees and consultants of the Company and its subsidiaries, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the total issued and outstanding common shares of the Company, for a period of up to ten years from the date of the grant. The Board of Directors of the Company has discretion to determine vesting conditions affecting the stock options.

Options granted to consultants performing investor relations activities will contain vesting provisions such that vesting occurs over at least twelve months with no more than ¼ of the options vesting in any three month period. The number of common shares reserved for issuance to any individual director or officer of the Company will not exceed 5% of the issued and outstanding common shares and the number of common shares reserved for issuance to all technical consultants, if any, will not exceed 2% of the issued and outstanding common shares.

If an optionee ceases to be a director, officer, or technical consultant of the Company for any reason other than death, the optionee may exercise options at the date of the cessation of the optionee's position or arrangement with the Company, provided that if the cessation of such position or arrangement was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option.

During the period ended March 31, 2012, the Corporation granted 1,375,000 options at $0.10 per share to directors and officers of the Corporation exercisable for a period of 10 years. The fair value is recognized as share-based compensation over the related vesting period of the options which is one half on each of the first two anniversary date of the options. On January 5, 2012, the Corporation passed a resolution making all 1,375,000 outstanding directors and officers options immediately vested and exercisable. All other terms of the options remained unchanged from the original grant.

	Exercise Price	Number of options	Reserve Balance
Balance, March 31, 2012 and 2013			
Issued to directors and officers	$0.10	1,375,000	$429,431
Cancellation of options		(575,000)	-
Balance, March 31, 2014		800,000	$429,431
Balance, September 30, 2014		800,000	$429,431

During the three months ended June 30, 2013, 500,000 stock options of a director and officer were cancelled in exchange for the payment of $5,000 which has been expensed and included with professional fees for the period ended. Another 75,000 stock options were cancelled due to the resignation of the director to whom those options had been granted.

As at March 31, 2014, the weighted average remaining contractual life for the 800,000 options outstanding to directors and officers is 7.3 years with all options being fully exercisable.