



NUCLEUS SOFTWARE

Quarterly Report

September 30, 2017

FINANCIAL HIGHLIGHTS

Rs. in Crore except per share data

Particulars	Consolidated Performance				
	For the Quarter ended			Half Year ended	
	September 30, 2017	June 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
Revenue from Operations	100.45	94.32	95.60	194.77	185.56
Operating Profit (EBITDA)	13.65	10.19	14.62	23.84	24.55
Profit after Tax (PAT)	15.66	11.51	15.43	27.18	27.88
EBITDA Margin	14%	11%	15%	12%	13%
PAT Margin	16%	12%	16%	14%	15%
EPS	4.93	3.56	4.77	8.47	8.61

At the end of the Period	As at		
	September 30, 2017	June 30, 2017	September 30, 2016
Share Capital	29.04	32.39	32.39
Reserves and Surplus	394.04	509.34	449.65
Net Worth	423.09	541.68	482.04
Total Assets	576.61	683.12	608.75
Net Fixed Assets	43.77	44.00	48.56
Current Assets	271.05	406.19	376.67
Cash and Cash Equivalents	137.66	283.91	272.47
Working Capital	125.27	271.90	261.16
Market Capitalisation	886.18	1,032.88	568.50
No. of Shares (Face Value of Rs.10.00)	29,040,724	32,383,724	32,383,724

Notes:

- 1.) Market Capitalisation is calculated by considering the closing market price of the scrip at the close of the quarter which is Rs. 305.15 at Sep 30, 2017, Rs. 318.95 at June 30, 2017, Rs. 175.55 at Sep 30, 2016
- 2.) While calculating the figures of group, intergroup transactions have been ignored.
- 3.) Previous year figures have been regrouped/ reclassified wherever necessary.

USD million except per share data

Particulars	Consolidated Performance				
	For the Quarter ended			Half Year ended	
	September 30, 2017	June 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
Revenue from Operations	15.48	14.43	14.16	29.91	27.55
Operating Profit (EBITDA)	2.10	1.56	2.16	3.66	3.64
Profit after Tax (PAT)	2.41	1.76	2.29	4.18	4.14
EBITDA Margin	14%	11%	15%	12%	13%
PAT Margin	16%	12%	16%	14%	15%
EPS	0.76	0.54	0.71	1.30	1.28
US \$/ INR Exchange Rate*	64.89	65.37	67.54	64.89	67.54

At the end of the Period	As at		
	September 30, 2017	June 30, 2017	September 30, 2016
Share Capital	4.45	5.02	4.86
Reserves and Surplus	60.35	78.87	67.49
Net Worth	64.80	83.88	72.36
Total Assets	88.32	105.78	91.38
Net Fixed Assets	6.70	6.81	7.29
Current Assets	41.51	62.90	56.54
Cash and Cash Equivalents	21.08	43.96	40.90
Working Capital	19.19	42.10	39.20
Market Capitalisation	135.73	159.94	85.33
US \$/ INR Exchange Rate#	65.29	64.58	66.62

Note:

- 1.) Market Capitalisation is calculated by considering the closing market price of the scrip at the close of the quarter which is Rs. 305.15 at Sep 30, 2017, Rs. 318.95 at June 30, 2017, Rs. 175.55 at Sep 30, 2016
- 2.) While Calculating the figures of group, intergroup transactions have been ignored.
- 3.) Previous year figures have been regrouped/ reclassified wherever necessary.
- 4.) * The Revenue and expenditure items have been translated at an average US \$ / INR rate, mentioned here for the respective years.
- 5.) # The Balance Sheet items have been translated at year end US \$ / INR rate, mentioned here for the respective years.

LETTER TO THE SHAREHOLDERS

Dear Shareholder,

I take this opportunity to present to you a brief report on the performance of your Company for the Second quarter and Half year ended of the financial year 2017-18.

First the financial performance, consolidated revenue for the quarter was Rs. 100.4 crore against Rs. 95.6 crore in the corresponding quarter of the previous year. The consolidated EBITDA was Rs. 13.7 crore in comparison to Rs. 14.6 crore in the corresponding quarter of the previous year. Consolidated net profit was Rs. 15.7 crore in comparison to Rs. 15.4 crore in the corresponding quarter of the previous year. EPS for the quarter was Rs. 4.93 against Rs. 4.77 in the corresponding quarter of the previous year.

The Product business revenue was Rs. 78.9 crore against Rs. 75.1 crore in the corresponding quarter of the previous year. The Company continues to focus and invest on development of niche Banking Products.

The Company continues to enjoy a high level of liquidity. Cash and cash equivalents, including investments in debt schemes of mutual funds, fixed deposits with banks and tax free bonds are at Rs. 389.9 crore as on 30th Sep, 2017, as against Rs. 503.7 crore on 30th June, 2017. We had a hedging position of US\$ 5.20 million, September 30, 2017 at an average rate of Rs. 65.85.

During the quarter, we have added 9 new customer and won 15 new product orders. 18 product module implementations successfully went live across the globe. Atlas Finance, a micro-finance company in South Africa choose our Lending Analytics to make faster, better lending decisions. TAB Capital Limited, an award winning Non-Banking Finance Company (NBFC) of Pune, selected FinnOne Neo Cloud to power growth in Digital Lending. Sai Point Finance Corporation Ltd., Non- Banking Finance Company (NBFC) goes live with FinnOne Neo Cloud in just 4 days.

The Manpower numbers are at 1,802 as on September 30, 2017.

Q2FY18 was a very interesting quarter for us as we gained 9 new customers and completed 18 successful implementations worldwide. I am delighted to share that our FinnOne Neo Cloud offering has generated tremendous interest in the market, helping us close 11 deals in the last one year and in fact, one of these implementations went live in just four days. This shows that the financial services sector is aggressively looking at how digital and cloud technology can be used as an enabler to extend their reach across India.

Vishnu R Dusad

Managing Director & Chief Executive Officer

Date: October 17, 2017

AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF NUCLEUS SOFTWARE EXPORTS LIMITED

We have audited the quarterly Standalone Financial Results of Nucleus Software Exports Limited for the quarter ended 30 September 2017, and the year to date Standalone financial results for the period from 1st April 2017 to 30 September 2017, attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

These standalone quarterly as well as year to date financial results have been prepared on the basis of the interim financial statements, which are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial results based on our audit of such interim standalone financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (Ind AS) for interim financial reporting (Ind AS 34), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, as applicable and other accounting principles generally accepted in India.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by the management. We believe that our audit provides a reasonable basis for our opinion.

Based on our audit conducted as above, in our opinion and to the best of our information and according to the explanations given to us, these quarterly standalone financial results:

- (i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and SEBI circular dated 5 July 2016 in this regard; and
- (ii) gives a true and fair view of the financial performance including other comprehensive income and other financial information for the quarter ended 30 September 2017 as well as the year to date results for the period from 1 April 2017 to 30 September 2017 .

Place: Noida
Date: 17 October 2017

For B S R & Associates LLP
Chartered Accountants
ICAI Firm Registration Number:
116231W/W-100024

Rakesh Dewan
Partner
Membership number: 092212

BALANCE SHEET

NUCLEUS SOFTWARE EXPORTS LIMITED BALANCE SHEET AS AT 30 SEPTEMBER 2017

Particulars	Note	As at 30 September, 2017 (Rupees)	As at 31 March, 2017 (Rupees)	As at 1 April, 2016 (Rupees)
ASSETS				
Non-current assets				
Property, plant and equipment	2.1	273,568,662	279,750,398	308,122,854
Capital work in progress		19,156,899	3,190,290	11,004,412
Intangible assets	2.1	16,985,911	18,239,734	46,082,968
Financial assets				
Investments	2.2	2,409,506,504	2,228,773,775	1,496,356,183
Trade receivables	2.3	58,651,535	56,457,779	79,247,746
Loans	2.4	1,593,032	1,333,911	68,770,336
Others	2.5	66,760,789	35,018,319	127,576,913
Deferred tax assets (net)	2.6	96,629,672	97,487,015	57,460,279
Income tax asset	2.7	89,176,785	98,944,832	93,612,383
Other non-current assets	2.8	5,432,717	5,104,047	2,931,428
		3,037,462,506	2,824,300,100	2,291,165,502
Current assets				
Financial assets				
Investments	2.9	1,061,954,991	2,243,676,374	1,187,372,617
Trade receivables	2.10	654,714,216	534,040,445	781,119,460
Cash and cash equivalents	2.11	60,979,513	109,361,226	40,019,162
Other bank balances	2.12	303,783,669	225,395,439	979,249,951
Loans	2.13	3,739,254	3,280,647	10,364,413
Others	2.14	2,320,423	17,944,213	47,407,159
Other current assets	2.15	178,847,309	118,979,400	144,792,644
		2,266,339,375	3,252,677,744	3,190,325,406
Total assets		5,303,801,881	6,076,977,844	5,481,490,908
EQUITY & LIABILITIES				
Equity				
Equity share capital	2.16	290,422,240	323,852,240	323,852,240
Other equity	2.17	3,594,733,538	4,583,718,118	4,000,900,667
		3,885,155,778	4,907,570,358	4,324,752,907
LIABILITIES				
Non-current liabilities				
Financial liabilities				
Other financial liabilities	2.18	7,750,741	4,207,256	-
Provisions	2.19	51,584,614	44,906,170	38,152,090
Other non-current liabilities	2.20	-	-	31,993,885
		59,335,355	49,113,426	70,145,975

Current liabilities

Financial liabilities

Trade payables	2.21	365,465,834	289,308,712	284,524,270
Other financial liabilities	2.22	19,076,267	4,171,344	5,676,044
Provisions	2.23	17,740,927	15,444,083	13,881,550
Income tax liabilities	2.24	-	2,192,450	14,446,733
Other current liabilities	2.25	957,027,720	809,177,471	768,063,429
		1,359,310,748	1,120,294,060	1,086,592,026

Total equity and liabilities

5,303,801,881	6,076,977,844	5,481,490,908
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See accompanying notes forming part of the financial statements

1 & 2

In terms of our report attached

For B S R & ASSOCIATES LLP

Chartered Accountants

Firm Registration Number : 116231W/W-100024

RAKESH DEWAN

Partner

Membership number : 092212

For and on behalf of the Board of Directors**JANKI BALLABH**

Chairman

ASHISH NANDA

Chief Financial Officer

VISHNU R DUSADManaging Director &
Chief Executive
Officer**POONAM BHASIN**AVP (Secretarial) &
Company Secretary

Place : Gurgaon

Date : October 17, 2017

Place : Noida

Date : October 17, 2017

PROFIT & LOSS

NUCLEUS SOFTWARE EXPORTS LIMITED STATEMENT OF PROFIT AND LOSS FOR THE QUARTER AND HALF YEAR ENDED 30 SEPTEMBER, 2017

	Notes Ref.	Quarter ended		Half year ended	
		30 September, 2017	30 September, 2016	30 September, 2017	30 September, 2016
		(Rupees)	(Rupees)	(Rupees)	(Rupees)
1. REVENUE FROM OPERATIONS					
Income from software product and services	2.26	819,410,902	775,868,862	1,577,121,152	1,486,862,055
2. OTHER INCOME	2.27	80,985,852	77,576,900	293,351,246	148,657,940
3. TOTAL INCOME (1+2)		900,396,754	853,445,762	1,870,472,398	1,635,519,995
4. EXPENSES					
a. Employee benefit expenses	2.28	512,745,738	449,881,493	1,002,583,543	898,046,063
b. Operating and other expenses	2.29	197,785,353	218,776,523	402,205,914	421,779,879
c. Finance cost	2.30	1,128,334	750,674	1,893,797	1,636,669
d. Depreciation and amortisation expense	2.1	15,967,076	28,459,160	32,020,472	55,196,961
TOTAL EXPENSES		727,626,501	697,867,850	1,438,703,726	1,376,659,572
5. PROFIT BEFORE TAX (3-4)		172,770,253	155,577,912	431,768,672	258,860,423
6. INCOME TAX EXPENSE					
a. Net current tax expense		33,699,792	20,955,828	72,399,792	39,866,807
b. Deferred tax (credit) /charge	2.6	5,336,253	5,838,317	346,224	(3,791,085)
NET TAX EXPENSE		39,036,045	26,794,145	72,746,016	36,075,722
7. PROFIT FOR THE PERIOD (5-6)		133,734,208	128,783,767	359,022,656	222,784,701
8. OTHER COMPREHENSIVE INCOME					
(A) (i) Items that will not be reclassified to profit or loss					
a) Remeasurements of the defined benefit plans		(990,618)	(1,618,002)	(2,601,818)	(3,236,004)
b) Equity instruments through other comprehensive income		2,187,500	11,587,500	(26,400,000)	65,112,500
(B) (i) Items that will be reclassified subsequently to profit or loss					
a) Effective portion of gain/ (loss) on hedging instruments of effective		(9,866,836)	3,074,923	(15,534,590)	3,160,675

cash flow hedges(net of
tax)

**TOTAL OTHER COMPREHENSIVE
INCOME**

(8,669,954) 13,044,421 (44,536,408) 65,037,171

**9. TOTAL COMPREHENSIVE INCOME
(7+8)**

125,064,254 141,828,188 314,486,248 287,821,872

10. EARNINGS PER EQUITY SHARE

Equity shares of Rupees 10 each

a. Basic	4.21	3.98	11.19	6.88
b. Diluted	4.21	3.98	11.19	6.88

Number of shares used in
computing earnings per share

a. Basic	31,765,996	32,383,724	32,073,172	32,383,724
b. Diluted	31,765,996	32,383,724	32,073,172	32,383,724

See accompanying notes forming part of
the financial statements 1 & 2

In terms of our report attached

For B S R & ASSOCIATES LLP

Chartered Accountants
Firm Registration Number :
116231W/W-100024

RAKESH DEWAN

Partner
Membership number : 092212

Place : Gurgaon

Date : October 17, 2017

For and on behalf of the Board of Directors

JANKI BALLABH

Chairman

ASHISH NANDA

Chief Financial Officer

Place : Noida

Date : October 17, 2017

VISHNU R DUSAD

Managing Director &
Chief Executive Officer

POONAM BHASIN

AVP (Secretarial) &
Company Secretary

CASH FLOW STATEMENT

	For the half year ended 30 September, 2017 (Rupees)	For the half year ended 30 September, 2016 (Rupees)
A. Cash flow from operating activities		
Net profit before tax	431,768,672	258,860,423
Adjustment for:		
Depreciation and amortisation expense	32,020,472	55,196,962
Exchange gain / loss on translation of foreign currency accounts (net)	(5,629,150)	(12,461,365)
Dividend received from current, non trade investments	(46,781,573)	(42,244,160)
Dividend received from non-current, non trade investment	(10,562,395)	(129,760)
Dividend received from subsidiary companies	(138,900,750)	
Interest on fixed deposits and others	(85,137,112)	(106,711,524)
MTM gain or (loss) on mutual funds	(97,559)	-
Net gain on sale of investments	-	(1,092,503)
Adjustment to the carrying amount of investments	-	(2,293,889)
Profit on sale of fixed assets (net)	(357,340)	(3,457,718)
Provisions written back	-	(4,382,379)
Provision for doubtful debts / advances	(1,463,169)	(2,568,712)
Operating profit before working capital changes	174,860,094	138,715,375
Adjustment for (increase) / decrease in operating assets		
Trade receivable	(99,940,735)	239,506,106
Loans	(259,121)	46,147,828
Other assets	(71,550,636)	(41,395,595)
Adjustment for increase / (decrease) in operating liabilities		
Trade payables	71,293,537	32,536,076
Provisions	8,975,288	4,086,361
Other liabilities	149,303,036	2,246,734
	232,681,463	421,842,885
Income taxes paid (net)	(64,824,196)	(96,220,091)
Net cash from / (used in) operating activities (A)	167,857,267	325,622,794
B. Cash flow from investing activities		
Expenditure on property, plant and equipment net of sale proceeds, including changes in capital creditors	(24,907,301)	(18,054,901)
Payments to acquire mutual funds, tax free bonds and preference shares	(1,882,376,417)	(1,706,263,254)
Proceeds on sale of mutual funds, tax free bonds and preference shares	2,923,169,622	1,043,606,721
Investment in subsidiary	(3,000,000)	(21,500,000)

Bank balance not considered as cash and cash equivalents – placed	(92,861,596)	-
Bank balance not considered as cash and cash equivalents – matured	-	319,223,200
Interest on fixed deposits and others received	4,983,632	54,266,589
Dividend received from non trade investments	46,781,573	42,244,160
Dividend on long term trade investment	10,562,395	129,760
Dividend from subsidiary company	138,900,750	-
Net cash from / (used in) investing activities (B)	1,121,252,658	(286,347,725)
C. Cash flow from financing activities		
Dividend paid (including corporate dividend tax)	(166,850,828)	-
Buyback of equity shares	(1,170,050,000)	-
Net cash from / (used in) in financing activities (C)	(1,336,900,828)	-
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(47,790,903)	39,275,069
Opening cash and cash equivalents	109,361,226	40,019,162
Exchange difference on translation of foreign currency bank accounts	(590,810)	222,476
Closing cash and cash equivalents	60,979,513	79,516,707
Supplementary information		
Restricted cash	4,170,910	7,528,632

Notes:

i. Figures in brackets indicate cash outflow.

See accompanying notes forming part of the financial statements

1 & 2

In terms of our report attached

For **B S R & ASSOCIATES LLP**

Chartered Accountants

Firm Registration Number : 116231W/W-100024

RAKESH DEWAN

Partner

Membership number : 092212

For and on behalf of the Board of Directors

JANKI BALLABH

Chairman

VISHNU R DUSAD

Managing Director &
Chief Executive Officer

ASHISH NANDA

Chief Financial Officer

POONAM BHASIN

AVP (Secretarial) &
Company Secretary

Place : Gurgaon

Date : October 17, 2017

Place : Noida

Date : October 17, 2017

Note 1:

1.1 Company Overview

Nucleus Software Exports Limited ('Nucleus' or 'the Company') was incorporated on 9 January, 1989 in India as a private limited company. It was subsequently converted into a public limited company on 10 October, 1994. The Company made an initial public offer in August 1995. As at 30 June, 2017, the Company is listed on two stock exchanges in India namely National Stock Exchange and Bombay Stock Exchange. The Company has wholly owned subsidiaries in Singapore, USA, Japan, Netherlands, South Africa, Australia and India. The Company's business consists of software product development and marketing and providing support services mainly for corporate business entities in the banking and financial services sector.

The Financial statements were approved for issue by the Board of Directors on July 20, 2017.

1.2. Significant accounting policies

i. Basis of preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2006 notified under Section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act under historical cost convention, except for certain financial instruments which are measured at fair values.

The financial statements up to and for the year ended 30 June 2017 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006, notified under section 133 of the Act and other relevant provisions of the Act.

The financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note no. 2.38 and 2.39.

ii. Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual result may differ from these estimates.

Estimates and underlying assumptions are reviewed on an going basis. Revisions to accounting estimates are recognised prospectively.

Critical estimates and judgements

The areas involving critical estimates or judgements are:

- Estimation of current tax expense and payable
- Estimated useful life of fixed asset
- Estimation of defined benefit obligation
- Impairment of trade receivable
- Estimates of expected contract costs to be incurred to complete contracts

iii. Revenue Recognition

Revenue from software development services comprises income from time and material and fixed price contracts.

Revenue from time and material contracts is recognised as the services are rendered.

Revenue from fixed price contracts and sale of license and related customisation and implementation is recognised in accordance with the percentage completion method calculated based on output method. Provision for estimated losses, if any, on uncompleted contracts are recorded in the year in which such losses become certain based on the current estimates.

Revenue from sale of licenses, where no customisation is required, is recognised upon delivery of these licenses which constitute transfer of all risks and rewards.

Revenue from annual technical service contracts is recognised on a pro rata basis over the period in which such services are rendered.

Revenue from sale of goods is recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales exclude sales tax and value added tax.

Service income accrued but not due represents revenue recognised on contracts to be billed in the subsequent period, in accordance with terms of the contract.

In arrangements for software development and related services and maintenance services, the Company has applied the guidance in IndAS18, Revenue, by applying the revenue recognition criteria for each separately identifiable component of a single transaction. The arrangements generally meet the criteria for considering software development and related services as separately identifiable components. For allocating the consideration, the Company has measured the revenue in respect of each separable component of a transaction at its fair value, in accordance with principles given in Ind AS 18. The price that is regularly charged for an item when sold separately is the best evidence of its fair value. In cases where the Company is unable to establish objective and reliable evidence of fair value for the software development and related services, the company has used a residual method to allocate the arrangement consideration. In these cases the balance of the consideration, after allocating the fair values of undelivered components of a transaction has been allocated to the delivered components for which specific fair values do not exist.

iv. Other income

Dividend income is recognised in profit or loss on the date on which the Company's right to receive payment is established.

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset ; or
- the amortised cost of the financial liability

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability.

However, for financial assets that have become credit- impaired subsequent to initial recognition, interest

income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

v. Property, Plant and equipment

Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. Fixed assets are stated at the cost of acquisition including any directly attributable expenditure on making the asset ready for its intended use. Fixed assets under construction and cost of assets not ready to use before the year end, are disclosed as capital work-in-progress.

Depreciation on fixed assets, except leasehold land and leasehold improvements, is provided on the straight-line method based on useful lives of respective assets as estimated by the management taking into account nature of the asset, the estimated usage of the asset and the operating conditions of the asset. Leasehold land is amortised over the period of lease. The leasehold improvements are amortised over the remaining period of lease or the useful lives of assets, whichever is shorter. Depreciation is charged on a pro-rata basis for assets purchased / sold during the year.

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow the Company.

The management’s estimates of the useful lives of the various fixed assets are as follows:

Asset category	Useful life (in years)
Tangible asset	
Building	30
Plant and machinery (including office equipment)	5
Computers- end user devices such laptops, desktops etc.	3
Computers- servers and networking equipment	4
Vehicles	5
Furniture and fixtures	5
Temporary wooden structures	1
(included in furniture and fixtures)	

vi. Intangible assets

a) Recognition and measurement

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the tax authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates.

Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such

expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

The management's estimates of the useful lives of the Software are 3 years.

vii. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out formula, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

viii. Financial instruments

a) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provision of the instrument.

Transaction costs that are directly attributable to issue of financial assets and financial liabilities, that are not fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at a settlement date.

b) Classification and subsequent measurement

i) Financial assets are carried at amortised cost.

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii) Financial assets are carried at fair value through other comprehensive income.

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely for payments of principal and interest on the principal amount outstanding.

The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognised in other comprehensive income.

iii) Financial assets are carried at fair value through profit or loss.

A financial asset which is not classified in any of the above categories is subsequently fair valued through profit or loss.

iv) Investment in subsidiaries

Investment in subsidiaries is carried at cost.

v) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held- for- trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss.

c) Derivative financial instruments

The company holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

i) Financial assets or financial liabilities, at fair value through profit or loss.

This category has derivative financial assets or liabilities which are not designated as hedges.

Although the Company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in net profit or loss in the statement of Profit and Loss, when incurred. Subsequent to the initial recognition, these derivatives are measured at fair value through profit or loss is included in other income. Assets/liabilities in this category are presented as current assets/current liabilities if they are either held for trading or are expected to be realized within 12 months after the balance sheet date.

ii) Cash flow hedges

The Company designates certain foreign exchange forward and options contract as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transaction.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in OCI and accumulated in the other equity under 'effective portion of cash flow hedges'. The effective portion of changes in the fair value of the derivative that is recognized in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in profit or loss.

