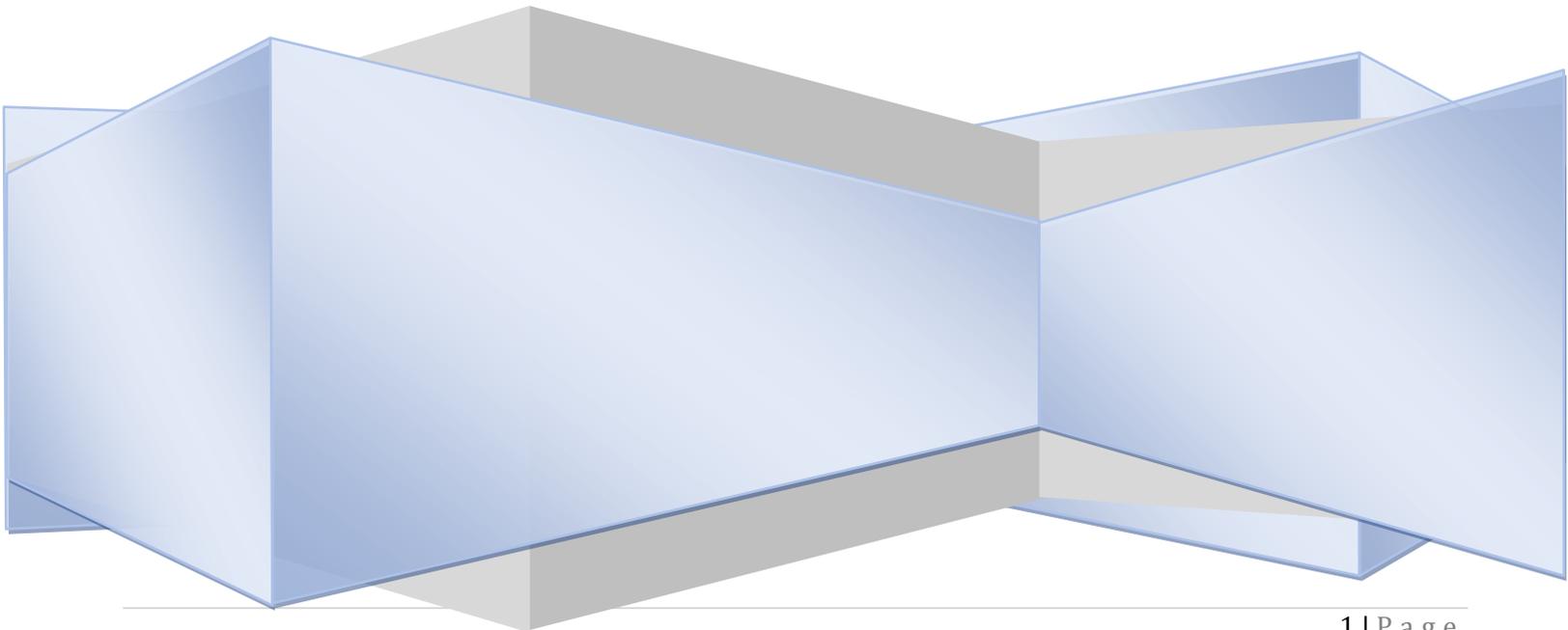


**NUCLEUS
SOFTWARE**

Quarterly Report

December 31, 2014



FINANCIAL HIGHLIGHTS

Rs. in Crore except per share data

FINANCIAL HIGHLIGHTS

Particulars	Consolidated Performance				
	For the Quarter ended			Nine Months ended	
	December 31, 2014	September 30, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Revenue from Operations	85.98	86.83	89.96	252.24	258.54
Operating Profit (EBITDA)	15.03	15.54	19.45	40.70	46.49
Profit after Tax (PAT)	19.57	12.85	23.39	44.07	45.50
EBITDA Margin	17%	18%	22%	16%	18%
PAT Margin	23%	15%	26%	17%	18%
EPS	6.04	3.97	7.22	13.61	14.05

At the end of the Period	As at		
	December 31, 2014	September 30, 2014	December 31, 2013
Share Capital	32.39	32.39	32.39
Reserves and Surplus	404.74	386.35	367.21
Net Worth	437.12	418.74	399.59
Total Assets	506.07	524.40	499.94
Net Fixed Assets	60.51	62.31	62.73
Current Assets	371.95	396.09	390.48
Cash and Cash Equivalents	278.30	267.19	279.97
Working Capital	308.02	302.93	303.25
Market Capitalisation	597.32	757.29	452.72
No. of Shareholders	16,218	15,545	15,095
No. of Shares (Face Value of Rs.10.00)	32,383,724	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. 184.45 at December 31, 2014, Rs. 233.85 at September 30, 2014, Rs. 139.80 at December 31, 2013.
- 2.) While calculating the figures of group, intergroup transactions have been ignored.
- 3.) Previous year figures have been regrouped/ reclassified wherever necessary.