If a hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in other equity remains there until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss. If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in other equity are immediately reclassified to profit or loss

d) Derecognition

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the financial assets and the transfer qualifies for derecognition under Ind AS 109. The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire.

ix. Impairment

a) Financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in profit or loss.

b) Non-financial assets

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the

Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

x. Provisions (other than for employee benefits)

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost. Expected future operating losses are not provided for.

Post Sales client support and warranties

The Company provides its clients with fixed period warranty for correction of errors and support on its fixed price product orders. Revenue for such warranty period is allocated based on the estimated effort required during warranty period.

xi. Foreign Currency

a) Functional and Presentation currency

The financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency.

b) Foreign currency transactions

Foreign exchange transactions are recorded at the exchange rates prevailing at the date of transaction. Realised gains and losses on foreign exchange transactions during the year are recognised in the Statement of Profit and Loss. Monetary assets and monetary liabilities that are determined in foreign currency are translated at the exchange rate prevalent at the date of balance sheet. The resulting difference is recorded in the Statement of Profit and Loss. They are deferred in equity if they relate to qualifying cash flow hedges to the extent that the hedges are effective.

The assets and liabilities of foreign branches are translated into INR, the functional currency of the Company, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into INR at the exchange rates at the dates of the transactions.

xii. Earnings per share

Basic earnings per share is computed using the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year-end, except where the results would be anti-dilutive.

xiii. Taxation

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

a) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date. Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

b) Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognized in respect of carried forward tax losses and tax credits. Deferred tax is not recognized for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized. Deferred tax assets – unrecognized or recognized, are reviewed at each reporting date and are recognized/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realized.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be real.

Minimum Alternative Tax ('MAT') expense under the provisions of the Income-tax Act, 1961 is recognised as an asset when it is probable that future economic benefit associated with it in the form of adjustment of future income tax liability, will flow to the Company and the asset can be measured reliably. MAT credit entitlement is set off to the extent allowed in the year in which the Company becomes liable to pay income taxes at the enacted tax rates. MAT credit entitlement is reviewed at each reporting date and is written down to reflect the amount that is reasonably certain to be set off in future years against the future income tax liability. MAT Credit Entitlement has been presented as Deferred Tax in Balance Sheet.

xiv. **Employee benefits**

Defined contribution plans

The Company's contribution to provident fund is considered as defined contribution plans and is charged as an expense as they fall due based on the amount of contribution required to be made.

Defined benefit plans

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each year end. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present

value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

The retirement benefit obligation recognized in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost, as reduced by the fair value of scheme assets.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the year in which the employee renders the related service. The cost of such compensated absences is accounted as under:

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the year in which the employee renders the related service are recognized as a liability at the present value of the defined benefit obligation as at the Balance Sheet date.

Employee stock option based compensation

The grant date fair value of equity settled share-based payment awards granted to employees is recognized as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date.

For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

xv. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non –cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

xvi. Operating leases

Lease payments under operating lease are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflation increases.

xvii. Research and development

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalized. The amount capitalized comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Fixed assets utilized for research and development are capitalized and depreciated in accordance with the policies stated for Fixed Assets.

STATEMENT OF CHANGES IN EQUITY

A. Equity Share Capital

(Amount in Rupees)

Balance as of 1 April 2017	Changes in equity share capital during the period	Balance as on 30 September, 2017
323,852,240	(33,430,000)	290,422,240

Balance as of 1 April 2016	Changes in equity share capital during the year	Balance as on 31 March 2017
323,852,240	-	323,852,240

(Amount in Rupees)

	Reserves and Surplus					Items of OCI			Total
	Capital reserve	Securities premium	Capital Redemption reserve	General reserve	Retained earnings	Hedging reserve	Equity instrument through other comprehensive income	Remeasurements of the defined benefit plans	
Balance as of 1 April 2017	8,900,230	21,901,489	-	822,708,220	3,618,963,919	13,628,172	103,475,000	(5,858,912)	4,583,718
Profit for the period	-	-	-	-	359,022,656	-	-	-	359,022,656
Final dividend on equity shares	-	-	-	-	(161,918,620)	-	-	-	(161,918,620)
Tax on dividend	-	-	-	-	(4,932,208)	-	-	-	(4,932,208)
Effective gain/(loss) on hedging instruments	-	-	-	-	-	(15,534,590)	-	-	(15,534,590)
Equity Instruments through Other Comprehensive Income (net of tax)	-	-	-	-	-	-	(26,400,000)	-	(26,400,000)
Remeasurements of the defined benefit plans	-	-	-	-	-	-	-	(2,601,818)	(2,601,818)
Addition for buy-back of equity shares (see note 2.16 vi)	-	-	33,430,000	-	-	-	-	-	33,430,000
Utilised for buy back of equity shares (see note 2.16 vi)	-	(21,901,489)	-	(822,708,220)	(325,440,291)	-	-	-	(1,170,050,000)
Balance as of 30 September, 2017	8,900,230	-	33,430,000	-	3,485,695,456	(1,906,418)	77,075,000	(8,460,730)	3,594,733,538

(Amount in Rupees)

	Reserves and Surplus				Items of OCI			Total
	Capital reserve	Securities premium	General reserve	Retained earnings	Hedging reserve	Equity instrument through other comprehensive income	Remeasurements of the defined benefit plans	
Balance as of 1 April 2016	8,900,230	21,901,489	822,708,220	3,101,129,128	2,386,600	43,875,000	-	4,000,900,667
Profit for the year	-	-	-	517,834,791	-	-	-	517,834,791
Effective gain on hedging instruments	-	-	-	-	11,241,572	-	-	11,241,572
Equity Instruments through Other Comprehensive Income (net of tax)	-	-	-	-	-	59,600,000	-	59,600,000
Remeasurements of the defined benefit plans	-	-	-	-	-	-	(5,858,912)	(5,858,912)
Balance as of 31 March 2017	8,900,230	21,901,489	822,708,220	3,618,963,919	13,628,172	103,475,000	(5,858,912)	4,583,718,118

See accompanying notes forming part of the financial statements

In terms of our report attached

For **B S R & ASSOCIATES LLP**

Chartered Accountants

Firm Registration Number :

116231W/W-100024

RAKESH DEWAN

Partner

Membership number : 092212

Place : Gurgaon

Date : October 17, 2017

For and on behalf of the Board of Directors

JANKI BALLABH

Chairman

ASHISH NANDA

Chief Financial Officer

Place : Noida

Date : October 17, 2017

VISHNU R DUSAD

Managing Director &
Chief Executive Officer

POONAM BHASIN

AVP (Secretarial) &
Company Secretary

NUCLEUS SOFTWARE EXPORTS LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2.1 Property, plant and equipment

PARTICULARS	GROSS CARRYING AMOUNT				ACCUMULATED DEPRECIATION			NET CARRYING AMOUNT		
	As at 1 April, 2017	Additions	Deductions / adjustments	As at 30 September, 2017	As at 1 April, 2017	Depreciation for the period	Deductions / adjustments	As at 30 September, 2017	As at 30 September, 2017	As at 31 March, 2017
Tangible assets										
Freehold land	3,360,720 (3,360,720)	-	-	3,360,720 (3,360,720)	-	-	-	-	3,360,720 (3,360,720)	3,360,720 (3,360,720)
Leasehold land	56,003,990 (56,003,990)	-	-	56,003,990 (56,003,990)	752,243 (752,243)	376,123 (752,243)	-	1,128,366 (752,243)	54,875,624 (55,251,747)	55,251,747 (56,003,990)
Buildings	160,198,083 (158,002,792)	-	-	160,198,083 (160,198,083)	8,654,517 (2,195,291)	4,391,419 (8,654,517)	-	13,045,936 (8,654,517)	147,152,147 (151,543,566)	151,543,566 (158,002,792)
Plant and equipment	16,250,568 (8,886,303)	-	-	16,250,568 (15,363,709)	11,626,969 (7,364,265)	1,211,851 (13,763)	-	12,838,820 (10,740,110)	3,411,748 (4,623,599)	4,623,599 (8,886,303)
Office equipment	6,208,913 (2,872,984)	1,022,011 (3,349,692)	-	7,230,924 (1,782,341)	1,265,650 (830,219)	-	-	2,095,869 (3,160,922)	5,135,055 (4,943,263)	4,943,263 (2,872,984)
Computer equipment	81,083,715 (65,915,358)	8,453,582 (15,189,140)	-	89,537,297 (14,313,528)	37,101,784 (37,101,784)	(13,763) (20,783)	-	52,038,359 (29,668,403)	37,498,938 (43,981,931)	43,981,931 (65,915,358)
Vehicles	21,182,456 (12,670,557)	4,962,476 (9,591,536)	1,429,318 (1,079,637)	24,715,614 (19,458,813)	5,329,444 (5,329,444)	2,954,884 (1,723,643)	712,947	7,571,381 (3,605,801)	17,144,233 (15,853,012)	15,853,012 (12,670,557)
Furniture and fixtures	409,519 (410,150)	4,936,500 (-)	-	5,346,019 (409,519)	216,959 (-)	138,863 (216,959)	-	355,822 (216,959)	4,990,197 (192,560)	192,560 (410,150)
	344,697,964 (308,122,854)	19,374,569 (37,689,974)	1,429,318 (1,128,577)	362,643,215 (270,890,703)	64,947,566 (-)	24,839,934 (64,947,566)	712,947 (73,807,261)	89,074,553 (8,859,695)	273,568,662 (279,750,398)	279,750,398 (308,122,854)
Intangible assets										
Software	55,944,797 (46,082,968)	5,926,715 (9,899,035)	-	61,871,512 (55,944,797)	37,705,063 (-)	7,180,538 (37,705,063)	-	44,885,601 (37,705,063)	16,985,911 (18,239,734)	18,239,734 (46,082,968)
Total	400,642,761 (354,205,822)	25,301,284 (47,588,959)	1,429,318 (1,165,783)	424,514,727 (326,835,500)	102,652,629 (-)	32,020,472 (102,652,629)	712,947 (73,807,261)	133,960,154 (28,845,368)	290,554,573 (297,990,132)	297,990,132 (354,205,822)

Note:

(!) Figures in bracket pertain to previous year ended 31 March 2017/2016.

2.2 A. **NON-CURRENT INVESTMENTS**

Particulars	As at 30 September 2017	As at 31 March 2017	As at 1 April 2016
	(Rupees)	(Rupees)	(Rupees)
Investments in equity shares of subsidiaries (unquoted)			
<i>Equity shares at cost</i>			
a. 625,000 (625,000) equity shares of Singapore Dollar 1 each, fully paid up, in Nucleus Software Solutions Pte. Ltd., Singapore	16,319,950	16,319,950	16,319,950
b. 1,000,000 (1,000,000) equity shares of US Dollar 0.35 each, fully paid up, in Nucleus Software Inc., USA Less: Provision for diminution in value of investment in Nucleus Software Inc., USA	16,293,150 (16,293,150)	16,293,150 (16,293,150)	16,293,150 (16,293,150)
c. 200 (200) equity shares of Japanese Yen 50,000 each, fully paid up, in Nucleus Software Japan Kabushiki Kaisha	4,092,262	4,092,262	4,092,262
d. 1,000,000 (1,000,000) equity shares of Rs 10 each, fully paid up, in VirStra i-Technology Services Limited, India [Of the above, 6 (6) equity shares are held by nominees on behalf of the Company]	10,000,000	10,000,000	10,000,000
e. 7,500 (7,500) equity shares of Euro 100 each, fully paid up, in Nucleus Software Netherlands B.V., Netherlands Less: Provision for diminution in value of investment in Nucleus Software Netherlands B.V., Netherlands	48,903,000 (48,903,000)	48,903,000 (48,903,000)	48,903,000 (48,903,000)
f. 10,000,000 (10,000,000) equity shares of Rs. 10 each, fully paid up, in Nucleus Software Limited, India [Of the above, 6 (6) equity shares are held by nominees on behalf of the Company]	119,440,188	119,440,188	119,440,188
g. 100,000 (100,000) equity shares 1 AUD each, fully paid in Nucleus Software Australia Pty. Ltd., Australia	5,501,028	5,501,028	5,501,028
h. 10 (10) equity shares of ZAR 61,200 each fully paid up, in Nucleus Software South Africa (Pty.) Limited, South Africa	3,182,500	3,182,500	3,182,500
i. 10,666 (10,666) equity shares of Rs 10 each, fully paid up in Avon Mobility Solutions Private Limited (see note 2.45)	19,200,720	19,200,720	19,200,720
	177,736,648	177,736,648	177,736,648
Investment in equity instruments (Quoted)			
<i>Equity shares at FVOCI</i>			
250,000 (250,000) equity shares of Rs. 10 each, fully paid up, in Ujjivan Financial Services Limited	79,575,000	105,975,000	51,250,000
Investments in preference shares of subsidiaries (unquoted)			
<i>Preference shares at Fair value through profit or loss (FVTPL)</i>			
2,650,000 (Nil) 11% Preference shares of Rs. 10 each fully paid up in Avon Mobility Solutions Private Limited.	26,500,000	23,500,000	-
Investment in Preference Shares (quoted)			
a. 8.15% L&T Preference Shares- 2020	145,232,957	139,628,535	99,068,431
b. 16.46% IL&FS - Preference Shares 2022	52,129,585	50,100,000	50,100,000
c. 17.38% IL&FS - Preference Shares 2021	10,425,243	10,858,630	-
d. 8.33% Tata Capital Ltd Preference Shares 2022	12,135,880	11,669,907	-
e. 9% L&T Finance Holdings Limited -Preference Shares 2018	106,035,213	102,147,533	-
f. 7.50% Tata Capital Preference Shares 2020	155,640,411	150,000,000	-

g.	8.33% Tata Capital Preference Shares 2021	52,511,100	50,469,636	-
h.	8.20% TATA Motors Finance Ltd CCPS 2020	51,368,445	-	-

Investment in bonds (quoted)

Bonds securities at Amortised cost

a.	7.18% Indian Railway Finance Corporation Limited Tax free bonds 2023	99,484,209	95,234,950	93,945,738
b.	8.23% Indian Railway Finance Corporation Limited Tax free bonds 2024	51,905,302	53,957,164	53,946,352
c.	8.09% Power Finance Corporation Tax Free Bonds 2021	49,951,970	48,227,118	48,470,957
d.	7.51% Power Finance Corporation Tax Free Bonds 2021	53,859,464	52,003,666	52,060,712
e.	8.00% Indian Railway Finance Corporation Limited Tax free bonds 2022	221,248,339	213,782,910	214,874,661
f.	8.01% India Infrastructure Finance Company Limited Tax Free Bonds 2023	107,088,301	103,072,329	103,063,934
g.	7.11% Power Finance Corporation Tax Free Bonds 2025	5,483,027	5,300,012	5,299,559
h.	7.21% India Infrastructure Finance Company Limited Tax Free Bonds 2022	53,405,328	51,622,847	51,676,769
i.	7.55% Indian Railway Finance Corporation Limited Tax Free Bonds 2021	32,174,099	31,112,658	31,131,603
j.	8.20% Power Finance Corporation Tax Free Bonds 2022	6,712,390	6,495,103	6,532,460
k.	7.28% Indian Railway Finance Corporation Limited Tax free bonds 2030	4,847,135	4,681,791	4,621,006
l.	7.49% Indian Renewable Energy Development Agency Limited (IREDA) Tax Free Bonds 2031	12,539,903	12,092,238	12,091,770
m.	7.39% Housing and Urban Development Corporation Limited (HUDCO) Tax Free Bonds 2031	14,680,778	14,161,543	14,161,139
n.	8.50% National Highways Authority of India (NHAI) Tax Free Bonds 2029	11,345,779	10,944,943	10,992,069
o.	7.39% National Highways Authority of India (NHAI) Tax Free Bonds 2031	16,558,464	15,987,171	15,487,492
p.	7.39% Housing and Urban Development Corporation Limited (HUDCO) Tax free bonds 2031	13,550,494	13,076,275	12,840,348
q.	7.21% Power Finance Corporation (PFC) Tax Free Bonds 2022	53,309,737	51,519,633	50,391,206
r.	7.35% Indian Railway Finance Corporation Tax Free Bonds 2031	12,587,995	12,154,741	11,778,249
s.	7.35% National Bank for Agriculture and Rural Development (NABARD) Tax Free Bonds 2031	20,814,807	20,076,320	20,072,199
t.	8.35% National Highways Authority of India (NHAI) Tax Free Bonds 2023	58,684,378	-	-

Investment in debentures (quoted)

Debentures securities at Amortised cost

a.	IIFL Wealth Finance Limited 500((Nil) Unsecured redeemable, non-convertible debentures of Rs 100,000 each fully paid up	53,397,260	51,391,781	-
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Investment in mutual funds (quoted)

Fixed maturity plan at Amortised cost

a.	HDFC FMP 1128D March 2015(1) Direct Growth series 33	-	58,818,681	54,273,832
b.	ICICI Prudential FMP Series 76-1108 Days Plan V-Direct-Growth	-	58,716,491	54,201,782
c.	HDFC FMP 370D September 2014 (2) Series 31 – Growth Option	-	-	11,514,972
d.	ICICI Prudential FMP Series 74 -369 Days Plan T Direct Plan	-	-	115,597,398

	Cumulative			
e.	Reliance Fixed Horizon Fund- XXVI- Series 31- Growth Plan	-	-	57,642,950
c.	HDFC FMP 1169D February 2017 (1) - Series 37	52,304,005	50,539,851	-
d.	HDFC FMP 1150D February 2017 (1)	31,305,872	30,224,539	-
h.	UTI Fixed Term Income Fund-Series XIX-VIII Direct Growth Plan	-	-	11,531,947
e.	Birla Sun Life Fixed Term Plan-Series OT (1117 days)	50,613,294	-	-
f.	ICICI Prudential Fixed Maturity Plan - Series 81 - 1163 Days PlanQ	101,167,895	-	-

Investment in mutual funds (Unquoted)

Mutual funds at Fair value through profit or loss (FVTPL)

a.	Birla Sun Life ST Opp Direct	111,413,673	108,373,790	-
b.	Reliance Corp Bond-Direct-QDR	119,828,380	116,242,158	-
c.	Axis ST Direct- Weekly Dividend	64,414,672	62,803,679	-
d.	UTI ST Income-IP-Monthly Dividend	30,934,802	30,152,238	-
e.	HDFC Medium Term Opp-Direct	24,604,270	23,921,266	-
		2,125,694,856	1,921,562,127	1,267,369,535
	Aggregate amount of non-current investments	2,409,506,504	2,228,773,775	1,496,356,183

Aggregate book value of quoted investments	1,854,074,058	1,686,043,996	1,318,619,538
Aggregate market value of quoted investments	1,835,080,438	1,691,581,532	1,266,657,731
Aggregate value of unquoted investments	555,432,445	542,729,780	228,986,648
Aggregate amount of impairment in value of investments	65,196,150	65,196,150	65,196,150

B. Equity shares designated as at fair value through other comprehensive income

As at 1 April 2016, the Company designated the investments shown below as equity shares at FVOCI because these equity shares represent investments that company intends to hold for long- term for strategic purpose

	Fair value as at 30 September, 2017	Dividend income recognised during Quarter ended 30 September, 2017	Fair value as at 31 March 2017	Fair value as at 1 April 2016
Investment in Ujjivan Financial Services Limited	79,575,000	200,000	105,975,000	51,250,000
No strategic investments were disposed off during 16-17 and there were no transfers of any cumulative gain or loss within equity relating to these investments.				

Particulars	As at 30 September 2017 (Rupees)	As at 31 March 2017 (Rupees)	As at 1 April 2016 (Rupees)
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2.3 NON - CURRENT TRADE RECEIVABLES

(Unsecured)

TRADE RECEIVABLES

(Unsecured)

- Considered good	58,651,535	56,457,779	79,247,746
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58,651,535	56,457,779	79,247,746
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2.4 LONG-TERM LOANS

(Unsecured considered good unless otherwise stated)

a. Loans and advances to employees			
- Staff Loans	1,593,032	1,333,911	1,941,652
b. Loan to subsidiary (considered doubtful)	73,177,409	73,177,409	66,828,684
	<u>74,770,441</u>	<u>74,511,320</u>	<u>68,770,336</u>
Less: Provision for doubtful loan to subsidiary	(73,177,409)	(73,177,409)	-
	<u>1,593,032</u>	<u>1,333,911</u>	<u>68,770,336</u>

2.5 OTHER NON-CURRENT FINANCIAL ASSETS

(Unsecured considered good unless otherwise stated)

Security deposits	14,109,743	13,505,169	12,983,245
Long-term bank deposits	52,651,046	21,513,150	114,593,668
	<u>66,760,789</u>	<u>35,018,319</u>	<u>127,576,913</u>

Note:

[Long term bank deposits include deposits held with bank for maturity more than 12 months from balance sheet date Rs 1,693,151 (31 March 2017 Rs 1,120,902 and 1 April 2016 Rs 2,698,799) under lien with banks and are restricted from being settled for more than 12 months from the balance sheet date.]

2.6 DEFERRED TAX ASSETS (NET)

A. Amounts recognised in profit or loss

Particulars	Half year ended 30 September, 2017 (Rupees)	Half year ended 30 September, 2016 (Rupees)
Current tax	72,399,792	39,866,807
Deferred tax	346,224	(3,791,085)
Net tax expense	<u>72,746,016</u>	<u>36,075,722</u>

B. Income tax recognised in other comprehensive income

	Before tax	Tax expense / (benefit)	Net of tax
Remeasurements of net defined benefit plans	(3,222,401)	(620,583)	(2,601,818)
Effective portion of gain/ (loss) on hedging instruments of effective cash flow hedges(net of tax)	(14,402,889)	1,131,701	(15,534,590)
Income tax recognised in other comprehensive income	<u>(17,625,290)</u>	<u>511,118</u>	<u>(18,136,408)</u>

C. Reconciliation of effective tax rate

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before taxes is summarised below:

Particulars	Percentage	For the period ended 30 September, 2017	Percentage	For the period ended 30 September, 2016
Profit before tax		431,768,672		258,860,423
Domestic tax rate	34.61%	149,426,502	34.61%	89,586,415
Tax exempt income	(11.77%)	(50,800,036)	(10.88%)	(28,172,800)
Tax effect due to non-taxable income for Indian tax purpose	0.0%	-	(0.51%)	(1,328,661)
Tax disallowances	1.03%	4,448,768	2.85%	7,379,193
R & D Tax incentives	(4.46%)	(19,256,189)	(14.04%)	(36,331,447)
Lower tax for LTCG on FMP	(0.37%)	(1,602,256)	(0.82%)	(2,123,785)
Lower tax for dividend from foreign company	(1.98%)	(8,559,448)	-	-
Withholding taxes charged off	(0.00)	(400,208)	2.7%	7,066,807
Effective tax	16.97%	73,257,134	13.94%	36,075,722

D. Movement in temporary differences

Particulars	Balance as at 1 April 2017	Recognised [(Credited)/ Charge] in profit or loss during the period	Recognised [(Credited)/ Charge] in OCI during the period	Balance as at 30 September, 2017	Balance as at 1 April 2016
(i) Deferred tax assets					
Provisions- compensated absences, gratuity and other employee benefits	29,750,053	(3,886,712)	620,583	33,636,765	22,537,334
Provision for doubtful trade receivables / Loans and service income accrued but not due	45,950,510	(1,882,387)	-	47,832,898	21,809,996
Forward contracts	4,777,775	1,131,701	(1,131,701)	3,646,074	-
Deferred Tax adjustment on transitional entries	(261,240)	4,311,255	-	(4,572,495)	971,586
MAT credit entitlement	32,020,871	973,271	-	31,047,600	38,129,377
	112,237,969	647,126	(511,118)	111,590,842	83,448,293
(ii) Deferred tax liabilities					
Property, plant and equipment	14,750,954	(210,216)		14,961,170	25,988,014
(iii) Net deferred tax asset	97,487,015	857,342	(511,118)	96,629,672	57,460,279

Particulars	As at	As at	As at
	30 September 2017	31 March 2017	1 April 2016
	(Rupees)	(Rupees)	(Rupees)
2.7 INCOME TAX ASSETS (NET)			
Balances with government authorities			
- Advance tax [net of provision of Rs. 245,092,339 (previous year Rs. 331,613,197 and as on 1 April, 2016 Rs. 319,900,505)]	89,176,785	98,944,832	93,612,383
	89,176,785	98,944,832	93,612,383

2.8 OTHER NON- CURRENT ASSETS

(Unsecured considered good unless otherwise stated)

a. Employee advances	3,742,752	3,742,752	-
b. Capital advances	1,624,486	882,786	620,980
c. Prepaid expenses	-	130,919	1,962,857
d. Deferred rent	65,479	131,318	131,318
e. Deferred payroll	-	216,272	216,273
	5,432,717	5,104,047	2,931,428

2.9 Current investments

Investment in mutual funds

Name	As at 30 September, 2017	As at 31 March, 2017	As at 1 April, 2016
	(Rupees)	(Rupees)	(Rupees)
-Investment in Mutual Funds (Unquoted)			
<i>Mutual funds at Fair value through profit or loss (FVTPL)</i>			
Axis Liquid Fund- Direct Plan- Daily Dividend Reinvestment	-	43,178,720	-
Baroda Pioneer Treasury Advantage- DDR - Direct	87,210,918	-	-
Birla Sunlife Enhanced Arbitrage- MDR - Direct	20,718,348	20,069,288	-
Birla Sunlife Floating Rate Fund- DDR - Direct	8,198,550	88,954,581	-
Birla Sunlife Savings Fund- DDR - Direct	96,123,934	105,381,902	166,092,642
DSP BlackRock Ultra Short Term Fund - DDR - Direct	-	66,170,783	30,295,981
HDFC Arbitrage Fund - Normal DR- Direct	99,683,403	96,701,230	70,696,578
HDFC Floating Rate - Short term plan- Wholesale – Direct - Daily Dividend-Reinvestment option.	-	58,998,483	55,552,307
ICICI Prudential Equity Arbitrage Fund- Direct Plan- Monthly Dividend-Reinvestment option	2,728,645	2,643,756	-
ICICI Prudential Flexible Income Plan - DDR - Direct	-	74,093,426	69,978,636
ICICI Prudential Money Market Fund-Dividend-Daily Reinvestment	-	-	-
ICICI Prudential Ultra Short Term Plan- Direct Plan- Daily Dividend-Reinvestment option	82,960,123	95,997,203	52,781,645
IDFC Arbitrage Fund Direct Plan- Monthly DR- Direct	64,861,953	62,916,523	55,632,530
IDFC Banking Debt Fund Regular Plan- Dividend	-	-	24,776,243
IDFC Money Manager Direct Plan- DDR- Direct	71,322,905	216,605,265	-
IDFC Ultra Short Term Fund- DDR - Direct	-	40,168,563	-
Invesco Ultra Short Fund Direct Plan- DDR- Direct	-	69,654,670	-
Kotak Equity Arbitrage Fund- Fortnightly DR- Direct	299,886,017	290,214,945	-
Kotak Equity Arbitrage Fund- Monthly DR- Direct	-	-	75,272,658

Kotak Floater Short Term Fund-Direct Plan-Daily Dividend-Reinvestment Option	-	-	140,167,631
L&T Ultra Short Direct Plan-Daily Dividend-Reinvestment Option	-	36,029,532	-
LIC Saving Plus Fund - DDR - Direct	-	151,033,875	-
Mahindra Liquid Fund-Direct Plan-Daily Dividend-Reinvestment Option	-	50,561,379	-
Reliance Arbitrage Advantage Fund-Monthly DR- Direct	105,792,408	102,539,070	45,582,618
Reliance Medium Term Fund - Daily Dividend -Reinvestment option-Direct	-	53,361,701	155,279,073
Sundaram Ultra Short Term Fund - DDR - Direct	-	26,056,458	-
UTI-Treasury Advantage Fund - Institutional Plan - DDR - Direct	-	142,562,106	-
UTI Floating Rate Fund STP – Daily Income Option-Reinvestment-Direct	-	137,102,532	47,377,198
SBI Ultra Short Term Debt Fund - DDR - Direct	-	-	5,041,176
Sundaram Ultra Short Term Fund - DDR - Direct	-	-	44,882,928

-Fixed Maturity Plans/Interval Plans (quoted)

Fixed maturity plan at Amortised cost

Reliance Fixed Horizon Fund XXX – Series 9-Direct-Div Payout	-	-	37,476,319
UTI FIIF-QIP-III-Direct-Div Payout	-	-	50,277,059
HDFC FMP 370D June 2014 (2) Series 31 – Growth Option	-	12,477,098	-
ICICI Prudential FMP Series 72 -368 Days Plan A Growth	-	-	60,209,395
ICICI Prudential FMP Series 74 -369 Days Plan T Growth	-	125,247,216	-
Reliance Fixed Horizon Fund- XXVI- Series 31- Growth Option	-	62,457,402	-
UTI Fixed Term Income Fund-Series XIX-VIII (368 Days) Growth	-	12,498,667	-
HDFC FMP 1128D March 2015(1) Direct Growth	61,292,522	-	-
ICICI Prudential FMP Series 76-1108 Days Plan V-Direct-Growth	61,175,265	-	-

Aggregate amount of investment	1,061,954,991	2,243,676,374	1,187,372,617
Aggregate book value of quoted investments	122,467,788	212,680,383	147,962,773
Aggregate market value of quoted investments	123,082,000	214,420,700	148,585,670
Aggregate value of unquoted investments	939,487,205	2,030,995,991	1,039,409,844

Particulars	As at	As at	As at
	30 September 2017	31 March 2017	1 April 2016
	(Rupees)	(Rupees)	(Rupees)
2.10 CURRENT TRADE RECEIVABLES			
(Unsecured)			
Trade receivables			
- Considered good	654,714,216	534,040,445	781,119,460
- Considered doubtful	27,617,909	34,279,260	36,614,951
	682,332,125	568,319,705	817,734,411
Less: Allowances for doubtful debts-trade receivables	(27,617,909)	(34,279,260)	(36,614,951)

Total	654,714,216	534,040,445	781,119,460
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Note :

Includes dues from subsidiaries (see note 2.36)

2.11 Cash and cash equivalents

a. Cash on hand	3,819	60,603	14,156
b. Cheques on hand	-	-	341,286
c. Balances with scheduled banks:			
- in current accounts	3,912,157	20,121,492	17,517,010
- in EEFC accounts	46,924,580	70,250,241	13,603,072
d. Balance with non scheduled banks in current accounts:			
- Citibank, United Kingdom	1,471,843	906,038	948,451
- Citibank, United Arab Emirates	3,951,898	2,194,767	1,364,186
- Citibank, USA	2,578,417	3,503,353	1,028,035
e. Balances with scheduled banks in deposit accounts with original maturity of less than 3 months	2,136,799	12,324,732	5,202,966
Total - Cash and cash equivalents	60,979,513	109,361,226	40,019,162

2.12 OTHER BANK BALANCES

a. Balances with scheduled banks in earmarked accounts:			
- unclaimed dividend accounts	2,472,832	2,854,790	4,363,477
b. Balances with scheduled banks in deposit accounts			
- Maturity within 12 months	301,310,837	222,540,649	974,886,474
Total - Other bank balances	303,783,669	225,395,439	979,249,951

Note:

[Balance with scheduled banks in deposit accounts include Rs 4,170,910 (31 March 2017 Rs 4,370,767 and 1 April, 2016 Rs 4,794,311) which are under lien and restricted from being settled with in 12 months from the balance sheet date.]

2.13 SHORT-TERM LOANS

(Unsecured considered good unless otherwise stated)

Loans and advances to employees			
- Staff Loans	3,739,254	3,280,647	10,364,413
	3,739,254	3,280,647	10,364,413

2.14 OTHER CURRENT FINANCIAL ASSETS

(Unsecured considered good unless otherwise stated)

a. Security deposit	58,260	156,880	962,874
b. Mark-to-market gain on forward contracts	(774,717)	13,628,172	31,200
c. Expenses recoverable from customers	3,036,880	4,159,161	2,591,072
d. Application money for Mutual fund and Preference shares (considered good)	-	-	42,490,000
e. Others	-	-	1,332,013

2,320,423	17,944,213	47,407,159
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2.15 OTHER CURRENT ASSETS

(Unsecured considered good unless otherwise stated)

a.	Service income accrued but not due			
	- Considered good	126,004,534	61,867,476	76,111,947
	- Considered doubtful	25,636,862	25,317,577	28,506,796
		<u>151,641,396</u>	<u>87,185,053</u>	<u>104,618,743</u>
	Less : Provision for service income accrued but not due	<u>(25,636,862)</u>	<u>(25,317,577)</u>	<u>(28,506,796)</u>
		126,004,534	61,867,476	76,111,947
b.	Employee advances	5,037,170	5,124,413	2,509,167
c.	Prepaid expenses	32,881,195	25,220,389	33,739,491
d.	Balances with government authorities			
	- Service tax / VAT credit receivable	9,084,373	4,600,632	8,071,410
e.	Others			
	- Supplier advances			
	- Considered good	5,312,154	21,848,928	23,763,815
	- Considered doubtful	1,733,709	361,073	511,073
		<u>7,045,863</u>	<u>22,210,001</u>	<u>24,274,888</u>
	Less : Provision for doubtful advances	<u>1,733,709</u>	<u>361,073</u>	<u>511,073</u>
		5,312,154	21,848,928	23,763,815
f.	Deferred payroll	527,883	317,562	273,565
g.	Deferred rent	-	-	323,249
		<u>178,847,309</u>	<u>118,979,400</u>	<u>144,792,644</u>

Particulars	As at 30 September 2017	As at 31 March 2017	As at 1 April 2016
	(Rupees)	(Rupees)	(Rupees)
2.16 SHARE CAPITAL			
a. Authorised			
Equity shares			
40,000,000 (40,000,000) equity shares of Rs. 10 each	<u>400,000,000</u>	<u>400,000,000</u>	<u>400,000,000</u>
b. Issued, Subscribed and Paid-Up			
Issued			
32,386,524 (32,386,524) equity shares of Rs. 10 each			
Subscribed and Paid-Up			
29,040,724 (32,383,724) equity shares of Rs. 10 each, fully paid up	290,407,240	323,837,240	323,837,240
Add: 2,800 (2,800) forfeited equity shares pending reissue (see note (iv) below)	15,000	15,000	15,000
	<u>290,422,240</u>	<u>323,852,240</u>	<u>323,852,240</u>

Refer notes (i) to (vi) below :-

- (i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period :-

Particulars	Opening balance	Allotted under Employee Stock Option Plans / Extinguishment of shares under buy back (see note 2.16 vi)	Closing balance
a. For the period ended 30 September, 2017			
- Number of shares	32,383,724	(3,343,000)	29,040,724
- Amount	323,837,240	(33,430,000)	290,407,240
b. For the year ended 31 March, 2017			
- Number of shares	32,383,724	-	32,383,724
- Amount	323,837,240	-	323,837,240

- (ii) The Company has one class of equity shares having a par value of Rs. 10 each. Each shareholder is eligible for one vote per share held. The dividend is paid on the approval of the shareholders in the Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.
- (iii) Number of shares held by shareholders holding more than 5% of the aggregate shares in the Company :-

Particulars	As at 30 September, 2017		As at 31 March, 2017	
	(Number)	(Percentage)	(Number)	(Percentage)
Karmayogi Holdings Private Limited	9,000,000	30.99%	9,000,000	27.79%
Nucleus Software Engineers Private Limited	2,385,882	8.22%	2,385,882	7.37%
Madhu Dusad	3,066,248	10.56%	3,066,248	9.47%
Fidelity Puritan Trust- Fidelity Low-Priced Stock Fund	1,082,129	3.73%	2,200,000	6.79%
Vishnu R Dusad	1,603,492	5.52%	1,603,492	4.95%

- (iv) Details of forfeited shares

Particulars	As at 30 September, 2017		As at 31 March, 2017	
	(Number)	(Rupees)	(Number)	(Rupees)
Equity shares with voting rights	2,800	15,000	2,800	15,000

- (v) Employees Stock Option Plan ("ESOP")

- a. Employee Stock Option Scheme and SEBI (Share Based Employee Benefits) Regulations, 2014, is effective for regulation of all schemes by the Company for the benefits for its employees dealing in shares, directly or indirectly from October 28, 2014. In accordance with these Guidelines, the excess of the market price of the underlying equity shares as of the date of grant of options over the exercise price of the option, including up-front payments, if any, is to be recognized and amortised on graded vesting basis over the vesting period of the options.
- b. The Company currently has one ESOP scheme- ESOP Scheme - 2015 (instituted in 2015) which was duly approved by the Board of Directors and Shareholders. The ESOP Scheme 2015 provides for 500,000 options to eligible employees. As per ESOP scheme 2015, equity shares would be transferred to eligible employees on exercise of options through Nucleus Software Employee Welfare Trust. The scheme is administered by the Compensation Committee comprising three members, the majority of whom are independent directors.
- c. There are no options granted, forfeited and exercised during the period under ESOP Scheme 2015.
- (vi) The Board of Directors of the Company, at its meeting held on April 25, 2017 has approved a proposal to buy-back not exceeding Rs 117.79 crore, at maximum price of Rs. 350 per equity share. The Shareholders of the Company have approved the scheme of Buyback of 33,43,000 (Thirty Three Lakhs Forty Three Thousand) equity shares of the face value of Rs.10/- each fully paid up at a price of Rs. 350/- (Rupees Three Hundred and Fifty Only) (the "Buyback Price") payable in cash aggregating upto Rs. 117,00,50,000/- (Rupees One Hundred and Seventeen Crore and Fifty Thousand only) through Postal Ballot on June 15, 2017 . The Company has made the Public Announcement of the same which was published on June 19, 2017.

Further pursuant to Shareholders' approval vide Postal Ballot in June 2017, the Buy Back Committee of Board of Directors on 16th June 2017 approved the Buyback of 33,43,000 of fully paid up Equity Shares of face value of Rs. 10/ each of the Company at price of Rs. 350/- per Equity share, payable in cash for an aggregate consideration not exceeding Rs. 1,170,050,000. The settlement of the Buyback was done on 8th September, 2017 and 33,43,000 Equity shares bought back were extinguished on 14th September, 2017.

Capital Redemption Reserve was created to the extent of share capital extinguished Rs 3.34 crores. An amount of Rs 32.54 crores from Retained Earnings was used to offset the excess of buy-back cost of Rs 117.005 crores over par value of shares after adjusting the balance lying in Security Premium of Rs 2.19 crores and General Reserve of Rs 82.27 crores.

Particulars	As at	As at	As at
	30 September 2017	31 March 2017	1 April 2016
	(Rupees)	(Rupees)	(Rupees)
2.17 OTHER EQUITY			
a. Capital reserve			
Opening balance	8,900,230	8,900,230	8,900,230
Closing balance	8,900,230	8,900,230	8,900,230
b. Securities premium account			
Opening balance	21,901,489	21,901,489	21,901,489
Utilised for buy back of equity shares (see note 2.16 vi)	(21,901,489)	-	-
Closing balance	-	21,901,489	21,901,489
c. Capital Redemption reserve			
Opening Balance	-	-	-
Addition during the period (see note 2.16 vi)	33,430,000	-	-
Closing balance	33,430,000	-	-
d. General reserve			

Opening balance	822,708,220	822,708,220	822,708,220
Utilised for buy back of equity shares (see note 2.16 vi)	(822,708,220)		
Closing balance	-	822,708,220	822,708,220

e. **Surplus in Statement of Profit and Loss**

Opening balance	3,618,963,919	3,101,129,128	2,763,142,154
utilised for buy back of equity shares (see note 2.16 vi)	(325,440,291)	-	-
Add: Profit for the period	359,022,656	517,834,791	482,601,294
- Final dividend on equity shares [see note (i) below]	(161,918,620)	-	-
- Interim Dividend	-	-	(161,918,620)
-Corporate Dividend tax	(4,932,208)	-	17,304,300
Closing balance	3,485,695,456	3,618,963,919	3,101,129,128

f. **Other comprehensive Income**

Equity instrument through other comprehensive income

Opening balance	103,475,000	43,875,000	-
Add: Equity Instruments through Other Comprehensive Income (net of tax)	(26,400,000)	59,600,000	43,875,000
Closing balance	77,075,000	103,475,000	43,875,000

Hedging reserve [see note 2.31]

Opening balance	13,628,172	2,386,600	6,487,284
Add / (Less) : Effect of foreign exchange rate variations on hedging instruments outstanding at the end of the year	(15,534,590)	11,241,572	(4,100,684)
Closing balance	(1,906,418)	13,628,172	2,386,600

Remeasurement of net defined benefit plans

Opening balance	(5,858,912)	-	-
Add: Remeasurement of net defined benefit plans	(2,601,818)	(5,858,912)	-
Closing balance	(8,460,730)	(5,858,912)	-

66,707,852	111,244,260	46,261,600
3,594,733,538	4,583,718,118	4,000,900,667

Note :

- (i) The Board of Directors recommended a Final Dividend of Rs. 5 per share (on equity share of par value of Rs. 10 each) for the year ended March 31, 2017. The payment is approved in the Annual General Meeting held on 8th July 2017.

Particulars	As at	As at	As at
	30 September 2017	31 March 2017	1 April 2016
	(Rupees)	(Rupees)	(Rupees)
2.18 OTHER NON- CURRENT FINANCIAL LIABILITIES			
Annual incentive payable	7,750,741	4,207,256	-

7,750,741	4,207,256	-
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2.19 NON-CURRENT PROVISIONS

Provision for employee benefits - Provision for compensated absences	51,584,614	44,906,170	38,152,090
	51,584,614	44,906,170	38,152,090

2.20 OTHER NON- CURRENT LIABILITIES

Advance from customers / Advance billings	-	-	31,993,885
	-	-	31,993,885

2.21 TRADE PAYABLES

a. Trade Payables			
Trade Payables (see note below)	335,053,496	261,487,006	221,940,567
b. Due to subsidiaries (see note 2.36)	30,412,338	27,821,706	62,583,703
	365,465,834	289,308,712	284,524,270

The Company has no amounts payable to Micro and Small Enterprises as defined in section 7(1) of the Micro, Small and Medium Enterprises Development Act, 2006, to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

2.22 OTHER CURRENT FINANCIAL LIABILITIES

a. Unpaid dividends	2,472,832	2,854,790	4,359,490
b. Payable for purchase of fixed assets	16,603,435	1,316,554	1,316,554
	19,076,267	4,171,344	5,676,044

2.23 CURRENT PROVISIONS

Provision for employee benefits - Provision for compensated absences	17,740,927	15,444,083	13,881,550
	17,740,927	15,444,083	13,881,550

2.24 INCOME TAX LIABILITIES

Provision for tax [net of advance tax of Rs. Nil (previous year Rs. Nil and as on 1st April, 2016 Rs. 63,653,267)]	-	2,192,450	14,446,733
	-	2,192,450	14,446,733

2.25 OTHER CURRENT LIABILITIES

a. Advance from customers / Advance billings	442,889,093	323,027,964	358,915,742
b. Deferred revenue	422,029,500	426,489,705	367,100,368
c. Other payables - statutory liabilities	57,347,247	38,642,767	31,060,859
e. Payable to gratuity trust (see note 2.39)	34,761,880	21,017,035	10,986,460
	957,027,720	809,177,471	768,063,429

Particulars	Quarter ended 30 September 2017	Quarter ended 30 September 2016	For half year ended 30 September, 2017	For half year ended 30 September, 2016
	(Rupees)	(Rupees)	(Rupees)	(Rupees)

2.26 INCOME FROM SOFTWARE PRODUCTS AND SERVICES

a. Software development services and products				
- Domestic	313,380,685	244,134,682	579,157,295	464,793,175
- Overseas	506,030,217	531,734,180	997,963,857	1,022,068,880
	819,410,902	775,868,862	1,577,121,152	1,486,862,055

2.27 OTHER INCOME

a. Interest income on financial assets-carried at amortised cost :				
- Deposits with banks	11,182,931	20,661,153	17,046,488	43,017,231
- Loan to subsidiary	-	1,587,181	-	3,174,362
- Tax free bonds	15,196,620	15,163,659	30,194,512	30,141,843
- Debentures	1,008,219	-	2,005,479	-
- Non- current trade receivable	2,054,437	2,313,804	4,101,057	4,624,725
- Fixed maturity plan	7,540,515	7,772,599	15,627,408	15,977,946
- preference shares	10,265,760	4,779,072	20,263,224	8,223,606
- others	150,573	193,339	317,745	377,443
b. Interest income on Income tax refund	6,168,581	-	6,168,581	-
c. Dividend income from				
- Current, non trade investments	21,152,331	24,026,242	46,781,573	41,166,391
- Non-current, non trade investment	5,212,314	129,760	10,562,395	129,760
- Subsidiary companies	-	-	138,900,750	-
d. Net gain / (loss) on sale of investments				
-Current, non trade investments	43,533	1,093,327	43,533	1,092,503
MTM gain or (loss) on mutual funds	(645,718)	-	97,559	-
e. Net Gain / (Loss) on foreign currency				
- Gain / (Loss) on exchange fluctuation	1,346,744	(1,478,778)	563,948	(3,720,429)
f. Other non-operating income				
- Net profit on sale of fixed assets/discarded assets	297,174	884,602	357,340	3,457,718
- Miscellaneous income	11,838	450,939	319,652	994,841
	80,985,852	77,576,900	293,351,246	148,657,940

2.28 EMPLOYEE BENEFIT EXPENSE

a. Salaries and wages	472,940,953	415,062,258	924,769,152	827,570,913
b. Contribution to provident and other funds	24,939,324	21,575,342	47,928,526	42,272,226
c. Gratuity expense	5,787,129	5,811,557	11,574,259	11,623,115
d. Staff welfare expenses	9,078,332	7,432,336	18,311,606	16,579,809
	512,745,738	449,881,493	1,002,583,543	898,046,063