FINANCIAL HIGHLIGHTS

Particulars	Consolidated Performance				
	For the Quarter ended			Nine Months ended	
	December 31, 2014	September 30, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Revenue from Operations	13.89	14.12	14.89	40.92	43.62
Operating Profit (EBITDA)	2.43	2.53	3.22	6.60	7.83
Profit after Tax (PAT)	3.16	2.09	3.87	7.14	7.64
EBITDA Margin	17%	18%	22%	16%	18%
PAT Margin	23%	15%	26%	17%	18%
EPS	0.98	0.65	1.20	2.21	2.32
US \$/ INR Exchange Rate*	61.89	61.50	60.41	61.65	59.27

At the end of the Period	As at		
	December 31, 2014	September 30, 2014	December 31, 2013
Share Capital	5.14	5.24	5.24
Reserves and Surplus	64.20	62.57	59.38
Net Worth	69.34	67.81	64.62
Total Assets	80.28	84.92	80.84
Net Fixed Assets	9.60	10.09	10.14
Current Assets	59.00	64.14	63.14
Cash and Cash Equivalents	44.15	43.27	45.27
Working Capital	48.86	49.06	49.04
Market Capitalisation	94.75	122.64	73.21
US \$/ INR Exchange Rate#	63.04	61.75	61.84

Note:

- 1.) Market Capitalisation is calculated by considering the closing market price of the scrip at the close of the quarter which is Rs. 184.45 at December 31, 2014, Rs. 233.85 at September 30, 2014, Rs. 139.80 at December 31, 2013
- 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
- 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 third quarter ended of the financial year 2014-15.

First the financial performance, consolidated revenue for the quarter was Rs. 85.98 crore against Rs.89.96 crore in the corresponding quarter of the previous year. The consolidated EBITDA was Rs. 15.03 crore in comparison to Rs. 19.45 crore in the corresponding quarter of the previous year. Consolidated net profit was Rs. 19.57 crore in comparison to Rs. 23.39 crore in the corresponding quarter of the previous year. EPS for the quarter was Rs. 6.04 against Rs. 7.22 in the corresponding quarter of the previous year.

The Product business revenue was Rs. 61.89 crore against Rs. 61.41 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 Bank balances' and 'Current Investments' were at Rs. 278.29 crore as on December 31, 2014 against Rs. 256.57 crore as on September 30, 2014. We had a hedging position of US\$ 10 million, December 31, 2014 at an average rate of Rs. 63.8.

We have won 1 new product orders worldwide and 2 product module has been successfully implemented. Customer satisfaction through experience in products implementation and customer care remains our primary focus.

The Manpower numbers are at 1,513 as on December 31, 2014. HR focus for the quarter remained on enhancing domain and management competencies in the organization. This quarter has been very important to us as we have been focussing on increasing our organisational capability. We have kept a special focus on increasing the diversity at our workplace in hiring these numbers from different institutes and different academic streams.

The last quarter ended on a positive note for us. We ventured into new strategic markets, creating opportunities for the Company to increase its client base and initiatives. Building new customer relationships and strengthening the old ones has been key to our growth and that's what we focused on in the last few quarters. We are very positive about the upcoming year and the opportunities it brings along. We are looking forward to an exciting year ahead. Our continued focus on value engagements with existing customers and new opportunities continues, and we are driving that discipline harder in the entire organization. It shows up in very early engagements with the customers in understanding customers' business and adding value to our business by understanding what would add value to their business. Going forward, we remain committed to further enriching the experience of our customers and investing in improving productivity.

Vishnu R Dusad

Managing Director & Chief Executive Officer

Date: January 27, 2015

FINANCIAL STATEMENTS OF NUCLEUS SOFTWARE EXPORTS LTD.

AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF NUCLEUS SOFTWARE EXPORTS LIMITED

Report on the Interim Financial Statements

We have audited the accompanying interim financial statements of **Nucleus Software Exports Limited** ("the Company"), which comprise the Balance Sheet as at 31 December, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the quarter then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Interim Financial Statements

The Company's Management is responsible for the preparation of these interim financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25 on Interim Financial Reporting specified under the Companies Act, 1956 (which is deemed to be applicable as per Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal controls relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 December, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the quarter and nine months ended on that date and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the Nine month ended on that date.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm Registration No. 015125N)

SAMEER ROHTAGI
Partner
(Membership No. 094039)

Noida,

27 January, 2015

BALANCE SHEET

NUCLEUS SOFTWARE EXPORTS LIMITED
BALANCE SHEET AS AT 31 DECEMBER, 2014

	Notes Ref.	As at 31 Dec, 2014 (Rupees)	As at 31 March, 2014 (Rupees)
<u>EQUITY AND LIABILITIES</u>			
1. SHAREHOLDERS' FUNDS			
a.	2.1	323,852,240	323,852,240
b.	2.2	3,598,256,271	3,232,229,347
		3,922,108,511	3,556,081,587
2. NON-CURRENT LIABILITIES			
Long-term provisions	2.3	46,302,935	106,344,418
3. CURRENT LIABILITIES			
a.	2.4	272,536,703	162,061,578
b.	2.5	513,705,753	512,252,985
c.	2.6	17,728,848	264,413,311
		803,971,304	938,727,874
		4,772,382,750	4,601,153,879
<u>ASSETS</u>			
1. NON-CURRENT ASSETS			
a.			
- Tangible assets	2.7	331,263,941	315,227,041
- Intangible assets	2.7	96,821,144	124,087,871
- Capital work in progress		7,150,000	12,560,000
		435,235,085	451,874,912

b.	Non-current investments	2.8	624,663,240	373,562,267
c.	Deferred tax assets (net)	2.9	22,858,423	61,385,458
d.	Long-term loans and advances	2.10	241,974,308	252,350,976
e.	Other non-current assets	2.11	9,539,521	4,688,330
			<u>1,334,270,577</u>	<u>1,143,861,943</u>
2.	CURRENT ASSETS			
a.	Current investments	2.12	1,101,873,079	1,890,248,637
b.	Trade receivables	2.13	505,087,095	319,335,108
c.	Cash and bank balances	2.14	1,346,231,224	719,873,578
d.	Short-term loans and advances	2.15	103,383,158	167,158,765
e.	Other current assets	2.16	381,537,617	360,675,848
			<u>3,438,112,173</u>	<u>3,457,291,936</u>
			<u><u>4,772,382,750</u></u>	<u><u>4,601,153,879</u></u>

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

In terms of our report attached

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

For and on behalf of the Board of Directors

JANKI BALLABH
Chairman

VISHNU R DUSAD
Managing Director &
Chief Executive
Officer

SAMEER ROHATGI
Partner

Place : Noida
Date : 27 January, 2015

P K SANGHI
President Finance &
Chief Financial Officer

Place : Noida
Date : 27 January, 2015

POONAM BHASIN
AVP (Secretarial) &
Company Secretary

PROFIT & LOSS

NUCLEUS SOFTWARE EXPORTS LIMITED						
STATEMENT OF PROFIT AND LOSS FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER, 2014						
	Notes Ref.	For the Quarter ended			For Nine months ended	
		31 Dec, 2014	30 September, 2014	31 Dec, 2013	31 Dec, 2014	31 Dec, 2013
		(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)
1. REVENUE FROM OPERATIONS						
Income from software product and services	2.17	678,426,073	684,752,970	620,385,337	1,958,535,338	1,806,032,882
2. OTHER INCOME	2.18	104,121,718	61,625,940	74,286,097	227,074,093	261,365,167
3. TOTAL REVENUE (1+2)		782,547,791	746,378,910	694,671,434	2,185,609,431	2,067,398,049
4. EXPENSES						
a. Changes in inventories of stock of trade		-	-	-	-	49,486,419
b. Employee benefits expense	2.19	368,959,625	349,924,297	307,594,993	1,061,766,204	933,635,194
c. Operating and other expenses	2.20	184,401,564	185,636,695	175,408,423	531,191,036	497,555,093
d. Finance cost	2.21	826,225	1,120,112	967,681	2,955,508	2,631,220
e. Depreciation and amortisation expense	2.7	27,529,507	26,057,213	16,272,245	79,520,432	43,668,847
TOTAL EXPENSES		581,716,921	562,738,317	500,243,342	1,675,433,180	1,526,976,773
5. PROFIT BEFORE TAX (3-4)		200,830,870	183,640,593	194,428,092	510,176,251	540,421,276
6. TAX EXPENSE						
a. Current tax expense	2.23	34,100,000	39,000,000	11,917,733	96,400,000	112,300,000
b. MAT Credit Entitlement	2.23	(6,400,000)	(4,000,000)	-	(11,200,000)	-
c. Tax credit relating to prior year		(12,777,572)	-	(10,253,915)	(12,777,572)	(10,253,915)
d. Current tax expense		14,922,428	35,000,000	1,663,818	72,422,428	102,046,085
d. Deferred tax credit/ (charge)	2.9	23,000,463	17,373,979	4,577,196	38,527,035	(2,429,531)
NET TAX EXPENSE		37,922,891	52,373,979	6,241,014	110,949,463	99,616,554
7. PROFIT FOR THE PERIOD (5-6)		162,907,979	131,266,614	188,187,078	399,226,788	440,804,722
8. EARNINGS PER EQUITY SHARE	2.30					
Equity shares of Rupees 10 each						
a. Basic		5.03	4.05	5.81	12.33	13.61
b. Diluted		5.03	4.05	5.81	12.33	13.61
Number of shares used in computing earnings per share						
a. Basic		32,383,724	32,383,724	32,383,724	32,383,724	32,383,691
b. Diluted		32,383,724	32,383,724	32,383,724	32,383,724	32,383,691
See accompanying notes forming part of the financial statements	1 & 2					
In terms of our report attached						
For DELOITTE HASKINS & SELLS Chartered Accountants				For and on behalf of the Board of Directors		
				JANKI BALLABH Chairman	VISHNU R DUSAD Managing Director & Chief Executive Officer	
SAMEER ROHATGI Partner						
Place : Noida Date : 27 January, 2015				P K SANGHI President Finance & Chief Financial Officer	POONAM BHASIN AVP (Secretarial) & Company Secretary	
				Place :Noida Date : 27 January, 2015		