2.29 OPERATING AND OTHER EXPENSES

a.	Outsourced technical service expense	26,241,176	33796211	51,705,371	64,224,642
b.	Cost of software purchased for delivery to clients	4,828,714	4276871	9,592,995	5,696,211
c.	Power and fuel	11,959,208	12258098	23,744,286	23,351,669
d.	Rent (see note 2.32)	7,179,819	8604043.476	14,695,150	17,747,178
e.	Repair and maintenance				
	- Buildings	570,409	748741	1,234,382	1,232,396
	- Others	6,815,117	7578195	13,672,268	14,317,431
f.	Insurance	943,296	1416852	2,096,607	2,693,944
g.	Rates and taxes	1,708,201	674324	8,743,954	1,416,842
h.	Travel expenses				
	- Foreign	24,140,532	21737355	52,183,511	45,036,518
	- Domestic	8,075,684	4700105	17,496,921	9,967,135
i.	Advertisement, business development and promotion	3,760,365	1498298	5,447,631	5,219,560
j.	Legal and professional (see note 2.34)	12,700,272	9300174	24,664,044	21,592,948
k.	Directors remuneration	3,140,000	2446200	6,163,600	4,954,700
l.	Conveyance	4,637,435	4164310	9,161,457	8,772,036
m.	Communication	3,916,724	4262013	8,312,016	8,523,868
n.	Training and recruitment	7,571,438	8000183	17,799,100	13,167,335
ó.	Adjustment to the carrying amount of investments	-	-	-	(816,325)
p.	Conference, exhibition and seminar	5,755,319	11981830	7,678,982	13,418,304
q.	Information technology expenses	15,888,173	10952205	32,569,015	21,610,407
r.	Provision for doubtful debts/advances/other current assets	(31,483)	-3733541	(1,463,169)	(2,568,712)
s.	Commission to channel partners	3,166,312	2,076,091	4,587,044	4,109,324
t.	Expenditure on corporate social responsibility (see note 2.42)	2,850,000	7,000,000	5,350,000	8,000,000
ú.	Sales and marketing fee	31,067,693	52,234,933	67,176,194	108,877,845
v.	Miscellaneous expenses	10,900,949	12,803,032	19,594,555	21,234,623
		197,785,353	218,776,523	402,205,914	421,779,879

2.30 FINANCE COST

Bank Charges	1,128,334	750,674	1,893,797	1,636,669
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2.31 Financial Instruments

a) Financial Instruments by category

The carrying value and fair value of financial instruments by categories of September 30, 2017 were as follows:

Particulars	Amortised cost	Financial assets/liabilities at fair value through profit or loss	Financial assets/liabilities at fair value through OCI	Total carrying value	Total fair value
Assets:					
Cash and cash equivalents (2.11)	60,979,513	-	-	60,979,513	60,979,513
Other bank balances (2.12)	303,783,669	-	-	303,783,669	303,783,669
Investments (2.2 and 2.9)					
Equity Instruments (Other than subsidiaries)	-	-	79,575,000	79,575,000	79,575,000
Tax free bonds	900,231,898	-	-	900,231,898	881,306,943
Mutual funds (other than	-	1,290,683,002	-	1,290,683,002	1,290,683,002

FMPs)					
Fixed maturity plans (FMPs)	357,858,853	-	-	357,858,853	358,404,400
Debentures	53,397,260	-	-	53,397,260	53,397,260
Preference shares	585,478,834	26,500,000	-	611,978,834	611,978,834
Trade receivables (2.3 and 2.10)	713,365,751	-	-	713,365,751	713,365,751
Loans (2.4 and 2.13)	5,332,286	-	-	5,332,286	5,332,286
Other financial assets (2.5 and 2.14)	69,081,212	-	-	69,081,212	69,081,212
	3,049,509,276	1,317,183,002	79,575,000	4,446,267,278	4,427,887,870

Liabilities:

Trade payables (2.21)	365,465,834	-	-	365,465,834	365,465,834
Other financial liabilities (2.18 and 2.22)	26,827,008	-	-	26,827,008	26,827,008
	392,292,842	-	-	392,292,842	392,292,842

The carrying value and fair value of financial instruments by categories of March 31, 2017 were as follows:

Particulars	Amortised cost	Financial assets/liabilities at fair value through profit or loss	Financial assets/liabilities at fair value through OCI	Total carrying value	Total fair value
Assets:					
Cash and cash equivalents (2.11)	109,361,226	-	-	109,361,226	109,361,226
Other bank balances (2.12)	225,395,439	-	-	225,395,439	225,395,439
Investments (2.2 and 2.9)					
Equity Instruments (Other than subsidiaries)	-	-	105,975,000	105,975,000	105,975,000
Tax free bonds	815,503,412	-	-	815,503,412	820,051,810
Mutual funds (other than FMPs)	-	2,372,489,123	-	2,372,489,123	2,372,489,123
Fixed maturity plans (FMPs)	410,979,944	-	-	410,979,944	413,709,400
Debentures	51,391,781	-	-	51,391,781	51,391,781
Preference shares	514,874,241	23,500,000	-	538,374,241	538,374,241
Trade receivables (2.3 and 2.10)	590,498,224	-	-	590,498,224	590,498,224
Loans (2.4 and 2.13)	4,614,558	-	-	4,614,558	4,614,558
Other financial assets (2.5 and 2.14)	52,962,532	-	-	52,962,532	52,962,532
	2,775,581,357	2,395,989,123	105,975,000	5,277,545,480	5,284,823,334
Liabilities:					
Trade payables (2.21)	289,308,712	-	-	289,308,712	289,308,712
Other financial liabilities (2.18 and 2.22)	8,378,600	-	-	8,378,600	8,378,600
	297,687,312	-	-	297,687,312	297,687,312

The carrying value and fair value of financial instruments by categories of April 1, 2016 were as follows:

Particulars	Amortised cost	Financial assets/liabilities at fair value	Financial assets/liabilities at fair	Total carrying value	Total fair value
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		through profit or loss		value through OCI	
Assets:					
Cash and cash equivalents (2.11)	40,019,162	-	-	40,019,162	40,019,162
Other bank balances (2.12)	979,249,951	-	-	979,249,951	979,249,951
Investments (2.2 and 2.9)					
Equity Instruments (Other than subsidiaries)	-	-	51,250,000	51,250,000	51,250,000
Tax free bonds	813,438,225	-	-	813,438,225	810,946,000
Mutual funds (other than FMPs)	-	1,039,409,844	-	1,039,409,844	1,039,409,844
Fixed maturity plans (FMPs)	452,725,655	-	-	452,725,655	455,128,970
Preference shares	149,168,431	-	-	149,168,431	149,168,431
Trade receivables (2.3 and 2.10)	860,367,206	-	-	860,367,206	860,367,206
Loans (2.4 and 2.13)	79,134,749	-	-	79,134,749	79,134,749
Other financial assets (2.5 and 2.14)	174,984,072	-	-	174,984,072	174,984,072
	3,549,087,451	1,039,409,844	51,250,000	4,639,747,295	4,639,658,385
Liabilities:					
Trade payables (2.21)	284,524,270	-	-	284,524,270	284,524,270
Other financial liabilities (2.18 and 2.22)	5,676,044	-	-	5,676,044	5,676,044
	290,200,314	-	-	290,200,314	290,200,314

The carrying amount of current trade receivables, short term loan, current security deposit, trade payables, current financial liabilities and cash and cash equivalent are considered to be same as their fair values, due to their short-term nature.

The fair value of Non-current trade receivables, long term loan, Non -current security deposit and non-current financial liabilities were calculated based on cashflows discounted using a transition date lending rate as there is no material change in the lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusions of unobservable inputs including counterparty credit risk.

b) Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments.
- for forward exchange contracts, the fair value is determined using quoted forward exchange rates at the reporting date.
- the fair value of remaining financial instruments is determined using discounted cash flows method.

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of September 30, 2017:

Particulars	As of 30 September 2017	Level 1	Level 2	Level 3
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Financial assets

Mutual fund units (2.2 and 2.9)	1,290,683,002		1,290,683,002	-
Fixed maturity plans (2.2 and 2.9)	408,278,100	408,278,100	-	-
Tax free bonds (2.2 and 2.9)	881,306,943	881,306,943	-	-
Debentures (2.2 and 2.9)	51,391,781	51,391,781	-	-
Preference shares (2.2)	611,978,834	611,978,834	-	26,500,000
Equity Instruments (Other than subsidiaries)	79,575,000	79,575,000	-	-
Derivative financial instruments-foreign currency forward contracts (2.14)	(774,717)	-	(774,717)	-
Application money for Mutual fund (2.14)	-	-	-	-
Non - Current Financial Assets- Trade receivables (2.3)	58,651,535	-	-	58,651,535
Non - Current Financial Assets- Loans to employees (2.4)	1,593,032	-	-	1,593,032
Non - Current Financial Assets- Security deposits (2.5)	14,109,743	-	-	14,109,743

Financial liabilities

Other Non-current financial liabilities (2.18)	7,750,741	-	-	7,750,741
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The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2017:

Particulars	As of 31 March 2017	Level 1	Level 2	Level 3
Financial assets				
Mutual fund units (2.2 and 2.9)	2,372,489,123	-	2,372,489,123	-
Fixed maturity plans (2.2 and 2.9)	413,709,400	413,709,400	-	-
Tax free bonds (2.2 and 2.9)	820,051,810	820,051,810	-	-
Debentures (2.2 and 2.9)	51,391,781	51,391,781	-	-
Preference shares (2.2)	538,374,241	-	-	23,500,000
Equity Instruments (Other than subsidiaries)	105,975,000	105,975,000	-	-
Derivative financial instruments-foreign currency forward contracts (2.14)	13,628,172	-	13,628,172	-
Non - Current Financial Assets- Trade receivables (2.3)	56,457,779	-	-	56,457,779
Non - Current Financial Assets- Loans to employees (2.4)	1,333,911	-	-	1,333,911
Non - Current Financial Assets- Security deposits (2.5)	13,505,169	-	-	13,505,169
Financial liabilities				
Other Non-current financial liabilities (2.18)	4,207,256	-	-	4,207,256

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of April 1, 2016:

Particulars	As of 1 April 2016	Level 1	Level 2	Level 3
Financial assets				
Mutual fund units (2.2 and 2.9)	1,039,409,844	-	1,039,409,844	-
Fixed maturity plans (2.2 and 2.9)	455,128,970	455,128,970	-	-
Tax free bonds (2.2 and 2.9)	810,946,000	810,946,000	-	-
Equity Instruments (Other than subsidiaries)	51,250,000	-	-	51,250,000
Derivative financial instruments-foreign currency forward contracts (2.14)	31,200	-	31,200	-

Non - Current Financial Assets- Trade receivables (2.3)	79,247,746	-	-	79,247,746
Non - Current Financial Assets- Loans to employees (2.4)	1,941,652	-	-	1,941,652
Non - Current Financial Assets- Security deposits (2.5)	12,983,245	-	-	12,983,245

c) Financial risk management

The Company's activities expose it to a variety of financial risks arising from financial instruments

- **Market risk,**
- **Credit risk and**
- **Liquidity risk**

Risk Management Committee (RMC) is responsible for identification and review of risks and mitigation plans. The Committee meets on a quarterly basis for identification and prioritization of risks. RMC conducts risk survey with the senior and middle level management of the Company to identify risks and rate them appropriately. Top risks are identified and remaining are categorized as other risks. The RMC then places updates to the Board on a quarterly basis, on key risks facing the Company, along with their mitigation plans.

i) Market risk

a) Hedge accounting

The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers.

The Company operates internationally and a major portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk through its sales and services and purchases from overseas suppliers in various foreign currencies. The Company holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The exchange rate between the rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Company's operations are adversely affected as the rupee appreciates/ depreciates against these currencies.

The Company's risk management policy is to hedge 40 to 55% of its estimated foreign currency exposure in respect of forecast sales over the following 12 months at any point in time. The Company uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date. Such contracts are generally designated as cash flow hedges.

The Company determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of their respective cash flows.

The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below :

Currency	As at 30 September 2017		As at 31 March, 2017		As at 1 April, 2016	
	Amount in foreign currency	Amount in Rupees	Amount in foreign currency	Amount in Rupees	Amount in foreign currency	Amount in Rupees
Receivable						
USD (Please refer note 1 below)	6,366,599	414,388,525	5,092,792	329,223,934	31,413	2,051,881
EURO	154,795	11,937,437	197,845	13,709,152	292,572	21,767,343
MYR	1,482,153	22,934,185	659,206	9,670,172	171,875	2,916,718
SGD	32,715	1,573,592	92,012	4,270,507	59,610	2,936,985
JPY	29,526,555	17,134,998	31,841,582	18,576,285	34,220,783	20,185,129
ZAR	423,232	1,854,299	664,888	3,012,485	5,893,060	26,518,768
AED	530,711	9,433,385	371,831	6,564,673	1,073,169	19,357,277
CHF	1,112	74,904	3,691	239,237	3,530	243,529
GBP			-	-	171,981	16,419,030
AUD	56,878	2,910,990	218,219	10,818,739	253,123	12,904,230
NGN						

Note 1-Forward contract outstanding USD 46,00,000 Rs. 300,334,000 (previous year 31 March 2017 USD 41,50,000/-, Rs 26,91,27,500/-,previous year 31 March,2016 USD 5,875,000 Rs 389,277,500) have been adjusted with receivables)

Payable

USD	6,480,822	423,100,460	5,755,851	373,266,911	10,365,306	686,753,319
EUR	70,437	5,431,892	176,318	12,217,515	272,199	20,251,635
MYR	297,655	4,603,972	846,905	12,409,275	611,085	10,370,105
GBP	21,072	1,841,156	35,775	2,894,287	91,463	8,731,985
SGD	159,709	7,681,990	359	16,662	462,588	22,789,390
CHF	1,346	90,635	3,847	249,393	17,427	1,202,135
AED	712,106	12,657,683	247,064	4,361,918	328,342	5,922,469
ZAR	4,002,963	19,364,333	5,945,705	28,836,670	4,830,187	21,735,842
JPY	10,980,234	6,372,104	8,176,524	4,742,588	30,494,984	17,987,466
SEK				-	62,844	513,593
AUD	415,471	21,263,819	901,946	44,716,206	738,974	37,672,889
NGN			828,443	175,469	-	-
THB	110,971	210,290				
SAR	8,635	148,867	4,741	81,972	-	-

For the period ended September 30, 2017 March 31, 2017 and March 31, 2016, 10% depreciation / appreciation in the exchange rate between the Indian rupee and Foreign currencies, would have affected the Company's incremental profit by Rs. 2,052,429 ,Rs. 8,788,368 and Rs. 70,862,994

Sensitivity analysis is computed based on the changes in the income and expenses in foreign currency upon conversion into functional currency, due to exchange rate fluctuations between the previous reporting period and the current reporting period.

b) Price risk

(a) Exposure

The Company's exposure to equity securities and Mutual funds price risk arises from investments held by the Company and classified in the balance sheet either as fair value through OCI or at fair value through profit or loss.

(b) Sensitivity

The sensitivity of profit or loss in respect of investments in mutual funds and equity instruments (other than subsidiaries) at the end of the reporting period for +/- 2% change in price and net asset value is presented below:

	Impact on profit before tax			Impact on other components of equity		
	30 September 2017	31 March 2017	1 April 2016	30 June 2017	31 March 2017	1 April 2016
Increase 2%						
Mutual funds	25,813,660	47,449,782	20,788,197		-	-
Equity instruments (other than subsidiaries)	-	-	-	1,591,500	2,119,500	1,025,000
Decrease 2%						
Mutual funds	(25,813,660)	(47,449,782)	(20,788,197)	-	-	-
Equity instruments (other than subsidiaries)		-	-	(1,591,500)	(2,119,500)	-1025000

Derivative financial instruments

The Company holds derivative financial instruments such as foreign currency forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank or a financial institution. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace.

The following table gives details in respect of outstanding foreign exchange forward and option contracts:

Forward contracts

Forward contract outstanding	Buy/Sell	As at 30 September, 2017	Equivalent amount in Rupees 30 September, 2017	As at 31 March, 2017	Equivalent amount in Rupees 31 March, 2017	As at 1 April, 2016	Equivalent amount in Rupees 31 March, 2016
In USD	Sell	4,600,000	300,334,000	4,150,000	269,127,500	5,875,000	389,277,500

The foreign exchange forward contracts mature within six months. The table below analyzes the derivative financial instruments into relevant maturity groupings based on the remaining period as of the

Particulars	As at 30 September, 2017	Equivalent amount in Rupees 30 September, 2017	As at 31 March, 2017	Equivalent amount in Rupees 31 March, 2017	As at 1 April, 2016	Equivalent amount in Rupees 31 March, 2016
Not later than one month	650,000	42,438,500	700,000	45,395,000	1,325,000	87,794,500
Later than one month and not later than three months	2,250,000	146,902,500	1,550,000	100,517,500	3,750,000	248,475,000
Later than three months and not later than one year	1,700,000	110,993,000	1,900,000	123,215,000	800,000	53,008,000

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument, including whether the hedging instrument is expected to offset changes in cash flows of hedged items.

The following table provides the reconciliation of cash flow hedge reserve for the year ended March 31, 2017:

Particulars	Period ended	Year ended
	September 30 2017	March, 31 2017
Balance at the beginning of the period	13,628,172	2,386,600
Gain / (Loss) recognised in other comprehensive income during the period	(15,534,590)	11,241,572
Balance at the end of the period	(1,906,418)	13,628,172

The company offsets a financial asset and a financial liability when it currently has a legally enforceable right to set off the recognized amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The following table provides quantitative information about offsetting of derivative financial assets

Particulars	As at 30 September 2017	As at 31 March 2017	As at 1 April 2016
Gross amount of recognized financial asset	(1,906,418)	13,628,172	31,200
Amount set off	-	-	-
Net amount presented in balance sheet	(1,906,418)	13,628,172	31,200

ii) Credit risk

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information.

In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 30 days past due.

A default on a financial asset is when the counter party fails to make contractual payments within 90 days of when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to Rs. 713,365,751 Rs. 590,498,223 and Rs. 860,367,206 as of September 30, 2017, March 31, 2017 and March 31, 2016, respectively and unbilled revenue amounting to Rs. 126,004,534, Rs. 61,867,746 and Rs. 76,111,947 as of June 30, 2017, March 31, 2017 and March 31, 2016, respectively. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenues. The provision matrix takes into account available external and internal credit risk factors such as Company's historical experience for customers.

The following table gives details in respect of percentage of revenues generated from top customer and top five customers:

Particulars	Period ended	Year ended	Year ended
	30 September 2017	31 March 2017	31 March 2016
	(in %)	(in %)	(in %)
Revenue from top customer	8.53	7.96	10.36
Revenue from top five customers	24.99	28.02	32.23

Credit risk exposure

The reversal for lifetime expected credit loss on customer balances for the quarter ended 30 September 2017 is Rs. 6,661,351 and for the year ended March 31, 2017 was Rs. 2,335,692. The reversal for lifetime expected credit loss on customer balances for the year ended March 31, 2016 was Rs. 8,430,878.

	Period ended 30 September 2017	Year ended 31 March 2017	Year ended 31 March 2016
Balance at the beginning	34,279,260	36,614,951	45,045,829
Impairment loss recognised/ reversed	(6,661,351)	(2,335,691)	(8,430,878)
Amounts written off		-	
Translation differences		-	
Balance at the end	27,617,909	34,279,260	36,614,951

Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in mutual fund units, quoted bonds issued by government, preference shares and non convertible debentures.

a) Expected credit loss for loans, security deposits and Investments

As at 30 September 2017

Particulars		Asset group	Estimated gross carrying amount at default	Expected probability of default	Expected credit loss	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit loss	Financial assets for which credit risk has not increased significantly since initial recognition	Investment at amortised cost	1,774,499,058	0%	-	1,774,499,058
		Loans to employee	1,593,032	0%	-	1,593,032
		Security deposits	14,109,743	0%	-	14,109,743
Loss allowance measured at life-time expected credit loss	Financial assets for which credit risk has increased significantly and not credit - impaired	NA	NA	NA	NA	NA
	Financial assets for which credit risk has increased significantly and credit -impaired	Loans to subsidiaries	73,177,409	100%	(73,177,409)	-

As at 31 March 2017

Particulars		Asset group	Estimated gross carrying amount at default	Expected probability of default	Expected credit loss	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit loss	Financial assets for which credit risk has not increased significantly since initial recognition	Investment at amortised cost	1,580,068,996	0%	-	1,580,068,996
		Loans to employee	4,614,558	0%	-	4,614,558
		Security deposits	13,505,169	0%	-	13,505,169
Loss allowance measured at life-time expected credit loss	Financial assets for which credit risk has increased significantly and not credit - impaired	NA	NA	NA	NA	NA
	Financial assets for which credit risk has increased significantly and credit -impaired	Loans to subsidiaries	73,177,409	100%	(73,177,409)	-

a) Expected credit loss for trade receivables under simplified approach

As at 30 September 2017

Ageing	Not due	0-90 days past due	90-180 days past dues	180-270 days past dues	270-360 days past dues	More than 360 days past dues	Total
Gross carrying amount	531,564,483	64,585,745	60,570,526	27,678,178	27,627,557	28,957,171	740,983,660
Expected credit losses (Loss allowance provision)					-	27,617,909	27,617,909
carrying amount of trade receivables (net of impairment)	531,564,483	64,585,745	60,570,526	27,678,178	27,627,557	1,339,262	713,365,751

As at 31 March 2017

Ageing	Not due	0-90 days past due	90-180 days past dues	180-270 days past dues	270-360 days past dues	More than 360 days past dues	Total
Gross carrying amount	474,872,597	39,354,616	66,349,641	6,736,122	3,185,247	34,279,260	624,777,483
Expected credit losses (Loss allowance provision)						34,279,260	34,279,260
carrying amount of trade receivables (net of impairment)	474,872,597	39,354,616	66,349,641	6,736,122	3,185,247	-	590,498,223

iii) Liquidity risk

The company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The company has no outstanding bank borrowings. The company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

As of September 30, 2017, the Company had a working capital of Rs. 907,028,624 including cash and cash equivalent of Rs. 60,979,513 and current investment of Rs. 1,061,954,991 (31 March 2017 Rs. 2,132,383,684 including cash and cash equivalents of Rs 109,361,226 and current investments of Rs. 2,243,676,374).

The table below provides details regarding the contractual maturities of significant financial liabilities as of September 30, 2017:

Particulars	Less than 1 year	1-2 years	Total
Trade payables	365,465,834		365,465,834
Other financial liabilities	19,076,267	7,750,741	26,827,008

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2017:

Particulars	Less than 1 year	1-2 years	Total
Trade payables	289,308,712	-	289,308,712
Other financial liabilities	4,171,344	4,207,256	8,378,600

The table below provides details regarding the contractual maturities of significant financial liabilities as of April 1, 2016:

Particulars	Less than 1 year	1-2 years	Total
Trade payables	284,524,270	-	284,524,270
Other financial liabilities	5,676,044	-	5,676,044

d) Capital Management

The Company's objectives when managing capital are to:

- safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and
- maintain an appropriate capital structure

The Board of Directors has the primary responsibility to maintain a strong capital base and reduce the cost of capital through prudent management in deployment of funds and sourcing by leveraging opportunities in domestic and international financial markets so as to maintain investors, creditors & markets' confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Company defines as result from operating activities divided by total shareholders' equity.

The Company monitors capital, using a medium term view of three to five years, on the basis of a number of financial ratios generally used by industry and by the rating agencies. The Company is not subject to externally imposed capital requirements.

The Company monitors capital using gearing ratio which is adjusted net debt divided by total equity. Adjusted net debt comprises of long term and short term liabilities less cash and cash equivalent. Equity includes equity share capital and reserves that are managed as capital. The gearing ratio at the end of the reporting periods was as follows:

	As at 30 September 2017	As at 31 March 2017	As at 1 April 2016
Total Liabilities	1,418,646,103	1,169,407,486	1,156,738,001
Less: Cash and cash equivalent's	60,979,513	109,361,226	40,019,162
Adjusted debt	1,357,666,590	1,060,046,260	1,116,718,839
Total equity	3,885,155,778	4,907,570,358	4,324,752,907
Adjusted net debt to equity ratio	0.35	0.22	0.26

(i) Risk management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders, raise debts or issue new shares.

(ii) Dividends

Particulars	30 September 2017	31 March 2017	31 March 2016
(i) Equity Shares			
Final dividend for the year ended 31 March 2017 of Rs. 5 (31 March 2016 of Rs. Nil) Per fully paid up	161,918,620	-	-
Interim dividend for the year ended 31 March 2017 of Rs. Nil (31 March 2016 of Rs. 5) Per fully paid up	-	-	161,918,620
(ii) Dividends not recognised at the end of reporting period	-	161,918,620	-
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of Rs. 5. Per fully paid equity share. This proposed dividend is approved by shareholders in the ensuing annual general meeting held on 8 July 2017.			

2.32 OPERATING LEASE

Obligations on long-term, non-cancellable operating leases

The Company has acquired office premises under cancellable and non-cancellable operating lease. Operating lease rentals paid during the quarter ended 30th September, 2017 is Rs. 71,79,819/- (quarter ended 30 September, 2016 is Rs. 85,18,077/-).

2.33 Contingent liabilities and Commitments (to the extent not provided for)

Particulars	As at 30 September, 2017 (Rupees)	As at 31 March, 2017 (Rupees)	As at 1 April 2016 (Rupees)
a. Contingent liabilities			
Claims against the Company not acknowledged as debts	6,922,050	6,922,050	6,922,050
b. Capital Commitments			
Estimated amount of contracts remaining to be executed on capital account and not provided for in the books of account (net of advances).	5,512,926	3,203,204	3,180,687
c. Other Commitments			

The Company is committed to provide financial support to its subsidiary companies, as and when required.

- The Company does not have any pending litigation which would impact its financial position.
- The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

Particulars	Quarter ended 30th September, 2017 (Rupees)	Quarter ended 30th September, 2016 (Rupees)	Half year ended 30 September, 2017 (Rupees)	Half year ended 30 September, 2016 (Rupees)
2.34 Auditors Remuneration (excluding service tax)				
a. As auditors - statutory audit, including quarterly audits	800,000	800,000	1,975,000	1,600,000
c. For other services	-	-	200,000	-
d. Reimbursement of expenses	102,000	-	245,910	-
	902,000	800,000	2,420,910	1,600,000
2.35 Earnings per share				
a. Profit after taxation available to equity shareholders (Rupees)	133,734,208	128,783,767	359,022,656	222,784,701
b. Weighted average number of equity shares used in calculating basic earnings per share	31,765,996	32,383,724	32,073,172	32,383,724
c. Effect of dilutive issue of shares	-	-	-	-

d. Weighted average number of equity shares used in calculating diluted earnings per share	31,765,996	32,383,724	32,073,172	32,383,724
e. Basic earnings per share (Rupees)	4.21	3.98	11.19	6.88
f. Diluted earnings per share (Rupees)	4.21	3.98	11.19	6.88

2.36 RELATED PARTY TRANSACTIONS

List of related parties – where control exists

a. Subsidiary Companies

- Nucleus Software Solutions Pte Ltd, Singapore
- Nucleus Software Japan Kabushiki Kaisha, Japan
- Nucleus Software Inc., USA
- Nucleus Software Netherlands B.V., Netherlands
- VirStra i-Technology Services Limited, India
- Nucleus Software Limited, India
- Nucleus Software Australia Pty. Ltd., Australia
- Nucleus Software South Africa Pty. Limited, South Africa (incorporated on 10 February, 2015)
- Avon Mobility Solutions Private Limited (acquired on 17 March 2016)

b. Other related parties:

Key managerial personnel:

- Vishnu R Dusad (Managing Director and Chief Executive Officer)
- Ravi Pratap Singh (Whole time Director)
- Nucleus Software Foundation (see note 2.44)
- Avon Solutions & Logistics Pvt Ltd

2.36 RELATED PARTY TRANSACTIONS

Transactions with related parties

Particulars	Quarter ended	Quarter ended	Half year ended	Half year ended
	30th September, 2017	30th September, 2016	30 September, 2017	30 September, 2016
	(Rupees)	(Rupees)	(Rupees)	(Rupees)
a. Software development services and products				
- Nucleus Software Japan Kabushiki Kaisha, Japan	13,166,755	9,901,282	25,673,307	19,101,229
- Nucleus Software Solutions Pte Ltd, Singapore	24,775,433	32,480,287	49,666,067	50,645,114
- Nucleus Software Inc., USA	219,185	2,305,981	1,477,845	4,550,009
- Nucleus Software Netherlands B.V., Netherlands	-	1,506,961	74,676	3,033,035
	38,161,373	46,194,511	76,891,895	77,329,387
b. Other income				
Dividend income				
- VirStra i-Technology Services Limited, India	-	-	50,000,000	-
- Nucleus Software Solutions Pte Ltd, Singapore	-	-	43,743,750	-
- Nucleus Software Inc., USA	-	-	45,157,000	-
			138,900,750	-

2.36 RELATED PARTY TRANSACTIONS (CONT'D)

Transactions with related parties

Particulars	Quarter ended 30th September, 2017 (Rupees)	Quarter ended 30th September, 2016 (Rupees)	Half year ended 30 September, 2017 (Rupees)	Half year ended 30 September, 2016 (Rupees)
a. Salary and other benefits to Key managerial personnel				
Short-term employee benefits	10,805,764	6,813,081	25,248,293	10,520,679
Contribution to provident and other funds	388,307	251,820	1,017,274	481,320
	11,194,071	7,064,901	26,265,567	11,001,999
b. Cost of software purchased for delivery to clients				
- Nucleus Software Solutions Pte Ltd, Singapore	652,092	686,207	1,307,268	1,404,715
c. Outsourced technical service expense				
- Nucleus Software Japan Kabushiki Kaisha, Japan	-	771,650	-	6,141,953
- Nucleus Software Inc., USA	-	-	-	-
- Nucleus Software Australia Pty Ltd.	8,537,060	14,213,402	16,419,119	23,349,217
	8,537,060	14,985,052	16,419,119	29,491,170
d. Expenditure on Corporate Social Responsibility				
Nucleus Software Foundation (see note 2.44)	2,850,000	7,000,000	5,350,000	8,000,000
e. Lease rent paid				
- Nucleus Software Limited, India	2,730,186	2,730,186	5,460,372	5,460,372
f. Reimbursement of expenses from				
- Nucleus Software Solutions Pte Ltd, Singapore	383,385	1,089,780	1,459,404	2,753,336
- Nucleus Software Japan Kabushiki Kaisha, Japan	12,230,242	15,394,098	25,750,381	29,263,902
- Nucleus Software Inc., USA	-	-	181,291	33,098
- Nucleus Software Netherlands B.V., Netherlands	-	-	60,591	5,625
- VirStra i-Technology Services Limited, India	-	-	-	212,215
- Nucleus Software South Africa Pty Ltd, South Africa	-	30,150	9,760	36,485
- Nucleus Software Australia Pty Ltd., Australia	-	61,452	278,449	1,185,438
	12,613,627	16,575,480	27,739,876	33,490,099
g. Reimbursement of expenses to				
- Nucleus Software Solutions Pte Ltd, Singapore	-	-	-	5,408
- Nucleus Software Japan Kabushiki Kaisha, Japan	107,190	-	107,190	3,636
	107,190	-	107,190	9,044
h. Sales & marketing fee				
- Nucleus Software Japan Kabushiki Kaisha, Japan	6,023,274	13,118,527	21,602,695	24,599,562
- Nucleus Software Solutions Pte Ltd, Singapore	15,871,185	20,149,362	30,073,063	49,751,087
- Nucleus Software Inc., USA	-	-	-	5,491,923
- Nucleus Software Australia Pty Ltd.	3,877,936	11,555,918	5,954,123	18,134,987
- Nucleus Software South Africa Pty Ltd	5,295,298	7,411,126	9,546,313	10,900,286
	31,067,693	52,234,933	67,176,194	108,877,845
- Avon Mobility Solutions Private Limited				
i. Communication Expenses				
- Avon Solutions & Logistics Pvt Ltd	391,481	-	1,061,726	-
Outstanding balances as at period end				

Particulars	As at 30 September, 2017	As at 31 March, 2017	As at 1 April, 2016
	(Rupees)	(Rupees)	(Rupees)
a. Trade receivables			
- Nucleus Software Solutions Pte Ltd, Singapore	8,365,707	9,353,614	9,869,215
- Nucleus Software Japan Kabushiki Kaisha, Japan	17,134,998	18,468,914	16,246,908
- Nucleus Software Inc., USA	4,082,989	-	3,954,098
- Nucleus Software South Africa Pty Ltd, South Africa	9,760	-	-
- Nucleus Software Australia Pty Ltd., Australia	-	-	(171,701)
	29,593,454	27,822,528	30,392,926
b. Trade payables			
- Nucleus Software Solutions Pte Ltd, Singapore	5,454,826	(655,702)	24,763,484
- Nucleus Software Japan Kabushiki Kaisha, Japan	6,156,189	12,484,006	16,350,954
- Nucleus Software Australia Pty Ltd., Australia	13,876,106	11,633,732	13,338,096
- Nucleus Software Limited, India	-	900,961	5,787
- Nucleus Software South Africa Pty Ltd, South Africa	5,230,457	3,458,709	3,290,290
- Nucleus Software Inc., USA	-	-	4,835,092
- Avon Solutions & Logistics Pvt Ltd	-	45,000	-
	30,717,578	27,866,706	62,583,703
c. Loans to subsidiaries			
- Nucleus Software Limited, India	73,177,409	73,177,409	80,110,221
d. Provision for doubtful loan			
- Nucleus Software Limited, India	73,177,409	73,177,409	-
e. Deferred revenue			
- Nucleus Software Inc., USA	4,083,321	1,487,596	5,185,002
- Nucleus Software Netherlands B.V., Netherlands	-	89,575	1,276,214
	4,083,321	1,577,171	6,461,216
f. Investments in subsidiary companies (net of provision) (see note 2.2)	177,736,648	177,736,648	177,736,648
g. Investments in preference shares of subsidiary companies			
- Avon Solutions & Logistics Pvt Ltd	26,500,000	23,500,000	-
h. Advance/Prepayment to subsidiaries			
- Nucleus Software Solutions Pte Ltd, Singapore	682,006	2,046,023	2,099,090
i. Expenses Payable to Subsidiaries			
- Avon Solutions & Logistics Pvt Ltd	37,500	-	-
- Nucleus Software Limited, India	2,730,186	-	-

2.37 Research and development expenditure

Particulars	Quarter ended 30 September, 2017	Quarter ended 30 September, 2016	Half year ended 30 September, 2017	Half year ended 30 September, 2016
	(Rupees)	(Rupees)	(Rupees)	(Rupees)

Expenditure on research and development as per Ind AS 38

Revenue Expenditure	63,372,375	59,716,100	123,964,168	112,984,274
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The Company had been accorded initial recognition for the in-house Research and Development (R&D) unit by the Department of Scientific and Industrial Research (DSIR) for its R&D center at Noida effective 31 December, 2012 which was valid till 31 March, 2015. The Company has further received renewal of recognition for its R&D center for three years starting from 1 April, 2015.

2.38 Segment reporting – Basis of preparation

a. Segment accounting policies

The Segment reporting policy complies with the accounting policies adopted for preparation and presentation of financial statements of the Company and is in conformity with Ind AS 108. The segmentation is based on the Geographies (reportable business segment) in which the Company operates and internal reporting systems. The geographical segmentation is based on the nature and type of services rendered. Based on the "management approach" as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographical segments.

b. Composition of reportable segments

The Company operates in seven main geographical segments: India, Far East, South East Asia, Europe, Middle East, Africa and Australia which individually contribute 10% or more of the Company's revenue and segment assets.

Income and direct expenses in relation to segments are categorised based on items that are individually identifiable to that segment, while the remainder of the costs are categorised in relation to the associated turnover and/or man months. Certain expenses such as depreciation, which form a significant component of total expenses, are not specifically allocable to specific segments as the underlying services are used interchangeably across geographies. The Company believes that it is not practicable to provide segment disclosures relating to those costs and expenses, and accordingly these expenses are separately disclosed as "unallocated" and directly charged against total income.

Segment assets and liabilities represent the net assets and liabilities of that segment. All the fixed assets of the Company are located in India. These have not been identified to any of the reportable segments, as these are used interchangeably between segments and across geographies. Other items which are not directly attributable to any particular segment and which cannot be reasonably allocated to various segments are consolidated under "Unallocated" head.

The geographical segmentation is based on the nature and type of services rendered. Accordingly, geographical Segmentation has been classified under Products and Software Projects and Services. Products revenue includes Income from sale of licenses and all other related customization, implementation, time and material contracts, fixed price contracts and annual technical service for these licenses. Software projects and services includes other time and material contracts and fixed price contracts, whereby no license sale is made by the Company.

Information in respect of business segment

The profit and loss for reportable business segment is set out below:

a. For the Quarter ended 30 September, 2017

(Amount in Rupees)

Description	India	Far East	South East Asia	Europe	Middle East	Africa	Australia	Others	Total
Revenue									
from	313,380,	72,081,1	99,861,7	101,896,	155,406,	21,910,6	26,742,6	28,130,4	
operations	685	14	19	931	703	32	26	90	819,410,902
Expenses	147,179,	36,058,8	123,705,	80,879,6	93,772,4	9,558,99	17,248,1	7,618,76	
	943	97	879	48	81	1	38	3	516,022,740
Segment	166,200,	36,022,2	(23,844,	21,017,2	61,634,2	12,351,6	9,494,48	20,511,7	
result	743	17	159)	83	22	42	8	28	303,388,162
Unallocated corporate expenditure									211,603,762
Operating profit before taxation									91,784,400
Other income									80,985,852
Profit before taxation									172,770,252
Tax Expense									
Net current tax expense									33,699,792
Net deferred tax credit									5,336,253
									39,036,045
Profit for the quarter									133,734,207

b. For the Quarter ended 30 September, 2016

(Amount in Rupees)

Description	India	Far East	South East Asia	Europe	Middle East	Africa	Australia	Others	Total
Revenue									
from	244,134,	60,028,4	125,477,	124,381,	129,183,	17,835,3	60,270,7	14,558,1	
operations	682	93	136	142	131	63	96	20	775,868,862
Expenses	140,785,	28,403,7	98,150,4	83,674,2	64,496,2	13,839,4	32,260,3	10,449,8	
	064	47	10	33	72	10	96	02	472,059,333
Segment	103,349,	31,624,7	27,326,7	40,706,9	64,686,8	3,995,95	28,010,4	4,108,31	
result	618	46	26	09	59	3	00	8	303,809,529
Unallocated corporate expenditure									225,808,517
Operating profit before taxation									78,001,012
Other income									77,576,900
Profit before taxation									155,577,912
Tax Expense									
Net current tax expense									20,955,828
Net deferred tax credit									5,838,317
									26,794,145
Profit for the quarter									128,783,767

c. For the Half year ended 30 September, 2017

									(Amount in Rupees)
Description	India	Far East	South East Asia	Europe	Middle East	Africa	Australia	Others	Total
Revenue									
from operations	579,157,295	136,354,628	216,682,185	213,091,209	295,973,753	42,750,754	53,092,830	40,018,499	1,577,121,152
Expenses	296,685,794	67,355,539	243,710,320	164,213,909	176,011,632	14,480,111	35,112,472	16,507,527	1,014,077,304
Segment result	282,471,501	68,999,089	(27,028,135)	48,877,300	119,962,121	28,270,643	17,980,357	23,510,971	563,043,848
Unallocated corporate expenditure									424,626,422
Operating profit before taxation									138,417,426
Other income									293,351,246
Profit before taxation									431,768,672
Tax Expense									
Net current tax expense									72,399,792
Net deferred tax credit									346,224
									72,746,016
Profit for the half year									359,022,656

d. For the Half year ended 30 September, 2016

									(Amount in Rupees)
Description	India	Far East	South East Asia	Europe	Middle East	Africa	Australia	Others	Total
Revenue									
from operations	464,793,175	123,918,489	244,337,493	221,111,070	255,257,612	41,770,161	105,687,851	29,986,503	1,486,862,355
Expenses	286,119,965	63,380,024	183,104,407	165,630,148	142,043,729	25,844,177	54,725,436	24,011,529	944,859,416
Segment result	178,673,210	60,538,466	61,233,086	55,480,922	113,213,883	15,925,985	50,962,414	5,974,974	542,002,939
Unallocated corporate expenditure									431,800,456
Operating profit before taxation									110,202,483
Other income									148,657,940
Profit before taxation									258,860,423
Tax Expense									
Net current tax expense									39,866,807
Net deferred tax credit									(3,791,085)
									36,075,722
Profit for the half year									222,784,701

Assets and liabilities of reportable business segment are as follows:

a. As at September 2017

(Amount in Rupees)									
Description	India	Far East	South East Asia	Europe	Middle East	Africa	Australia	Others	Total
Segment assets	421,738,323	61,636,717	134,318,473	53,438,706	124,758,503	68,060,678	3,234,168	22,270,992	889,456,559
Unallocated corporate assets									4,414,345,322
Total assets									5,303,801,882
Segment liabilities	600,158,422	59,194,098	246,834,124	66,345,657	213,001,555	91,665,222	28,297,350	13,447,571	1,318,944,000
Unallocated corporate liabilities									99,702,103
Total liabilities									1,418,646,103
									3,885,155,779

b. As at 31 March, 2017

(Amount in Rupees)									
Description	India	Far East	South East Asia	Europe	Middle East	Africa	Australia	Others	Total
Segment assets	337,298,232	48,116,938	77,652,422	76,147,237	111,901,749	29,623,913	11,741,239	22,990,684	715,472,415
Unallocated corporate assets									5,361,505,429
Total assets									6,076,977,844
Segment liabilities	456,699,017	43,935,537	195,379,894	75,625,293	212,836,467	72,033,144	50,914,747	15,086,702	1,122,510,799
Unallocated corporate liabilities									46,896,687
Total liabilities									1,169,407,486
									4,907,570,358

2.39 Employee Benefit Obligations

Defined contribution plans

An amount of Rs 80,910,509 for the year ended 31 March, 2017 (Year ended 31 March, 2016 Rs 75,942,046), have been recognized as an expense in respect of Company's contribution for Provident Fund and Rs. 427,932 (Year ended 31 March, 2016 Rs. 118,035) for Employee State Insurance Fund deposited with the government authorities and has been shown under employee benefit expenses in the Statement of Profit and Loss.

Defined benefit plans

The Gratuity scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days basic salary payable for each completed year of service or part thereof in excess of 6 months subject to a maximum limit of Rs. 1,000,000 in terms of the provisions of the Payment of Gratuity Act, 1972. Vesting occurs upon completion of 5 years of service.

Provision in respect of gratuity and compensated absence has been determined using the Projected Unit Credit method, with actuarial valuations being carried out at the balance sheet date.

The Company had made contributions to Nucleus Software Export Limited Employees Group Gratuity Assurance Scheme, which has made further contributions to Employees Group Gratuity Scheme of Life Insurance Corporation of India.

Reconciliation of opening and closing balances of the present value of the defined benefit obligation as on 31 March, 2017 :

Particulars	As at	As at
	31 March, 2017	31 March, 2016
	(Rupees)	(Rupees)
a. Change in defined benefit obligations (DBO) during the year		
Obligation at beginning of the year	140,975,938	122,248,328
Current service cost	19,486,237	18,382,179
Interest cost	10,992,195	9,956,441
Actuarial losses/(gains)	5,704,202	8,474,080
Benefits paid	(11,721,172)	(18,085,090)
Obligation at year end	165,437,400	140,975,938
b. Change in plan assets		
Plan Assets at year beginning, at fair value	129,989,479	119,678,080
Expected return on asset plan	10,009,543	9,206,277
Contributions by employer	16,297,225	18,001,217
Actuarial (losses)/gains	(154,710)	1,188,995
Benefits paid	(11,721,172)	(18,085,090)
Plan assets at year end, at fair value	144,420,365	129,989,479
c. Net asset / (liability) recognised in the Balance Sheet		
Present value of defined benefit obligation	165,437,400	140,975,938
Fair value of plan assets	144,420,365	129,989,479
Funded status- Surplus/ (Deficit)	(21,017,035)	(10,986,459)
Unrecognised past service costs	-	-
Net liability recognised in the Balance Sheet	(21,017,035)	(10,986,459)

d. Gratuity cost for the year:

Particulars	Year ended	Year ended
	31 March, 2017	31 March, 2016
	(Rupees)	(Rupees)
Current service cost	19,486,237	18,382,179
Interest cost	10,992,195	9,956,441
Expected return on asset plan	(10,009,543)	(9,206,276)
Actuarial losses/(gains)	6,434,125	7,285,084
Net gratuity cost	26,903,014	26,417,428

f. Experience adjustment

Particulars	Year ended				
	31 March, 2013	31 March, 2014	31 March, 2015	31 March, 2016	31 March, 2017
	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)
Defined benefit obligation	91,032,223	101,331,144	122,248,328	140,975,938	165,437,400
Plan assets	-	-	119,678,080	129,989,478	144,420,365
Surplus/(Deficit)	(91,032,223)	(101,331,144)	(2,570,248)	(10,986,460)	(21,017,035)
Experience adjustment on plan liabilities	(2,781,491)	3,407,556	110,250	6,196,728	680,635
Experience adjustment on plan assets	-	-	3,455,543	1,188,995	(154,710)

g. **Economic assumptions :**

	Actuarial assumptions for gratuity and long-term compensated absences	
	As at 31 March, 2017	As at 31 March, 2016
Discount rate	6.90%	7.55%
Salary escalation rate	7.50%	8.00%
Expected return on plan assets	8.00%	8.00%

Discount rate:

The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

Salary escalation rate:

The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

Expected return on plan assets:

The expected rate of return on plan assets is determined after considering several applicable factors such as the composition of the plan assets, investment strategy, market scenario, etc.

h. **Demographic assumptions**

Retirement age	58 years	58 years
Mortality table	IALM Mortality (2006-08)	IALM Mortality (2006-08)

i. **Withdrawal rates**

Ages - Withdrawal Rate (%)
21-50 years - 20%
51-54 years - 2%
55-57 years - 1%

j. **Category of asset**

Insurer Managed Funds	144,420,365	129,989,479
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Actuarial valuation of the Company's liability on account of gratuity as at 31 March 2017 was carried out by an independent actuary. The Company has a policy of getting the actuarial valuation done on a annual basis. Accordingly, the actuarial valuation has not been carried out for the quarter and half year ended 30 September, 2017. Accordingly, disclosures required under Ind-AS19 have been made for the year ended 31 March 2017.