NUCLEUS SOFTWARE EXPORTS LIMITED
CASH FLOW STATEMENT FOR NINE MONTHS ENDED 31 DECEMBER, 2014

Notes Ref.	For the Nine months ended 31 Dec, 2014 (Rupees)	Quarter Ended 31 Dec, 2014 (Rupees)	Quarter ended 30 Sept, 2014 (Rupees)
A. Cash flow from operating activities			
Net profit before tax	510,176,251	200,830,871	183,640,593
Adjustment for:			
Depreciation and amortisation expense	79,520,432	27,529,507	26,057,213
Exchange loss/(gain) on translation	(6,910,837)	(2,601,247)	(2,538,365)
Dividend received from non-trade investments	(33,514,970)	(5,934,510)	(11,411,338)
Dividend on long term trade investment	(125,000)	-	(125,000)
Dividend received from subsidiary	-	-	-
Interest on fixed deposits and others	(76,837,638)	(33,286,941)	(22,273,906)
Interest on loan to subsidiaries	(286,645)	(86,532)	(101,475)
Net (gain)/ loss on sale of investments	(80,191,425)	(50,361,329)	(13,829,589)
Adjustment to the carrying amount of investments □	-	-	-
Net (gain)/ loss on sale of fixed assets	-	-	-
Provision for doubtful debts/advances/other current assets	19,315,121	8,521,359	5,323,906
Provisions written back	(21,761,935)	(5,487,359)	(10,520,677)
Operating profit before working capital changes	389,383,354	139,123,819	154,221,362
Adjustment for (increase) / decrease in operating assets			
- Trade receivables	(176,662,977)	130,172,459	(170,207,502)
- Inventories	-	-	-
- Short-term loans and advances	36,667,039	23,327,925	20,949,246
- Long-term loans and advances	2,685,915	1,665,855	972,689
- Other current assets	11,946,953	(56,725,747)	57,670,768
- Other non-current assets	(7,351,191)	(3,774,023)	(3,556,767)
	-	-	-
Adjustment for increase / (decrease) in operating liabilities			
- Trade payables and other current liabilities	111,107,058	(12,237,216)	15,330,660
- Short-term provisions	(19,360,436)	(22,793,656)	1,660,003
- Long-term provisions	(60,041,483)	(69,698,242)	4,647,573
	288,374,232	129,061,174	81,688,032
Income tax paid (net)	(56,947,803)	(6,590,978)	(29,680,527)
Net cash from operating activities (A)	231,426,429	122,470,196	52,007,505
B. Cash flow from investing activities			
Purchase of fixed assets	(60,831,278)	(10,995,607)	(16,425,287)
Sale of fixed assets	-	-	-
Purchase of current investments	(2,721,026,887)	(998,557,092)	(635,825,457)
Proceeds from sale of current investments	3,589,593,869	1,451,674,957	1,033,686,613
Purchase of long term investments in Bonds	(245,600,000)	(100,010,800)	(145,589,200)
Investments in subsidiaries	(5,500,973)	-	-
Loans to subsidiaries (net)	11,512,413	(13,306,402)	16,011,662
Bank balance not considered as cash and cash equivalents - placed	(764,944,972)	(470,817,471)	361,341,237
Bank balance not considered as cash and cash equivalents - matured	247,900,000	9,900,000	(433,955,211)
Interest on fixed deposits and others (net)	51,414,184	28,515,825	13,685,546
Income tax paid	(19,612,638)	(8,247,396)	(5,730,401)
Dividend received from non-trade investments	33,514,970	5,934,510	11,411,338
Dividend on long term trade investment	125,000	-	125,000
Dividend received from subsidiary	-	-	-
Net cash from / (used in) investing activities (B)	116,543,688	(105,909,476)	198,735,840