2.40 FUNCTION WISE CLASSIFICATION OF STATEMENT OF PROFIT AND LOSS

Particulars	Quarter ended 30 September 2017	Quarter ended 30 September 2016	For half year ended 30 September, 2017	For half year ended 30 September, 2016
	(Rupees)	(Rupees)	(Rupees)	(Rupees)
Income from software services and products	819,410,902	775,868,862	1,577,121,152	1,486,862,055
Software development expenses	540,826,970	478,481,150	1,065,348,422	938,675,928
Gross Profit	278,583,932	297,387,712	511,772,730	548,186,127
Selling and marketing expenses	87,628,656	118,810,185	171,247,228	238,951,910

General and administration expenses	83,203,800	72,117,355	170,087,604	143,834,773
Operating profit before depreciation	107,751,476	106,460,172	170,437,898	165,399,444
Depreciation and amortisation expense	15,967,076	28,459,160	32,020,472	55,196,961
Operating profit after depreciation	91,784,400	78,001,012	138,417,426	110,202,483
Other income	80,985,852	77,576,900	293,351,246	148,657,940
Profit before tax	172,770,252	155,577,912	431,768,672	258,860,423
Tax expense:				
Net current tax expense	33,699,792	20,955,828	66,799,792	38,066,807
Deferred tax (credit) /charge	5,336,253	5,838,317	5,946,224	(1,991,085)
	39,036,045	26,794,145	72,746,016	36,075,722
Profit for the period	133,734,207	128,783,767	359,022,656	222,784,701

2.41 TRANSFER PRICING

The Company has established a comprehensive system of maintenance of information and documents as required by transfer pricing legislation under section 92D for its international transactions and specified domestic transactions. The Company will further update above information and records and expects these to be in existence latest by due date of the filing of return, as required under law. The management is of the opinion that all above transactions are at arm's length so that aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

2.42 EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY

Particulars	For half year ended 30 September, 2017 (Rupees)	For half year ended 30 September, 2016 (Rupees)
Gross amount required to be spent by Company during the year ended 31 March, 2018 / 31 March, 2017 :	11,111,874	11,007,798
Amount spent during the year on purposes other than Construction/acquisition of any asset	5,350,000	8,000,000
<u>Details of related party transactions:</u>		
Nucleus Software Foundation (See note 2.36)	5,350,000	8,000,000

2.43 On March 17, 2016, the Company has acquired 96% stake in Avon Mobility Solutions Pvt. Ltd. ('Avon'), a Mobile Technology Solutions provider for a purchase consideration of Rs 19,200,720. The Company has also taken over Avon's net liabilities aggregating to Rs. 12,504,061. Further, the Company has an option to acquire the remaining 4% shares of Avon as per terms and conditions of share purchase agreement executed with the shareholders of Avon. During the year ended March 31 2017, the Company has further subscribed 2,650,000 11% redeemable preference shares of face value of Rs. 10 per share, for a minimum tenor of 5 years and maximum tenor of 20 years.

2.44 First-time adoption of Ind-AS

These standalone interim financial statements of Nucleus Software Exports Limited for the quarter ended June 30, 2017 have been prepared in accordance with Ind AS. For the purposes of transition to Ind AS, the Company has followed the guidance prescribed in Ind AS 101 - First Time adoption of Indian Accounting Standard, with April 1, 2016 as the transition date and IGAAP as the previous GAAP.

The transition to Ind AS has resulted in changes in the presentation of the financial statements, disclosures in the

notes thereto and accounting policies and principles. The accounting policies set out in Note 1 have been applied in preparing the standalone financial statements for the quarter ended June 30, 2017 and the comparative information. An explanation of how the transition from previous GAAP to Ind AS has affected the Company's Balance Sheet, Statement of Profit and Loss, is set out in note 2.39.

Exemptions availed and exceptions applied on first time adoption of Ind-AS 101

In preparing these financial statements, the Company has applied the below mentioned optional exemptions and mandatory exceptions:

A Optional exemptions availed

1 Property plant and equipment and intangible assets

As permitted by Ind AS 101, the Company has elected to continue with the carrying values under previous GAAP as deemed cost for all the items of property, plant and equipment and Intangible assets.

2 Designation of previously recognised financial instruments

Under Ind AS 109, at initial recognition of a financial asset, an entity may make an irrevocable election to present subsequent changes in the fair value of an investment in equity instrument in other comprehensive income. Ind AS 101 allows such designation of previously recognised financial assets, as 'fair value through other comprehensive income' on the basis of the facts and circumstances that existed at the date of transition to Ind AS.

Accordingly, the company has designated its investments in certain equity instruments at fair value through other comprehensive income on the basis of the facts and circumstances that existed at the date of transition to Ind AS.

3 Investment in Subsidiaries

As per Ind AS 101, when an entity prepare separate financial statements , Ind AS 27 requires it to account for its investments in subsidiaries either:

(a) at cost or

(b) in accordance with Ind AS 109.

The Company has chosen to avail the option to measure the investment in subsidiaries at cost.

4 Share- Based payment transactions

The Company can apply Ind AS 102 Share- based payment to equity instruments that vested before date of transition to Ind ASs. However, if an entity elects to apply Ind AS 102 to such equity instruments, it may do so only if it has disclosed publicly the fair value of those equity instruments. The Company has chosen not to apply Ind AS 102 to equity instruments that vested before date of transition.

B Mandatory exceptions

1 Estimates

As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS at the end of the comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimates made for the same date in accordance with the previous GAAP unless there is objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in accounting policies.

As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).

The Company's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the financial statements that were not required under the previous GAAP are listed below:

- fair valuation of financial instruments carried at FVTPL and/ or FVOCI.

- Impairment of financial assets based on the expected credit loss model.

- Determination of the discounted value for financial instruments carried at amortised cost.

2 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing

as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable. Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

3 Hedge Accounting

Hedge accounting can only be applied prospectively from the transition date to transactions that satisfy the hedge accounting criteria in Ind AS 109, at that date. Hedging relationships cannot be designated retrospectively, and the supporting documentation cannot be created retrospectively. As a result, only hedging relationships that satisfied the hedge accounting criteria as of 1 April 2016 are reflected as hedges in the Company's results under Ind AS. The Company had designated various hedging relationships as cash flow hedges under the previous GAAP. On date of transition to Ind AS, the entity had assessed that all the designated hedging relationship qualifies for hedge accounting as per Ind AS 109. Consequently, the Company continues to apply hedge accounting on and after the date of transition to Ind AS.

2.45 Reconciliations

a) Reconciliation of Total Equity

Particulars	Note	As at 31 March, 2017	As at 30 September, 2016	As at 1 April 2016
Equity as reported under Previous GAAP (A)		4,734,275,790	4,435,169,166	4,244,849,754
Impact of Ind AS opening adjustment (B)		79,903,153	151,060,928	-
Less:				
Investments in Mutual funds at Fair value through PL	1.1 f)	1,106,907	(1,477,564)	(574,776)
Profit on sale of long term investment-FMP	1.1 b)	14,338,000	-	-
(C)		15,444,907	(1,477,564)	(574,776)
Add:				
Movement in deposits at amortised cost		29,753	7,069	(54,599)
Discounting of Long term trade receivable	1.2	8,897,732	2,313,804	(22,327,266)
Interest on Investment in NSL	1.3 a)	6,348,725	1,587,181	16,447,157
Actuarial gain or loss reclassified to OCI				
Investments in tax free bonds at amortised cost -Interest income IRFCL bond	1.1 a)	1,280,183	322,676	-
Investments in tax free bonds at amortised cost - Interest income and amortised expense	1.1 a)	162,761	50,374	423,871
Investments in preference shares at amortised cost	1.1 c)	1,353,318	4,917,766	68,431
Investment in FMPs/ Interval plan at amortised cost	1.1 b)	30,068,611	7,772,599	45,249,336
Measurement of Staff loans at amortised cost	1.3 b)	66,999	10,393	88,368
Investment in NCDs-IIFL	1.1 g)	1,391,781	-	-
Discounting of annual pay incentive	1.7	1,210,781	(149,268)	-
NSL loan provision reversal	1.3 a)	6,932,812	-	-
Investments in unquoted equity instruments at fair value through OCI	1.1 d)	54,725,000	11,587,500	48,750,000
(D)		112,468,455	28,420,094	88,645,298
Equity in accordance with Ind AS (A-B+C+D)		4,911,202,491	4,616,127,752	4,334,069,828

Tax effects of adjustments	1.5	3,632,133	3,552,975	9,316,921
Total equity after tax adjustment in accordance with Ind AS		4,907,570,358	4,612,574,777	4,324,752,907
Movement in equity		173,294,568	177,405,611	79,903,153

2.45 Reconciliations

b) Reconciliation of total comprehensive income

Particulars	For the quarter ended 30 September, 2016	For the half year ended 30 September, 2016	For the year ended 31 March, 2017
Profit as per Previous GAAP (A)	112,408,582	187,158,738	478,184,464
Less:			
Investments in Mutual funds at Fair value through PL	(1,477,564)	(2,293,889)	1,106,907
Profit on sale of long term investment-FMP	-	-	14,338,000
(B)	(1,477,564)	(2,293,889)	15,444,907
Add:			
Movement in deposits at amortised cost	7,069	11,992	29,753
Discounting of Long term trade receivable	2,313,804	4,624,725	8,897,732
Interest on Investment in NSL	1,587,181	3,174,362	6,348,725
Actuarial gain or loss reclassified to OCI	1,618,002	3,236,004	5,858,912
Investments in tax free bonds at amortised cost -Interest income IRFCL bond	322,676	638,337	1,280,183
Investments in tax free bonds at amortised cost - Interest income and amortised expense	50,374	83,055	162,761
Investments in preference shares at amortised cost	4,917,766	8,555,810	1,353,318
Investment in FMPs/ Interval plan at amortised cost	7,772,599	14,900,176	30,068,611
Measurement of Staff loans at amortised cost	10,393	34,044	66,999
Investment in NCDs-IIFL	-	-	1,391,781
Discounting of annual pay incentive	(149,268)	1,301,809	1,210,781
NSL loan provision reversal			6,932,812
(C)	18,450,596	36,560,314	63,602,368
Profit in accordance with Ind AS (B-C)	132,336,742	226,012,941	526,341,925
Tax effects of adjustments	3,552,975	3,228,240	8,507,133
Profit for the year after tax adjustment in accordance with Ind AS	128,783,767	222,784,701	517,834,792
Other Comprehensive Income (OCI)			
Add:			
Investments in unquoted equity instruments at fair value through OCI	11,587,500	60,237,500	54,725,000
Effective portion of gain (loss) on hedging instruments of effective cash flow hedges,net	3,074,923	3,160,675	11,241,572

Less:	14,662,423	63,398,175	65,966,572
Actuarial gain or loss reclassified from OCI	1,618,002	3,236,004	5,858,912
OCI	13,044,421	60,162,171	60,107,660
Deferred Tax adjustment on transitional entries	-	(4,875,000)	(4,875,000)
OCI after deferred tax adjustment	13,044,421	65,037,171	64,982,660
Total Comprehensive Income as per Ind AS	141,828,188	287,821,872	582,817,452

2.45 Reconciliations

c) Equity reconciliations

Particulars	Note	Opening Balance Sheet as at April 1, 2016			March 31, 2017		
		Reclassified IGAAP*	Effect of transition to Ind -AS	Ind AS	Reclassified IGAAP	Effect of transition to Ind -AS	Ind AS
ASSETS							
Non-current assets							
Property, plant and equipment		308,122,854	-	308,122,854	279,750,398	-	279,750,398
Capital work in progress		11,004,412	-	11,004,412	3,190,290	-	3,190,290
Intangible assets		46,082,968	-	46,082,968	18,239,734	-	18,239,734
Financial assets							
Investments	1.1	1,392,910,811	103,445,372	1,496,356,183	2,086,524,260	142,249,515	2,228,773,775
Trade receivables	1.2	101,575,012	(22,327,266)	79,247,746	67,980,011	(11,522,232)	56,457,779
Loans	1.3	82,453,343	(13,683,007)	68,770,336	1,712,377	(378,466)	1,333,911
Other financial assets	1.4	128,086,079	(509,167)	127,576,912	35,174,483	(156,164)	35,018,319
Income tax asset		93,612,383		93,612,383	98,944,832	-	98,944,832
Deferred tax asset (net)	1.5	56,488,693	971,586	57,460,279	100,147,563	(2,660,548)	97,487,015
Other non-current assets		2,583,837	347,590	2,931,428	4,751,266	352,781	5,104,047
Current Assets							
Financial assets							
Investments	1.1	1,176,311,386	11,061,231	1,187,372,617	2,197,887,732	45,788,642	2,243,676,374
Trade receivables	1.2	781,119,460	-	781,119,460	535,947,746	(1,907,301)	534,040,445
Cash and cash equivalents		40,019,162	-	40,019,162	109,361,226	-	109,361,226
Other bank balances		979,249,951	-	979,249,951	225,395,439	-	225,395,439
Loans		10,364,413	-	10,364,413	3,280,647	-	3,280,647
Other financial assets		47,407,159	-	47,407,159	17,944,213	-	17,944,213
Other current assets	1.3 and 1.4	144,195,830	596,814	144,792,644	118,661,840	317,560	118,979,400
Total Assets		5,401,587,755	79,903,153	5,481,490,908	5,904,894,057	172,083,787	6,076,977,844
EQUITY & LIABILITIES							
EQUITY							
Equity Share capital		323,852,240	-	323,852,240	323,852,240	-	323,852,240
Other equity	1.6	3,920,997,514	79,903,153	4,000,900,667	4,410,423,550	173,294,568	4,583,718,118
LIABILITIES							
Non-current liabilities							
Financial liabilities							
Other financial liabilities	1.7	-	-	-	5,418,037	(1,210,781)	4,207,256
Provisions		38,152,090	-	38,152,090	44,906,170	-	44,906,170
Other non-current liabilities		31,993,885	-	31,993,885	-	-	-
Current liabilities							
Financial liabilities							
Trade payables		284,524,270	-	284,524,270	289,308,712	-	289,308,712
Other financial liabilities		5,676,044	-	5,676,044	4,171,344	-	4,171,344
Provisions		13,881,550	-	13,881,550	15,444,083	-	15,444,083
Income tax liabilities (net)		14,446,733	-	14,446,733	2,192,450	-	2,192,450
Other current liabilities		768,063,429	-	768,063,429	809,177,471	-	809,177,471
TOTAL EQUITY AND LIABILITIES		5,401,587,755	79,903,153	5,481,490,908	5,904,894,057	172,083,787	6,076,977,844

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note

Explanation for reconciliation of Profit and Loss as previously reported under IGAAP to Ind AS

1.1 Investments

a) Tax free bonds

Tax free bonds are carried at amortised cost under Ind AS. Premium paid for acquisition of tax free bonds shall be added to the Investment value and thereafter investment will be measured at amortised cost under Ind AS. However under Previous GAAP, premium on tax free bond was recorded separately and amortised over the life of an Investment. As a result of this change, profit for the quarter ended 30 September 2016 and year ended 31 March 2017 increased by Rs. 373,050 and Rs. 1,442,944 respectively and retained earning as at 31 March 2016 increased by Rs. 423,871.

b) Fixed Maturity Plans (FMPs)

Under Previous GAAP, Investments in FMPs were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at amortised cost. This change has resulted in an increase in profit for the quarter ended 30 September 2016 and year ended 31 March 2017 by Rs. 7,772,599 and Rs. 15,730,609 respectively and increase in retained earning as at 31 March 2016 by Rs. 45,249,336.

c) Preference Shares

Cumulative Preference shares are carried at amortised cost under Ind AS. Under Previous GAAP, Investments in Preference shares were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. This change has resulted in an increase in profit for the quarter ended 30 September 2016 and year ended 31 March 2017 by Rs. 4,917,766 and Rs. 1,353,318 respectively and increase in retained earning as at 31 March 2016 by Rs. 68,431.

d) Investment in Equity instruments other than subsidiaries

Under Previous GAAP, the company accounted for long term investments in equity shares of Ujjivan Financial Services Limited as investment measured at cost less provision for other than temporary diminution in the value of investments. Under Ind-AS, the company has designated this investments as FVTOCI investments. Ind-AS requires FVTOCI investments to be measured at fair value.

At the date of transition to Ind-AS, difference between the instruments fair value and Previous GAAP carrying amount has been recognised as a separate component of equity, in the FVTOCI reserve. This increased other reserves by Rs. 11,587,500 as at 30 September 2016, Rs. 54,725,000 as at 31 March 2017 (1 April 2016 - Rs. 48,750,000) and profit and other comprehensive income for the quarter ended 30 September 2016 and year ended 31 March 2017 increased by Rs. 11,587,500 and Rs. 54,725,000 respectively.

e) Investment in Subsidiaries

The Company has the option to measure the investment in subsidiaries at either cost or in accordance with Ind AS 109. The Company has chosen to avail the option to measure the investment in subsidiaries at cost. There is no impact on the total equity or profit and loss as a result of this adjustment.

f) Investment in Mutual funds

Under Previous GAAP, Investments in Mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at Fair value through profit or loss. This change has resulted in an increase in profit for the quarter ended 30 September 2016 by Rs. 1,477,564 and decrease in the profit for the year ended 31 March 2017 by Rs. 1,106,907 and increase in retained earning as at 31 March 2016 by Rs. 574,776.

g) Investment in Non convertible debentures

Investments in Non Convertible debentures were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at amortised cost. This change has resulted in an increase in profit for the year ended 31 March 2017 by Rs. 1,391,781.

1.2 Long term trade receivables

Under Ind AS, Long term receivable should be reduced to the extent of the present value of money and interest income should be recognised over the period of receivable. Adjustments reflect the separation of financing component from the long term receivables. This adjustments increase the profit for the quarter ended 30 September 2016 and year ended 31 March 2017 by Rs. 2,313,804 and Rs. 8,897,232 respectively and reduced the retained earning as at 31 March 2016 by Rs. 22,327,266.

1.3 Long term Loans

Under Previous GAAP, employee loans and other long term advances to be settled in cash or another financial asset are recorded at cost.

However, under Ind AS, certain assets covered under Ind AS 32 meet the definition of financial assets which include employee loans and long term advances to subsidiaries are classified at amortized cost, further these financial assets have been given at nil interest rate, therefore, these have been discounted to present value.

a) Interest free Loans to subsidiaries

As loan given to Nucleus software Limited, 100% subsidiary at nil interest rate, the same should be accounted at amortized cost using prevalent market rate of interest by applying effective interest rate method. Further during the year ended 31 March 2017, under previous GAAP, the Company had made full provision against the loan but in accordance with Ind AS, provision reversed to the extent of excess provision over amorised cost as at 31 March 2017. An amount of Rs. 19,440,188 has been recognised as deemed investment and included in value of investment in Nucleus Software Limited.

As a result of this change, profit for the quarter ended 30 September 2016 and year ended 31 March 2017 increased by Rs. 1,587,181 and Rs. 6,348,725 respectively and reduced the retained earning as at 31 March 2016 by Rs. 16,447,158.

b) Interest free Loans to employees

Loan to employees are also given at nil interest rates, the same should be accounted at amortized cost using prevalent market rate of interest by applying effective interest rate method.

As a result of this change, profit for the quarter ended 30 September 2016 and year ended 31 March 2017 increased by Rs. 10,393 and Rs. 66,999 respectively and increased the retained earning as at 31 March 2016 by Rs. 88,368.

1.4 Other Financial assets

Under Previous GAAP, Security deposit are recorded at cost. However under Ind AS, security deposits are classified at amortised cost. Therefore, adjustment has been made for the impact of discounting of interest free security deposit given for the rented premises.

As a result of this change, profit for the quarter ended 30 September 2016 and year ended 31 March 2017 increased by Rs. 7,069 and Rs. 29,753 respectively and reduced the retained earning as at 31 March 2016 by Rs. 54,599.

1.5 Deferred tax

Deferred Tax adjustment on transitional entries under Ind - AS has been made in accordance with Ind-AS. This has decreased the profit for the quarter ended 30 September 2016 by Rs. 3,552,975 and reduced profit for the year by Rs. 3,632,134 and retained earning by Rs. 9,316,921. The Previous GAAP require deferred tax accounting using the income statement approach, which focusses on differences between taxable profit and accounting profits for the period. Ind-AS 12 : Income Taxes requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind-AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Previous GAAP.

1.6 Other Equity

Adjustment to retained earnings and OCI have been made in accordance with Ind-AS, for the above mentioned line items.

Under Previous GAAP, the Company has not presented other comprehensive income (OCI) separately. Items that have been reclassified from statement of profit and loss to other comprehensive income includes remeasurement of defined benefit plans and fair value gain/loss on FVOCI equity instruments. Hence, Previous GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

1.7 Non -current Financial liabilities

Under Previous GAAP, annual incentive payables and creditors are recorded at cost.

However, under Ind AS, liabilities in which the Company has a contractual obligation to deliver cash are classified as financial liabilities. Thus in case of annual incentive being long term in nature, the financial liabilities have been discounted to present

value and carried at amortised cost. Consequential impact of the same have been taken to employ benefit expenses.

As a result of this change, profit for the quarter ended 30 September 2016 and year ended 31 March 2017 (decreased) or increased by (Rs. 149,268) and Rs. 1,210,781 respectively.

1.8 Remeasurements of the defined benefit plans

Under Ind AS, remeasurements, i.e., actuarial gains and losses and the return on plan assets, excluding amount included in the net interest expense on the net defined liability are recognised in other comprehensive income instead of profit or loss. Under Previous GAAP, these remeasurements were forming part of the profit or loss for the year. However, this has no impact on the total comprehensive income and total equity as on 1 April 2016 and 31 March 2017.