C. Cash flow from financing activities

Dividend paid (including corporate dividend tax)		(226,856,865)	969,778	(227,826,643)
Proceeds from employee stock option exercised		-	-	-
Net cash flow from / (used in) financing activities (C)		(226,856,865)	969,778	(227,826,643)
Net increase / (decrease) in cash and cash equivalents (A+B+C)		121,113,252	17,530,498	22,916,702
Opening cash and cash equivalents	2.14	47,918,367	134,382,925	130,347,719
Exchange difference on translation of foreign currency bank accounts		(14,767,740)	2,350,456	(18,881,496)
Closing cash and cash equivalents	2.14	154,263,879	154,263,879	134,382,925
See accompanying notes forming part of the financial statements	1 & 2			
In terms of our report attached				

For **DELOITTE HASKINS & SELLS**

Chartered Accountants

For and on behalf of the Board of Directors

JANKI BALLABH

Chairman

VISHNU R DUSADManaging Director &
Chief Executive Officer**SAMEER ROHATGI**

Partner

P K SANGHIPresident Finance &
Chief Financial Officer**POONAM BHASIN**AVP (Secretarial) &
Company Secretary

Place : Noida

Date : 27 January, 2015

Place : Noida

Date : 27 January, 2015

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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 31 Dec, 2014, 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, 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.

1.2. Significant accounting policies

(i) Basis of preparation

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies Act, 1956 ("the 1956 Act") (which are deemed to be applicable as per Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014) and the relevant provisions of the 1956 Act/ 2013 Act, as applicable and guidelines issued by the Securities and Exchange Board of India ("SEBI"). The interim financial statements have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25 on "Interim Financial Reporting" specified under the Companies Act, 1956. 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.

(ii) Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Examples of such estimates include estimates of expected contract costs to be incurred to complete contracts, provision for doubtful debts, future obligations under employee retirement benefit plans and estimated useful life of fixed assets. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the year in which the results are known / materialise.

(iii) Inventories

Inventories are valued at the lower of cost and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale.

(iv) Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

(v) Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

(vi) Depreciation and amortisation

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. 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.

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	4/3
Vehicles	5
Furniture and fixtures	5
Temporary wooden structures (included in furniture and fixtures)	1
Intangible asset	
Software	3

Such rates are higher than the rates specified in Schedule II of the Companies Act, 2013.

With effect from 1 April, 2014, the Company has revised the useful life in respect of computers and data processing units (end use devices such as laptops, desktops etc) from 4 years to 3 years. (also see note 2.7 (ii))

(vii) 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, are 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.

(viii) Other income

Profit on sale of investments is recorded on transfer of title from the Company and is determined as the difference between the sales price and the carrying value of the investment.

Interest income is accounted on accrual basis.

Dividend income is recognised when the right to receive the same is established.

(ix) Expenditure

The cost of software purchased for use in software development and services is charged to cost of revenues in the year of acquisition. Expenses are accounted for on accrual basis and provisions are made for all known losses and liabilities.

(x) Tangible assets and capital work in progress

Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. Fixed assets are stated at the cost of acquisition including incidental costs related to acquisition and installation. Fixed assets under construction and cost of assets not ready to use before the year end, are disclosed as capital work-in-progress.

(xi) Intangible assets

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.

(xii) Foreign exchange 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.

The Company uses foreign exchange forward contracts and options to hedge its exposure for movement in foreign exchange rates. The use of these foreign exchange forward contracts and options reduces the risk or cost to the Company and the Company does not use the foreign exchange forward contracts or options for trading or speculation purposes.

The Company follows Accounting Standard (AS) 30 – “Financial Instruments: Recognition and Measurement” to the extent that the adoption does not conflict with existing mandatory accounting standards and other authoritative pronouncements, Company law and other regulatory requirements.

(xiii) Investments

Investments are classified into long-term and current investments based on the intent of management at the time of acquisition. Long-term investments including investment in subsidiaries are stated at cost and provision is made to recognise any decline, other than temporary, in the value of such investments. Current investments are stated at the lower of cost and the fair value.

(xiv) Employee stock option based compensation

The excess of market price of underlying equity shares as of the date of the grant of options over the exercise price of the options given to employees under the employee stock option plan is recognised as deferred stock compensation cost and is amortised on graded vesting basis over the vesting period of the options.

(xv) Employee benefits

Employee benefits include provident fund, gratuity and compensated absences.

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. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the year in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised 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 recognised 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 recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date.

(xvi) 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.

(xvii) 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.

(xviii) 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.

(xix) Taxation

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

(xx) 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 capitalised. The amount capitalised 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 utilised for research and development are capitalised and depreciated in accordance with the policies stated for Fixed Assets.

(xxi) Impairment

Management periodically assesses using external and internal sources whether there is an indication that an asset may be impaired. Impairment occurs where the carrying value exceeds the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. The impairment loss to be expensed is determined as the excess of the carrying amount over the higher of the asset's net sales price or present value as determined above. An impairment loss is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortization, if no impairment loss had been recognized.

(xxii) Provision and contingencies

The Company recognises a provision when there is a present obligation as a result of a past event and it is probable that it would involve an outflow of resources and a reliable estimate can be made of the amount of such obligation. Such provisions are not discounted to their present value and are determined based on the management's estimation of the obligation required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect management's current estimates.

A disclosure for a contingent liability is made where it is more likely than not that a present obligation or possible obligation may result in or involve an outflow of resources. When no present or possible obligation exists and the possibility of an outflow of resources is remote, no disclosure is made.

Contingent assets are not recognised in the financial statements.

(xxiii) Hedge accounting

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to highly probable forecast transactions. The Company designates such forward contracts in a cash flow hedging relationship by applying the hedge accounting principles set out in "Accounting Standard 30 Financial Instruments: Recognition and Measurement". These forward contracts are stated at fair value at each reporting date. Changes in the fair value of these forward contracts that are designated and effective as hedges of future cash flows are recognised directly in "Hedging reserve account" under Reserves and surplus, net of applicable deferred income taxes and the ineffective portion is recognised immediately in the Statement of Profit and Loss. Amounts accumulated in the "Hedging reserve account" are reclassified to the Statement of Profit and Loss in the same periods during which the forecasted transaction affects profit and loss. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. For forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in "Hedging reserve account" is retained until the forecasted transaction occurs. If the forecasted transaction is no longer expected to occur, the net cumulative gain or loss recognised in "Hedging reserve account" is immediately transferred to the Statement of Profit and Loss.

(xxiv) Derivative contracts

The Company enters into derivative contracts in the nature of forward contracts with an intention to hedge its existing assets and liabilities, firm commitments and highly probable transactions. Derivative contracts which are closely linked to the existing assets and liabilities are accounted as per the policy stated for Foreign Currency Transactions and Translations.

Derivative contracts designated as a hedging instrument for highly probable forecast transactions are accounted as per the policy stated for Hedge Accounting.

All other derivative contracts are marked-to-market and losses are recognised in the Statement of Profit and Loss. Gains arising on the same are not recognised, until realised, on grounds of prudence.

(xxv) Insurance claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

(xxvi) Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilising the credits.

(xxvii) Operating cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

NOTES FORMING PART OF THE ACCOUNTS FOR THE QUARTER & NINE MONTH ENDED 31 DECEMBER, 2014

NUCLEUS SOFTWARE EXPORTS LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2 NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER, 2014

2.1 SHARE CAPITAL

Particulars	As at	As at
	31 Dec, 2014	31 Mar, 2014
	(Rupees)	(Rupees)
a. Authorised		
Equity shares		
40,000,000 (40,000,000) equity shares of Rs. 10 each	400,000,000	400,000,000
b. Issued, Subscribed and Paid-Up		
Issued		
32,386,524 (32,386,524) equity shares of Rs. 10 each	323,865,240	323,865,240
Subscribed and Paid-Up		
32,383,724 (32,383,724) equity shares of Rs. 10 each, fully paid up	323,837,240	323,837,240
Add: 2,800 (2,800) forfeited equity shares pending reissue (see note (iv) below)	15,000	15,000
	323,852,240	323,852,240

Refer notes (i) to (v) 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 during the period	Closing Balance
a. For the Nine months ended 31 December, 2014			
- Number of shares	32,383,724	-	32,383,724
- Amount	323,837,240	-	323,837,240
b. For the year ended 31 March, 2014			
- Number of shares	32,383,634	90	32,383,724
- Amount	323,836,340	900	323,837,240