For B S R & ASSOCIATES LLP

Chartered Accountants

Firm Registration Number : 116231W/W-100024

For and on behalf of the Board of Directors

RAKESH DEWAN

Partner

Membership number : 092212

JANKI BALLABH

Chairman

VISHNU R DUSAD

Managing Director &
Chief Executive Officer

ASHISH NANDA

Chief Financial Officer

POONAM BHASIN

AVP (Secretarial) &
Company Secretary

Place : Gurgaon

Date : October 17, 2017

Place : Noida

Date : October 17, 2017

CONSOLIDATED FINANCIAL STATEMENTS OF NUCLEUS SOFTWARE EXPORTS LTD. AND ITS SUBSIDIARIES

Particulars	As at 30 September, 2017 (Rupees)	As at 31 March, 2017 (Rupees)
ASSETS		
Non-current assets		
Property, plant and equipment	420,546,822	429,348,771
Intangible assets under development	19,156,899	3,190,290
Goodwill on consolidation	31,704,781	31,704,781
Other Intangible assets	17,139,031	18,591,580
Financial assets		
Investments	2,205,292,856	2,027,560,128
Trade receivables	58,651,535	56,457,779
Loans	1,593,032	1,333,911
Other financial assets	84,877,761	53,105,056
Deferred tax asset	116,392,098	125,023,409
Income tax asset (net)	94,843,869	100,070,238
Other non-current assets	5,488,354	5,274,680
	3,055,687,039	2,851,660,622
Current Assets		
Inventories		
Financial assets		
Investments	1,149,428,707	2,381,513,660
Trade receivables	764,291,840	609,296,833
Cash and cash equivalents	227,130,853	395,511,036
Other bank balances	346,004,520	226,562,873
Loans	3,830,921	3,308,147
Other financial assets	2,249,359	19,907,941
Other current assets	217,525,870	167,466,498
	2,710,462,069	3,803,566,988
Total Assets	5,766,149,108	6,655,227,611
EQUITY & LIABILITIES		
EQUITY		
Equity Share capital	290,422,240	323,852,240
Other equity	3,940,448,797	5,025,746,405
Deferred revenue		
Total equity attributable to equity holders of the company	4,230,871,037	5,349,598,645
Total Equity	4,230,871,037	5,349,598,645
LIABILITIES		

Non-current liabilities

Financial liabilities

Other financial liabilities	7,750,741	4,207,256
Other non-current liabilities	1,973,650	2,014,537
Deferred tax liabilities	1,743,588	305,750
Provisions	66,072,837	58,885,055
Deferred tax liabilities		

77,540,816**65,412,598****Current liabilities**

Financial liabilities

Borrowings		
Trade payables	397,652,617	352,455,640
Other financial liabilities	19,077,157	4,283,062
Provisions	19,331,392	17,476,771
Current tax liabilities (net)	12,254,128	12,820,146
Other current liabilities	1,009,421,961	853,180,749

1,457,737,255**1,240,216,368****TOTAL EQUITY AND LIABILITIES**

5,766,149,108

6,655,227,610

	Quarter ended		For the half year ended	
	30 September, 2017	30 September, 2016	30 September, 2017	30 September, 2016
	(Rupees)	(Rupees)	(Rupees)	(Rupees)
1. REVENUE FROM OPERATIONS				
Income from software product and services	1,004,466,786	956,037,028	1,947,653,404	1,855,585,019
2. OTHER INCOME	82,382,767	76,559,188	158,353,356	149,897,134
3. TOTAL INCOME (1+2)	1,086,849,553	1,032,596,216	2,106,006,759	2,005,482,154
4. EXPENSES				
a. Changes in inventories of stock in trade				
a. Employee benefits expense	674,253,366	618,266,710	1,316,392,659	1,239,176,014
b. Operating and other expenses	192,181,856	190,345,378	390,084,907	368,155,958
c. Finance cost	1,499,792	1,214,666	2,750,016	2,775,375
d. Depreciation and amortisation expense	17,347,707	30,867,904	35,081,526	60,885,962
TOTAL EXPENSES	885,282,720	840,694,659	1,744,309,109	1,670,993,309
5. PROFIT BEFORE TAX (3-4)	201,566,833	191,901,557	361,697,650	334,488,845
6. TAX EXPENSE				
a. Current tax expense	40,785,126	32,322,239	89,434,599	52,397,375
b. MAT credit entitlement		-	-	
c. Tax expense / (credit) relating to prior period	(307,100)	2,131,904	689,038	2,805,206
d. Withholding taxes charged off	-	(1,927,150)	504,232	5,853,706
Current tax expense	40,478,027	32,526,993	90,627,870	61,056,288
e. Deferred tax (credit) /charge	4,465,231	5,045,044	(703,176)	(5,381,723)
NET TAX EXPENSE	44,943,258	37,572,038	89,924,694	55,674,565
7. PROFIT FOR THE PERIOD (5-6)	156,623,575	154,329,519	271,772,956	278,814,280
	(0)		-	
8. OTHER COMPREHENSIVE INCOME				
(A) (i) Items that will not be reclassified to profit or loss				
a) Remeasurements of the defined benefit plans	(1,095,273)	(1,713,148)	(2,811,128)	(3,426,295)
b) Equity Instruments through Other Comprehensive Income	2,187,500	11,587,500	(26,400,000)	65,112,500
			-	-
(ii) Deferred tax relating to Items	-		-	-

	that will not be reclassified to profit or loss			-	-
				-	-
(B)	(i) Items that will be reclassified to profit or loss			-	-
				-	-
	a) Effective portion of gain (loss) on hedging instruments of effective cash flow hedges, net	(11,301,541)	4,314,323	(17,612,501)	3,068,386
	b) Exchange difference on translation of foreign operations	4,096,615	1,616,699	3,402,893	3,730,236
				-	-
	(ii) Income/deferred tax relating to Items that will not be reclassified to profit or loss			-	-
	TOTAL OTHER COMPREHENSIVE INCOME	(6,112,699)	15,805,374	(43,420,736)	68,484,827
9.	TOTAL COMPREHENSIVE INCOME (7+8)	150,510,876	170,134,893	228,352,220	347,299,107
	Profit attributable to				
	Owners of the Company	156,623,575	154,329,519	271,772,956	278,814,280
	Non- controlling interest				-
		156,623,575	154,329,519	271,772,956	278,814,280
10	Total comprehensive income attributable to				
	Owners of the Company	150,510,876	170,134,893	228,352,220	347,299,107
	Non- controlling interest				-
		150,510,876	170,134,893	228,352,220	347,299,107
11	EARNINGS PER EQUITY SHARE				
	Equity shares of Rupees 10 each				
	a. Basic	4.93	4.77	8.47	8.61
	b. Diluted	4.93	4.77	8.47	8.61
	Number of shares used in computing earnings per share				
	a. Basic	31,765,996	32,383,724	32,073,172	32,383,724
	b. Diluted	31,765,996	32,383,724	32,073,172	32,383,724

Management's Discussion and Analysis of Financial Condition and Results of Consolidated Operations of Nucleus Software Exports Ltd. and Subsidiary Companies

Financial statements of the Company are prepared under the historical cost convention on the accrual basis, in accordance with the Indian Accounting standards ("Ind AS") and mandatory accounting standards specified under Section 133 of the Companies Act, 2013, read with relevant Rules issued thereunder, as applicable and the relevant provisions of the Companies Act, 2013 ("2013 Act"), as applicable and guidelines issued by the Securities and Exchange Board of India ("SEBI"). Accounting policies have been consistently applied except where a newly issued accounting standard, if initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. Management evaluates all recently issued or revised accounting standards on an ongoing basis.

Overview

The Company was incorporated on January 9, 1989 as Nucleus Software Exports Private Limited with its registered office at 33-35 Thyagraj Market, New Delhi, India. Subsequently in October 1994, it was converted into a Public Limited Company. In August 1995, Nucleus made an Initial Public Offer and is currently listed at National Stock Exchange of India Ltd., and BSE Ltd. Nucleus Software is the leading provider of mission critical lending and transaction banking products to the global financial services industry. Its software powers the operations of more than 150 customers in 50 countries, supporting retail banking, corporate banking, cash management, internet banking, automotive finance and other business areas.

Nucleus Software is known for its world-class expertise and innovation in lending and transaction banking technology. We have inter-alia, two flagship products, built on the latest technology:

- FinnOne™, 10 time winner - World's Best Selling Lending Solution.
- FinnAxia™, an integrated global transaction banking solution used by banks worldwide to offer efficient and Innovative global payments and receivables, liquidity management and business internet banking services.

We have continued to enhance our solutions to take advantage of market trends, such as increasing digitizing of financial services. Our flagship product FinnOne Neo™ was launched on cloud and is already a success in the domestic market. By providing FinnOne Neo™ on cloud, we are making one of the best lending software more affordable, quickly deployable and scalable as per our customers' business requirements.

We also launched the Collections module as part of FinnOne Neo Lending Suite. Collection module is aimed at automating the collection operation in the Financial Institution, increase collection efficiency and thereby reduce delinquency.

FinnAxia 4.0, the latest version of its next-generation integrated transaction banking product suite. The new product suite includes extended compliance to global and regional regulations; increased flexibility for corporate treasurer for greater control, visibility, management of liquidity and enhanced capabilities to digitize the financial value chain of supplier's-buyer's-dealer's thereby creating a business network for collaborative commerce leading to working capital optimization.

PaySe™, the world's first offline digital cash solution which was launched in FY15-16, was made available in 3 new form factors: smart watch, band and micro SD. With this, we can now cater to consumers more effectively and we launched an innovative project with an esteemed Education Institution in India.

Over the years, our committed professionals have provided par excellence and with our deep expertise and global experience, we have created a global footprint of customers and partners across multiple continents with multi-product, multi-service, multi-currency and multi-lingual implementations, leading to worldwide acceptability and customer satisfaction.

Nucleus operates through integrated and well-networked subsidiaries in India, Japan, Netherlands, Singapore, USA, Australia and South Africa. Since 1995, product development has been our forte and the Company has chosen to exclusively develop products and further add value through dedicated Research and Development initiatives.

Company Strengths

The Group's business broadly consists of Development and Marketing of Software Products and Software Services for business entities in the Banking and Financial Services (BFS) vertical. With a single point focus on the banking and financial industry, the Group's focus on product development is to build products on latest architecture & technology stack, with products that have advanced feature & functionalities to support growing need of business. We are performing today to deliver top-tier performance, while investing to ensure that our performance levels can be sustained in the long term. We have stepped up our investments in brand building, R&D, sales and our people. All of this coupled with differentiated products' help us drive sales and ultimately bring in customer satisfaction. The definitive goal is to touch and improve lives of more and more people across the world by equipping Banks with superior technology products for managing lending operations.

Building on our strong product innovation and R&D capabilities, we executed strategic initiatives for new products, sales and market development and people to help drive transformation and continue the momentum of growth. This endeavour demonstrates our passion for perfection and relentless commitment to deliver world class products to our customers. In this journey, we have been honoured and feel grateful for having received various accolades, a few of them to list would be:

- **bob Finance and FinnOne win The Banking Technology Award 2016**, bob Finance AG, a financial service company in Switzerland deployed Nucleus Software's FinnOne for offering an innovative and completely digitized loan service. This implementation won The Banking Technology Award 2016 - Highly Commended for Best Use of IT in Lending.
- Named as a '**Model Bank Vendor 2016**' Award by **Celent** for helping multiple clients achieve technology or implementation excellence.
- Recognized amongst the '**World's top 5 Mobile Banking Solution Providers**' by **Forrester Research, Inc.** in The Forrester Wave™: Mobile Banking Solutions, Q4 2015.
- Corporate Livewire – Fintech Excellence Awards 2015 in the category "**Excellence in Providing Banking Products**"
- FinnOne™ **10 time winner - World's Best Selling Lending Solution** by IBS Publishing, UK.
- Annual Report for the Year Ended March 31, 2014 won the **Platinum Award** for Excellence within the Technology-Software industry and ranked amongst the World's Top 50 Annual Reports within the Technology-Software industry and by the League of American Communications Professional (LACP).

- 9th Social and Corporate Governance Awards in the category "**Best Overall Corporate Governance Compliance and Ethics Program**" organised by World CSR Congress.
- Titanium Award at "**The Asset Triple A Corporate Awards 2014**" for Third Consecutive Year under the category Financial Performance, Corporate Governance and Investor Relations.
- "Asian CSR Leadership Awards 2014" in the category, "Best Corporate & Financial Reporting".
- "**The Asian Banker award – 2014**" for "Best Lending Platform Implementation Project" for introducing MARC, an innovative debt servicing solution that allows customers to make payment anytime, anywhere.
- The Company was inducted into the coveted **Hall of Fame** by the **Institute of Chartered Accountants of India**, in the category, Service sector (other than financial services) with turnover less than Rs. 500 crore, of the 'ICAI Awards for Excellence in Financial Reporting' in the year 2013.
- CIMB Malaysia, our customer, powered by Nucleus Software's FinnOne™ implementation, has received the Process Excellence Award for Collection and Debt Management at the prestigious BPA Trailblazer Awards.
- Vietnam Prosperity Bank's Loan Origination system, powered by Nucleus Software's FinnOne CAS, LMS and Collections was recognized with **Model Bank Award by Celent** (March 2013).
- Forrester recognized Nucleus as a "**Global Pursuer**" and stated it "**regained traction in 2010**". Based on the number of deals and regions covered, Nucleus was ranked among top Banking Platform providers Source: Global Banking Platform Deals 2010, Forrester Research, Inc., 31st March 2011.
- HDFC Bank, Nucleus Software customer, won the prestigious **Celent 2010 Model Bank Award** for its loan origination system, FinnOne™.

FINANCIAL PERFORMANCE

The consolidated financial results are as below:

(Rs. in crore)

For the Quarter Ended September 30,	2017	% of Revenue	Growth (%)	2016
Revenue From Operations	100.45	100%	5%	95.60
Expenses				
a) Employee benefits expense	67.43	67%	9%	61.83
b) Operating and other expenses	19.22	19%	1%	19.03
c) Finance cost (Bank Charges)	0.15	0%	24%	0.12
Total Expenses	86.79	86%	7%	80.98
Operating Profit (EBITDA)	13.65	14%	-7%	14.62
Depreciation	1.73	2%	-44%	3.09
Operating Profit after Interest and Depreciation	11.92	12%	3%	11.53
Other Income	8.08	8%	2%	7.93
Foreign Exchange Gain/ (Loss)	0.16	0%	-159%	(0.28)
Profit Before Tax	20.16	20%	5%	19.19
Taxation	4.49	4%	20%	3.76
Profit After Tax	15.66	16%	1%	15.43

Revenue from Operations

We derive our revenue from the following business segments:

- Products
- Projects and Services

During the quarter the total revenue is Rs. 100.45 crore against Rs. 95.60 crore for the corresponding quarter previous year.

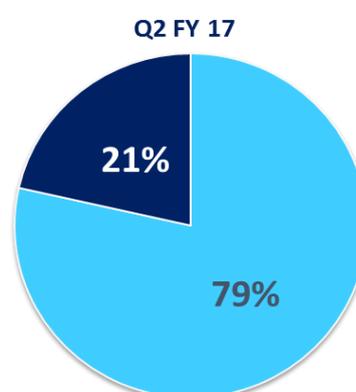
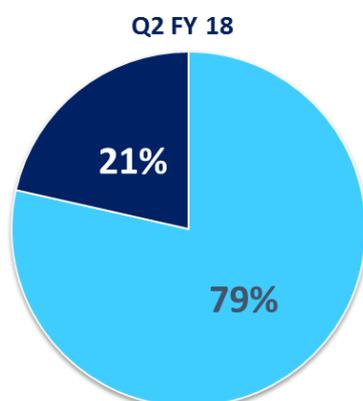
Revenue from Products

Product revenue arises from Products and related services comprising of license fees, revenue from customization and implementation of products and post production and maintenance support. Product revenue is Rs. 78.87 crore during the quarter, constituting 79% of the total revenue against Rs. 75.06 crore, 79% of total revenue, in the corresponding quarter previous year. This has increased by 5.07%. We are a Company focused on Product business.

Revenue from Projects and Services

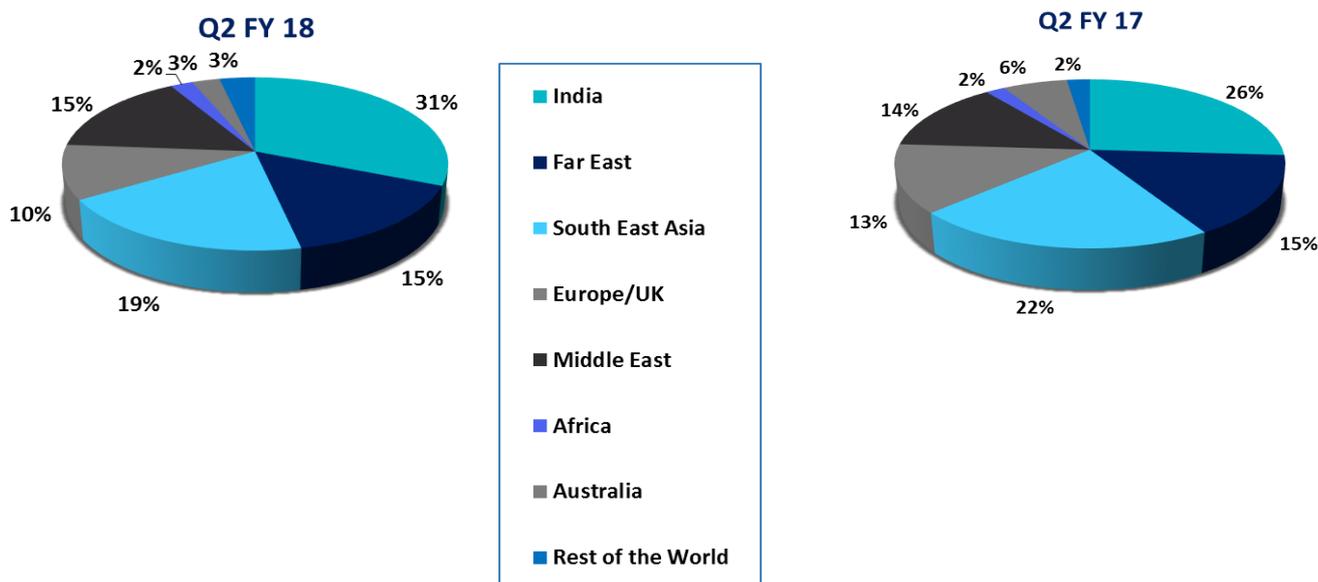
Software services rendered by the Company, classified under this segment, typically consist of development of software to meet specific customer requirements consisting of application development & maintenance, testing services, consulting and infrastructure management services with a strong banking domain focus.

Revenue from software projects and services segment during the quarter is Rs. 21.58 crore constituting 21% of the total revenue against Rs. 20.54 crore, constituting 21% of total revenue in the corresponding quarter previous year. This has increased by 5.06%.



Revenue from Various Geographies

Your Company is incorporated in India, caters to customers situated all across the globe, and hence significant part of the revenue is derived from international sales. The graph below presents a geography-wise distribution for the quarter as well as the corresponding quarter previous year.



EXPENDITURE

Employee Benefit Expense

Employee benefit expenses include salaries paid to employees globally which have fixed and variable components; provision for retirement benefits, contribution to provident fund and expense on staff welfare activities. The employee benefit expenses have increased by 9% to Rs. 67.43 crore. For the corresponding quarter previous year, they were at Rs. 61.83 crore. The increase is primarily due to increase in employee compensation, both fixed and variable pay and new hiring's.

(Rs. in crore)

Employee Benefit Expenses

For the Quarter Ended September 30,	2017	% of Revenue	Growth (%)	2016
Salaries and bonus	62.60	62%	9%	57.41
Contribution to provident and other funds	3.09	3%	11%	2.78
Gratuity expense	0.61	1%	-3%	0.63
Staff welfare	1.13	1%	11%	1.02
Total Employee Benefit Expenses	67.43	67%	9%	61.83
Revenue	100.45	100%	5%	95.60

Operating and Other Expenses

Operating and other expense primarily consist of expenses on travel to execute work at client site and for other related activities, cost of software purchased for delivery to clients, bandwidth and communication expense, infrastructure charges, expenses on account of brand building activities, training and recruitment costs, legal and professional charges, repairs and maintenance charges, insurance, provision for doubtful debts, contribution to CSR activities and others.

(Rs. in crore)

Operating and Other Expenses

For the Quarter Ended September 30,					
	2017	% of Revenue	Growth (%)	2016	% of Revenue
Software and other development charges	1.95	2%	-6%	2.08	2%
Cost of software purchased for delivery to clients	0.59	1%	10%	0.54	1%
Power and fuel	1.31	1%	-2%	1.33	1%
Rent	1.91	2%	-14%	2.23	2%
Repair and maintenance	0.91	1%	-12%	1.04	1%
- Buildings	0.17	0%	-18%	0.20	0%
- Others	0.74	1%	-11%	0.83	1%
Insurance	0.12	0%	-30%	0.17	0%
Rates and taxes	0.17	0%	83%	0.09	0%
Travel expenses	3.76	4%	21%	3.11	3%
Advertisement and business promotion	0.39	0%	118%	0.18	0%
Legal and professional	1.81	2%	12%	1.62	2%
Directors remuneration	0.33	0%	27%	0.26	0%
Conveyance	0.53	1%	6%	0.50	1%
Communication	0.61	1%	-13%	0.71	1%
Training and recruitment	0.80	1%	-2%	0.82	1%
Adjustment to the carrying amount of investments	-	0%	-100%	(0.20)	0%
Conference, exhibition and seminar	0.64	1%	-47%	1.20	1%
Information technology expenses	1.61	2%	42%	1.13	1%
Provision for doubtful debts/advances/other current assets	(0.00)	0%	-99%	(0.37)	0%
Commission to channel partners	0.32	0%	53%	0.21	0%
Finance Cost	0.15	0%	23%	0.12	0%
Expenditure on Corporate Social Responsibility	0.29	0%	-59%	0.70	1%
Miscellaneous expenses	1.17	1%	-31%	1.69	2%
Total Operating and Other Expenses	19.37	19%	1%	19.16	20%
Revenue	100.45	100%	5%	95.60	100%

- Software and other development charges relate to outsourced work for software development.
- Provisions for doubtful debts include bad debts written off and provision for all invoices outstanding for a period of 365 days or more and those invoices which are considered doubtful based on the management's perception of risk of collection as per the Company's policies.
- Finance cost includes bank charges and fee for issuance of bank guarantees to customers.

We have taken a number of steps to improve our operational efficiency and there has been a very strong control and focus on costs.

Operating Profit (EBITDA)

Operating Profit during the quarter was Rs. 13.65 crore, 14% of revenue against Rs. 14.62 crore, 15% of revenue in the corresponding quarter previous year.

Depreciation

Depreciation on fixed assets was Rs. 1.73 crore, for the quarter against Rs. 3.09 crore, in the corresponding quarter previous year.

Other Income

Other Income primarily consists of interest and dividend income, capital gains on sale of current investments.

(Rs. in crore)

Other Income

For the Quarter Ended September 30,	2017	2016
Dividend on investment in Mutual fund units	2.71	2.52
Interest Income	5.36	5.13
Net Gain / (Loss) on foreign currency	0.16	(0.28)
Profit on sale of assets/ investments	(0.03)	0.11
Others	0.03	0.17
Total	8.24	7.66

Other income for the quarter is Rs. 8.24 crore, against Rs. 7.66 crore in the corresponding quarter previous year.

Foreign Exchange Gain / (Loss)

Foreign Exchange Gain (Loss) includes gain (loss) from cancellation of options and forward contracts, translation of current assets and liabilities at quarter end rates and those arising from realization/payments of receivables/payables respectively. During the quarter, the Company had a foreign exchange gain of Rs. 0.16 crore against a loss of Rs. 0.28 crore for the corresponding quarter previous year.

Taxation

It represents provision for corporate & income taxes determined in accordance with tax laws applicable in countries where the Company and subsidiaries operate.

(Rs. in crore)

Taxation

For the Quarter Ended September 30,	2017	2016
- Withholding taxes charged off	-	(0.19)
- Current Tax	4.08	3.23
- Deferred Tax Credit (net)	0.45	0.50
- Tax expense / (credit) relating to prior period	(0.03)	0.21
Total	4.49	3.76

Profit after Tax

Our profit after tax for the quarter is Rs. 15.66 crore, 16% of revenue, against Rs. 15.43 crore, 16% of revenue, during the corresponding quarter previous year.

Share Capital

Share Capital of the Company consists of Equity Share Capital. The paid-up Share Capital as on September 30, 2017 is 29,040,724 equity shares of Rs. 10 each.