(ii) **Rights, preferences and restrictions attached to shares**

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 proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. 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 31 Dec, 2014		As at 31 Mar, 2014	
	(Number)	(Percentage)	(Number)	(Percentage)
Karmayogi Holdings Private Limited	9,000,000	27.79%	9,000,000	27.79%
Nucleus Software Engineers Private Limited	2,385,882	7.37%	2,385,882	7.37%
Madhu Dusad	3,066,248	9.47%	2,045,048	6.32%
Vishnu R Dusad	1,603,492	4.95%	1,603,492	4.95%
Fidelity Puritan Trust- Fidelity Low-Priced Stock Fund*	2,200,000	6.79%	2,100,000	6.48%
ICICI Prudential Mutual Fund*	823,946	2.54%	1,634,856	5.05%

* Shares of the Company are held by various Mutual Fund Schemes of Asset Management Companies ("AMC"). The Company has consolidated the shares held under Mutual Fund Schemes under their legal entities structure and disclosed them together.

(iv) **Details of forfeited shares**

Particulars	As at 31 Dec, 2014		As at 31 Mar, 2014	
	(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 Employee Stock Purchase Scheme Guidelines, 1999, issued by the SEBI, is effective for all stock option schemes established after 19 June, 1999. 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. During the year ended 31 March, 2014, the Company had ESOP scheme - 2005 (instituted in 2005). The scheme was duly approved by the Board of Directors and Shareholders in their respective meetings. The scheme provided for 600,000 options to eligible employees. The scheme was administered by the Compensation Committee comprising four members, the majority of whom were independent directors.
- c. Details of options granted, forfeited and exercised during the period/ year in the above mentioned scheme is as follows:

Particulars	Nine Months ended 31 Dec, 2014		Year ended 31 Mar, 2014	
	(Number)	Weighted Average (Rupees)	(Number)	Weighted Average (Rupees)
2005 Stock Option Scheme				
Options outstanding at the beginning of the year	-	-	1,320	144
Options granted	-	-	-	-
Options forfeited	-	-	(1,230)	144
Options exercised	-	-	(90)	144
Balance carried forward	-	-	-	-

- d. During the year ended 31 March, 2014, 1230 shares were forfeited and the amount paid up as application money aggregating to Rupees 12,300 has been transferred to the Capital Reserve (Also see note 2.2 (a))

Particulars	As at 31 Dec, 2014	As at 31 Mar, 2014
	(Rupees)	(Rupees)

2.2 RESERVES AND SURPLUS

a. Capital reserve		
Opening balance	8,900,230	8,887,930
Add : Amount forfeited against employees stock option plan	-	12,300
Closing balance	8,900,230	8,900,230
b. Securities premium account		
Opening balance	21,901,489	21,889,429
Add : Premium on conversion of stock options issued to employees	-	12,060
Closing balance	21,901,489	21,901,489
c. Hedging reserve [see note 2.35]		
Opening balance	28,143,036	6,370,074
Add / (Less) : Effect of foreign exchange rate variations on hedging instruments outstanding at the end of the period/ year	(33,199,864)	21,772,962
Closing balance	(5,056,828)	28,143,036
d. General reserve		
Opening balance	822,708,220	767,620,461
Add: Transferred from surplus in Statement of Profit and Loss	-	55,087,759
Closing balance	822,708,220	822,708,220
e. Surplus in Statement of Profit and Loss		
Opening balance	2,350,576,372	2,066,146,834
Add: Profit for the period/ year	399,226,788	550,877,594
Less : Appropriations		
- Proposed final dividend on equity shares [see note (i) below]	-	(97,151,172)
- Proposed special dividend on equity shares [see note (i) below]	-	(97,151,172)
- Tax on dividend charge [see note 2.40]	-	(17,057,953)
- Transferred to general reserve	-	(55,087,759)
Closing balance	2,749,803,160	2,350,576,372
	3,598,256,271	3,232,229,347

Note :

- (i) The Board of Directors, at their meeting held on 03 May, 2014 had declared a final dividend of Rs. 3 per share (on equity share of par value of Rs. 10 each) and a special dividend of Rs. 3 per share (on equity share of par value of Rs. 10 each) on account of completion of 25 years of the company, which was approved by shareholders through poll in Annual General Meeting held on 08 July 2014.

Particulars	As at	As at
	31 Dec, 2014	31 Mar, 2014
	(Rupees)	(Rupees)

2.3 LONG-TERM PROVISIONS

Provision for employee benefits		
- Provision for compensated absences	34,860,316	30,055,646
- Provision for gratuity (See note 2.34)	11,442,619	76,288,772
	46,302,935	106,344,418

2.4 TRADE PAYABLES

a. Trade Payables		
- Micro and small enterprises (See note below)	-	-
- Others	238,768,124	160,287,186
b. Due to subsidiaries (see note 2.31)	33,768,579	1,774,392
	272,536,703	162,061,578

Note :

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.