Subsidiaries

The Company has nine subsidiary companies, all over the world, all of which are wholly owned except Avon mobility solutions Pvt. Ltd. The company has acquired 96% stake in Avon mobility solutions. Paid-up Share Capital of the Subsidiaries as on June 30, 2017 is as per the below table:

Name of Subsidiary Company	Currency	As at Sep 30, 2017		As at March 31, 2017	
		In foreign Currency	Eqv. Rupees (in crore)	In foreign Currency	Eqv. Rupees (in crore)
Nucleus Software Solutions Pte. Ltd. Singapore. 625,000 equity shares of SGD 1 each.	SGD	625,000	1.63	625,000	1.63
Nucleus Software Inc., USA. 1,000,000 shares of US\$ 0.35 cents each	USD	350000	1.63	350000	1.63
Nucleus Software Japan Kabushiki Kaisha, Japan. 200 equity shares of JPY 50,000 each	JPY	10,000,000	0.41	10,000,000	0.41
Virstra i-Technology Services Ltd., India. 1,000,000 equity shares of Rs. 10 each	INR	-	1.00	-	1.00
Nucleus Software Netherlands B.V., Netherlands. 7500(4000) equity shares of Euro 100 each	Euro	750,000	4.89	750,000	4.89
Nucleus Software Limited, India. 10,000,000 equity shares of Rs.10/- each	INR	-	11.94	-	11.94
Nucleus Software Australia. 100,000 Equity share of 1 AUD each	AUD	100,000	0.55	100,000	0.55
Nucleus Software South Africa (Pty.) Limited, South Africa. 10 Equity shares of ZAR 61,200 each	ZAR	612,000	0.32	612,000	0.32
Avon Mobility Solutions Pvt Ltd. 10666 equity shares of Rs 10 each	INR	-	1.92	-	1.92
Avon Mobility Solutions Private Limited. 2,650,000, 11% Preference shares of Rs. 10 each	INR	-	2.65	-	2.35

The profits/losses of the Subsidiary Companies are fully reflected in consolidated accounts of the Company and Subsidiaries.

Reserves and Surplus

The movement in the components of reserves and surplus is as below:

(Rs. in crore)

Particulars	Opening Balance as on April 1, 2017	Additions/ (Deletions) during the period	Closing Balance as on Sep 30, 2017
General Reserve	88.88	(82.27)	6.61
Securities Premium	2.19	(2.19)	-
Capital Reserve	0.89	-	0.89
Foreign Currency Translation Reserve	(1.41)	0.34	(1.07)
Hedging Reserve	1.56	(1.65)	(0.09)
Capital Redumption reserve	-	3.34	3.34
Profit and Loss Account Balance	400.75	(23.07)	377.68
Other comprehensive Income	9.72	(3.03)	6.69
Total	502.57	(108.53)	394.04

Goodwill on Consolidation

The goodwill in the books has arisen based on the difference in the book value of the investment vis-à-vis the consideration paid for acquisition of 96% stake in AVON Mobility Solutions Pvt. Ltd., a mobile technology solutions provider in March 2016.

The total amount of goodwill is Rs. 3.17 Crore as of the Balance Sheet date. The Management has performed a valuation of the intrinsic value of the business of this entity. It is observed that the intrinsic worth of the companies is higher than the consideration paid for these entities. Accordingly, no impairment of the goodwill is considered necessary at this stage in the books of accounts

Investments

a. **Non-current investments** totaling Rs.220.53 crore as on September 30, 2017 against Rs. 202.76 crore as on March 31, 2017

i.) **Investment in equity shares of a non-listed company** - Rs. 7.96 crore

ii.) **Investment in tax free bonds held on a hold to maturity basis** – Rs. 90.02 crore.

iii.) **Investment in long-term fixed maturity plans of mutual funds** – Rs. 58.66 crore.

iv.) **Investment in Preference shares** – Rs. 58.55 crore.

v.) **Investment in debentures** – Rs. 5.34 crore

b. Current Investments and Bank Balances

Our capital requirements are completely financed by internal accruals. Your Company continues to remain debt-free and we believe that cash generated from operations and reserves and surplus are sufficient to meet our obligations and requirements towards capital expenditure and working capital requirements

As of September 30, 2017 the cash and bank balances stood at Rs. 64.52 crore and current investments in liquid schemes and Fixed Maturity Plans of mutual funds were Rs. 114.94 crore.

Total cash and current investments are thus at Rs. 172.26 crore on September 30, 2017.

(Rs. in crore)

Cash & Cash Equivalents as at	30-Sep-17	31-Mar-17
Balances with Bank		
In Current Accounts	22.50	27.88
In Fixed Deposit Account	34.81	34.33
Investments in Mutual Funds	114.94	238.15
Total	172.26	300.36

As a part of the financial policies, the Company believes in maintaining high level of liquidity as it provides immense support against contingencies and uncertainties.

To summarise the Company's liquidity position, given below are few ratios based on consolidated figures:

As at	30-Sep-17	31-Mar-17
Days of sale receivable	69	59
Cash and Equivalents as % of assets	35.71%	58.27%
Cash and Equivalents as % of revenue (LTM)	45.14%	80.66%
Current investments as % of assets	27.17%	44.52%
Current investments as % of revenue (LTM)	30.12%	63.95%

Trade Receivables

Our trade receivables (net of provision) as on September 30, 2017 are Rs. 76.43 crore, against Rs. 60.93 crore as on March 31, 2017.

Days of sales receivables (DSR) are at 69 days as on September 30, 2017 against 59 days as on March 31, 2017.

The Company has a policy of providing for all invoices outstanding for a period of 365 days or more and for those invoices which are otherwise considered doubtful based on the Management's perception of risk of collection.

Loans and other financial assets

Loans and other financial assets have been classified into non- current and current based on their period of realization.

(Rs. in crore)

Loans and other Financial assets as on

As at	30-Sep-17	31-Mar-17
Non - Current		
Staff Loans	0.16	0.13
Security deposits	3.22	3.16
Long-term bank deposits	5.27	2.15
Total	8.65	5.44
Current		
Staff Loans	0.38	0.33

Security deposits	0.01	0.02
Mark-to-market gain on forward contracts	(0.09)	1.56
Expenses recoverable from customers	0.31	0.42
Total	0.61	2.32
Total Loans and Advances	9.26	7.77

Security Deposits, utilized primarily for hiring of office premises and staff accommodation, amounts to Rs. 3.23 crore as on September 30, 2017 against Rs. 3.17 crore as on March 31, 2017.

Current Liabilities

Current Liabilities as on September 30, 2017 is Rs. 145.77 crore (Rs. 124.02 crore as on March 31, 2017).

(Rs. in crore)

Current Liabilities

As at	30-Sep-17	31-Mar-17
Trade Payables	39.77	35.25
Unpaid dividends	0.25	0.29
Payable for purchase of fixed assets	1.66	0.14
Provision for compensated absences	1.89	1.72
Provision for gratuity	0.04	0.03
Provision for tax	1.23	1.28
Advance from customers / Advance billings	45.95	34.29
Deferred Revenue	42.90	42.73
Book overdraft	-	0.03
Payable to gratuity trust	3.70	2.30
Other Payables- statutory liabilities	8.40	5.97
Total	145.77	124.02

Non-Current Liabilities

Non-current Liabilities as on September 30, 2017 are Rs. 7.75 crore (Rs. 6.54 crore as on March 31, 2017). The breakup of Non-current Liabilities at the quarter end is given below.

(Rs. in crore)

NON-CURRENT LIABILITIES

As at	30-Sep-17	31-Mar-17
Annual incentive payable	0.78	0.42
Provision for Asset retirement obligation	0.20	0.20
Deferred tax liabilities	0.17	0.03
Provision for employee benefits	6.61	5.89
Total	7.75	6.54

A liability or provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provision for employee benefits represents provisions made by the Company based on actuarial valuation.

Additional Information to Shareholders

1. Date of Incorporation January 9, 1989
2. Registered office 33-35, Thyagraj Nagar Market
New Delhi-110003
India
3. Corporate Office A-39, Sector 62
NOIDA, UP –201301
India
4. Financial Calendar
(Tentative and subject to change)
Financial reporting for the third quarter between 20th to 31st of January 2018
Ending December 31, 2017
Financial reporting for the fourth quarter between 21st to 31st of April 2018
Ending March 31, 2017.
Financial reporting for the first quarter between 20th to 31st of July 2018
Ending June 30, 2018.
Financial results for the second quarter between 21st to 31st of October 2018
Ending September 30, 2018
5. Share Related Data
 - The Shares of Nucleus are listed on The National Stock Exchange of India limited, and Bombay Stock Exchange Limited
 - Scrip Code (NSE) NUCLEUS
 - Scrip Code (BSE) 531209
 - The Company's shares are traded in "Group B" category at the Bombay Stock Exchange Ltd.
 - International Securities Identification Number (ISIN code-NSDL and CDSL) INE096B01018
 - Face value of the Company's equity shares is Rs. 10.
 - Shares of the Company are compulsorily traded in demat form.
 - 99.58 % of the Company's equity shares are in demat form.
 - The Company has 15,869 shareholders as on September 30,2017.
 - The Company has not issued any GDRs / ADRs.
 - The dividend declared and paid in the previous financial years is given below:

Financial Year	Dividend (%)	Dividend Per Share in Rs.	Dividend Pay Out in Rs. Crore
2016-17	50%	5.00	16.19
2015-16	50%	5.00	16.19
2014-15	50%	5.00	16.19
2013-14	60%	6.00	19.43
2012-13	30%	3.00	9.71
2011-12	25%	2.50	8.09
2010-11	25%	2.50	8.09
2009-10	25%	2.50	8.09
2008-09	25%	2.50	8.09
2007-08	30%	3.00	9.71
2006-07	35%	3.50	5.64
2005-06	35%	3.50	5.64
2004-05#	25%	2.50	4.02*
2003-04	25%	2.50	2.01
2002-03	20%	2.00	1.58
2001-02	20%	2.00	1.58
2000-01	20%	2.00	0.68

The dividend payout in 2004-05 was on the enhanced capital consequent to 1:1 bonus issue made during the year.

Notes

- The Board had not recommended any dividend prior to financial year 2000-2001.
- The Dividend Policy of the Company is to maintain the dividend payout, in the range of 15-30% of the profits available for distribution, subject to:
 - a) Provisions of Companies Act and other applicable laws.
 - b) Availability of funds in the Company
- The Board of Directors reviews the Dividend Policy periodically.

- Registrars of Company

Karvy Computershare Private Limited

Karvy Selenium Tower B, Plot 31-32,
Gachibowli, Financial District,
Nanakramguda,
Hyderabad-500032
Tel:040-23420815-28
Fax: 040- 23420814/23420857
Email: mailmanager@karvy.com

- Financial Results of Nucleus Software Exports Limited for the Quarter Ended September 30, 2017. (Consolidated)



CONSOLIDATED PROFIT AND LOSS FOR THE QUARTER ENDED SEPTEMBER 30, 2017

In Rs. Lakhs

Particulars	Quarter Ended			Half Year Ended		Year Ended
	September 30, 2017	June 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016	March 31, 2017
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. INCOME FROM OPERATIONS						
Income from Software Products and Services	10,044.67	9,431.87	9,560.37	19,476.54	18,555.85	37,239.24
Total Income from operations (net)	10,044.67	9,431.87	9,560.37	19,476.54	18,555.85	37,239.24
2. EXPENSES						
a) Employee benefit expense	6,742.53	6,421.39	6,182.67	13,163.93	12,391.76	24,454.85
b) Operating and other expenses	1,921.82	1,979.03	1,903.45	3,900.85	3,681.56	7,396.51
c) Finance cost (Bank Charges)	15.00	12.50	12.14	27.50	27.75	54.68
Total Expenses	8,679.35	8,412.93	8,098.26	17,092.28	16,101.07	31,906.03
3. PROFIT FROM OPERATIONS BEFORE DEPRECIATION (1-2)	1,365.32	1,018.94	1,462.11	2,384.26	2,454.78	5,333.20
4. Depreciation and amortisation expense	173.48	177.34	308.68	350.81	608.86	1,121.73
5. PROFIT FROM OPERATIONS AFTER DEPRECIATION (3-4)	1,191.85	841.60	1,153.43	2,033.45	1,845.92	4,211.47
6. Other Income	823.83	759.70	765.59	1,583.53	1,498.97	3,213.55
7. PROFIT BEFORE TAXES (5+6)	2,015.67	1,601.30	1,919.02	3,616.98	3,344.89	7,425.02
8. Tax expense	449.43	449.81	375.72	899.25	556.75	809.06
9. PROFIT AFTER TAXES (7-8)	1,566.24	1,151.49	1,543.30	2,717.73	2,788.14	6,615.96
10. OTHER COMPREHENSIVE INCOME	(61.13)	(373.08)	158.05	(434.21)	684.85	515.15
11. TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	1,505.11	778.41	1,701.35	2,283.52	3,472.99	7,131.11
12. Earnings Per Share (Rs.) (Par value Rs.10 each) (not annualised)						
Basic	4.93	3.56	4.77	8.47	8.61	20.43
Diluted	4.93	3.56	4.77	8.47	8.61	20.43

6. Locations

Nucleus services its clients through a network of international offices. Nucleus has wholly owned subsidiaries in India, Japan, Singapore, U.S.A, Netherlands, Australia, South Africa and branch offices in Dubai (UAE), London (U.K) and USA.

Nucleus operates state-of-the-art Software Development Center at NOIDA (U.P) under the Software Technology Park scheme of the Government of India.

A Subsidiary, VirStra-I Technology Services Ltd. operates a Development Centre at Pune (Maharashtra).

7. Share Transfer System

The Company's shares are currently traded in dematerialised form; transfers are processed and approved in the electronic form by NSDL/CDSL through their Depository Participants.

The Shareholders/Investor Grievance Committee is authorised to approve transfer of shares, which are received in physical form, and the said Committee approves transfer of shares on a fortnightly basis.

All requests for dematerialisation of shares are processed and confirmation is given to the respective Depositories i.e. National Securities Depository Ltd. (NSDL) and Central Depository Services Ltd. (CDSL) within 15 days.

The Company obtains from a Company Secretary in practice half –yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of SEBI (LODR) Regulations 2015 and files a copy of the certificate with the Stock Exchanges.

8. Investors' Services

i. Details of request /complaints received during the quarter.

S.No.	Nature of Requests	Received	Attended	Pending
1.	Revalidation of Dividend Warrants	0	0	Nil
2.	Non-receipt of Dividend Warrant	2	2	Nil
3.	Non-Receipt of Securities	2	2	Nil
4.	Non-Receipt of Shares after transfer	0	0	Nil
5.	Non-Receipt of Annual Report	2	2	Nil
6.	SEBI/Stock Exchange/Legal	0	0	Nil

The Company has attended to most of the investors' grievances/correspondence within a period of 10 days from the date of receipt of the same, during the quarter.

ii. Designated e-mail Address for Investor Services

In terms of Regulation 46 of the SEBI (LODR) Regulations, 2015, the designated e-mail address for investor complaints is investorrelations@nucleussoftware.com.

9. Legal Proceedings

There is one legal proceeding pending against the Company in the Court.

10. **Distribution of Shareholdings**

Distribution Schedule As On 30/09/2017					
S.No.	Category	No. of Cases	% of Cases	Amount	% To Equity
1	1-5000	13965	88.00	13930140.00	4.80
2	5001- 10000	933	5.88	7001440.00	2.41
3	10001- 20000	497	3.13	7220100.00	2.49
4	20001- 30000	152	0.96	3842790.00	1.32
5	30001- 40000	76	0.48	2637150.00	0.91
6	40001- 50000	59	0.37	2706150.00	0.93
7	50001- 100000	100	0.63	6745820.00	2.32
8	100001& Above	87	0.55	246323650.00	84.82
	Total:	15869	100.00	290407240.00	100.00

11. **Categories of Shareholders**

	As on September 30, 2017		
Category	No. of Share Holders	Voting Strength (%)	No. of Shares Held
Promoter and Promoter Group	11	67.60	1,96,31,866
Individuals	14457	17.95	5,211,798
Bodies Corporate	369	3.20	9,28,709
Non-Resident Indians	416	1.97	5,71,399
Foreign Institutional Investors	31	6.42	1,863,462
Employee	93	0.24	68,505
Directors and Relatives	4	0.55	1,60,862
Mutual Funds	3	1.27	3,70,241
NBFC	4	0.19	55,371
Financial Institutions/ Banks	2	0.04	13,073
Clearing Members and Trusts	63	0.05	15,303
HUF	413	0.51	1,49,488
Foreign Nationals	3	0.00	647
Total	15869	100	29,040,724

12. **Investors' Correspondence may be addressed to:**

The Company Secretary

Nucleus Software Exports Ltd.,
33-35, Thyagraj Nagar Market
New Delhi-110003

India

Tel: ++91-(120)-2404050 Fax: ++91-(120)-2403972

Email: investorrelations@nucleussoftware.com

13. Employee Strength of Nucleus

Nucleus employed 1,802 people as on September 30, 2017 as compared to 1,716 people as on June 30, 2017.

A. Distribution of the Employees:

	September 30, 2017	June 30, 2017
Technical Employee's	1,574	1,481
Non-Technical Employee's including Business Development Group	228	235
TOTAL	1,802	1,716
Male	1,340	1,263
Female	462	453
TOTAL	1,802	1,716

14. How do I contact Nucleus by telephone, mail or in person?

You can contact the following Nucleus personnel for any information:-

Vishnu R Dusad - CEO & Managing Director

Tel: +91 (120) 4031500

Email: vishnu@nucleussoftware.com

Ashish Nanda – CFO

Tel: +91 (120) 4031800

E Mail: ashish.nanda@nucleussoftware.com

Poonam Bhasin - Company Secretary

Tel: +91 (120) 4031400

E Mail: poonam@nucleussoftware.com

Consolidated segment Information



CONSOLIDATED SEGMENT INFORMATION												₹ In Lakhs
REVENUE BY	Quarter Ended						Half Year Ended				Year Ended	
	September 30, 2017	% of Revenue	June 30, 2017	% of Revenue	September 30, 2016	% of Revenue	Sep. 30, 2017	% of Revenue	Sep. 30, 2016	% of Revenue	March 31, 2017	% of Revenue
	Unaudited		Unaudited		Unaudited		Unaudited		Unaudited		Audited	
GEOGRAPHICAL SEGMENTS												
INDIA	3,140.54	31.27	2,686.01	28.48	2,486.74	26.01	5,826.55	29.92	4,711.97	25.39	10,079.91	27.07
FAR EAST	1,546.58	15.40	1,477.33	15.66	1,479.09	15.47	3,023.91	15.53	2,994.37	16.14	5,958.21	16.00
SOUTH EAST ASIA	1,953.43	19.45	2,073.84	21.99	2,061.23	21.56	4,027.27	20.68	4,174.06	22.49	7,843.78	21.06
EUROPE	1,018.97	10.14	1,112.08	11.79	1,246.40	13.04	2,131.05	10.94	2,216.78	11.95	4,622.55	12.41
MIDDLE EAST	1,554.07	15.47	1,405.66	14.90	1,291.83	13.51	2,959.73	15.20	2,553.39	13.76	5,213.52	14.00
AFRICA	219.11	2.18	208.40	2.21	178.35	1.87	427.51	2.19	417.85	2.25	911.44	2.45
AUSTRALIA	267.43	2.66	263.50	2.79	602.71	6.30	530.93	2.73	1,057.17	5.70	1,745.97	4.69
REST OF THE WORLD	344.54	3.43	205.05	2.18	214.02	2.24	549.59	2.82	430.26	2.32	863.86	2.32
TOTAL	10,044.67	100.00	9,431.87	100.00	9,560.37	100.00	19,476.54	100.00	18,555.85	100.00	37,239.24	100.00
BUSINESS SEGMENTS												
PRODUCTS	7,886.63	78.52	7,319.59	77.60	7,506.35	78.52	15,206.22	78.07	14,421.72	77.72	28,809.46	77.36
Own	7,810.36	77.76	7,241.31	76.77	7,436.73	77.79	15,051.67	77.28	14,277.47	76.94	28,494.56	76.52
Traded	76.27	0.76	78.27	0.83	69.62	0.73	154.55	0.79	144.25	0.78	314.90	0.85
PROJECTS & SERVICES	2,158.04	21.48	2,112.28	22.40	2,054.02	21.48	4,270.32	21.93	4,134.13	22.28	8,429.78	22.64
TOTAL	10,044.67	100.00	9,431.87	100.00	9,560.37	100.00	19,476.54	100.00	18,555.85	100.00	37,239.24	100.00

Ratio Analysis

Consolidated Performance					
Particulars	Quarter Ended			Half Year Ended	
	Sep-17	Jun-17	Sep-16	Sep-17	Sep-16
Ratios- Financial Performance					
Export Revenue/ Revenue (%)	68.73%	71.52%	73.99%	70.08%	74.61%
Domestic Revenue/ Revenue (%)	31.27%	28.48%	26.01%	29.92%	25.39%
Total Operating Expenses/ Revenue (%)	86.41%	89.20%	84.71%	87.76%	86.77%
Operating Profit/ Revenue (%)	13.59%	10.80%	15.29%	12.24%	13.23%
Depreciation/ Revenue (%)	1.73%	1.88%	3.23%	1.80%	3.28%
Other Income/ Revenue (%)	8.20%	8.05%	8.01%	8.13%	8.08%
Tax/ Revenue (%)	4.47%	4.77%	3.93%	4.62%	3.00%
Effective Tax Rate - Tax/ PBT (%)	22.30%	28.09%	19.58%	24.86%	16.64%
PAT from Ordinary Activities/ Revenue(%)	7.39%	4.15%	8.13%	5.82%	6.95%
PAT from Ordinary Activities/Net Worth(%) (LTM)	7.81%	6.16%	4.73%	15.79%	15.29%
Ratios- Return					
ROCE(PBIT/ Average Capital Employed) (%) (LTM)	17.72%	13.66%	13.03%		
ROANW (PAT/Average Net Worth) (%) (LTM)	13.16%	11.75%	10.31%		
Ratios - Balance Sheet					
Debt-Equity Ratio	-	-	-		
Debtors Turnover (Days)	69	63	68		
Asset Turnover Ratio (LTM)	0.79	0.70	0.77		
Current Ratio	1.86	3.02	3.26		
Cash and Equivalents/Total Assets (%)	35.71%	58.61%	57.34%		
Cash and Equivalents/ Revenue (%) (LTM)	45.14%	83.74%	74.70%		
Ratios - Growth (YoY)					
Growth in Export Revenue (%)	-2.40%	-0.36%	0.02%	-1.40%	-2.88%
Growth in Total Revenue (%)	5.07%	4.85%	12.90%	4.96%	9.47%
Operating Expenses Growth (%)	7.18%	5.12%	-2.41%	6.16%	-1.55%
Operating Profit Growth (%)	-6.62%	2.65%	760.52%	-2.87%	311.47%
PAT Growth (%)	1.49%	-7.50%	239.72%	-2.53%	145.96%
EPS Growth (%)	3.46%	-7.50%	239.72%	-1.58%	145.79%
Per- Share Data (Period End)					
Earning Per Share from Ordinary Activities (Rs.)	2.56	1.21	2.40	3.50	3.98
Earning Per Share (Including Other Income) (Rs.)	5.39	3.56	4.77	8.39	8.61
Cash Earning Per Share from Ordinary Activities (Rs.)	3.15	1.76	3.35	4.59	5.86
Cash Earning Per Share (Including Other Income)(Rs.)	5.99	4.10	5.72	9.48	10.49
Book Value Per Share (Rs.)	145.69	167.27	148.85		
Price/Earning (Annualized)	14.14	22.42	9.21		
Price/ Cash Earning (Annualized)	12.73	19.43	7.67		
Price/Book Value	2.09	1.91	1.18		



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