2.5 OTHER CURRENT LIABILITIES

a. Advance from customers	157,546,194	184,632,621
b. Deferred revenue	232,499,609	197,237,246
c. Mark-to-market loss on forward and options contracts (see note 2.35)	5,993,232	-
d. Unpaid dividends	2,733,100	2,264,961
e. Payable for purchase of fixed assets	2,049,293	-
f. Other payables - statutory liabilities	24,953,594	37,290,760
g. Book overdraft	-	11,901,186
h. Due to subsidiary (see note 2.31 & 2.37)	87,930,731	78,926,211
	513,705,753	512,252,985

2.6 SHORT-TERM PROVISIONS

a. Provision for employee benefits		
- Provision for compensated absences	13,972,721	12,046,912
- Provision for gratuity (See note 2.34)	3,756,127	25,042,372
b. Provision for proposed equity dividend	-	194,302,344
c. Provision for tax on proposed dividend (see note 2.40)	-	33,021,683
	17,728,848	264,413,311

NUCLEUS SOFTWARE EXPORTS LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2.7 Fixed Assets (At Cost)

PARTICULARS	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK		
	As at 1 Apr, 2014	Additions	Deductions / adjustments	As at 31 Dec, 2014	As at 1 Apr, 2014	Depreciation for the period	Deductions / adjustments	As at 31 Dec, 2014	As at 31 Mar, 2014
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	66,395,000 (66,395,000)	- (-)	- (-)	66,395,000 (66,395,000)	8,886,523 (8,134,965)	564,183 (751,558)	- (-)	9,450,704 (8,886,523)	56,944,296 (57,508,477)
Leasehold improvements	7,148,689 (7,583,420)	- (-)	- (-)	7,148,689 (7,148,689)	7,148,689 (7,583,420)	- (-)	- (-)	7,148,689 (7,148,689)	- (-)
Buildings	241,471,493 (242,275,991)	- (-)	- (-)	241,471,493 (241,471,493)	67,370,584 (59,438,363)	6,036,764 (7,932,221)	- (-)	73,407,348 (67,370,584)	174,100,909 (182,837,628)
Plant and equipment	115,799,872 (114,674,612)	611,475 (2,989,515)	1,488,713 (1,864,255)	114,921,634 (115,799,872)	109,457,894 (108,206,471)	1,322,284 (3,862,655)	1,488,713 (2,611,232)	109,290,465 (109,457,894)	6,341,978 (6,488,141)
Office equipment	29,886,632 (28,529,271)	132,399 (2,117,544)	- (760,183)	30,019,031 (29,886,632)	26,064,859 (24,440,982)	1,099,632 (2,384,060)	- (760,183)	27,154,491 (26,064,859)	3,821,773 (4,088,269)
Computer equipment	261,022,979 (234,752,030)	43,348,550 (41,986,599)	10,581,542 (15,715,650)	293,789,987 (261,022,979)	205,925,429 (205,692,115)	34,731,680 (35,635,357)	10,581,542 (15,402,043)	220,075,567 (205,925,429)	73,714,420 (55,097,550)
Vehicles	19,428,067 (14,427,706)	8,979,891 (13,721,527)	1,840,405 (8,721,166)	26,587,553 (19,428,067)	5,104,721 (11,548,094)	3,288,046 (1,852,422)	1,840,405 (8,295,795)	6,552,362 (5,104,721)	20,015,191 (14,323,346)
Furniture and fixtures	36,211,435 (36,670,113)	176,950 (106,732)	- (565,410)	36,388,385 (36,211,435)	35,539,147 (35,816,114)	179,778 (288,443)	- (565,410)	35,718,925 (35,539,147)	669,460 (672,288)
Intangible assets									
Software	780,724,887 (748,668,863)	53,249,265 (60,921,917)	13,911,660 (28,865,893)	820,062,492 (780,724,887)	465,497,846 (460,860,524)	37,212,265 (32,706,716)	13,911,660 (28,069,394)	488,798,551 (465,497,846)	315,227,041 (287,808,339)
	287,223,881 (171,727,503)	15,041,340 (115,496,378)	- (-)	302,265,221 (287,223,881)	163,136,010 (128,239,727)	42,308,067 (34,896,283)	- (-)	205,444,077 (163,136,010)	124,087,871 (43,487,776)
	1,067,948,768 (920,396,366)	68,290,605 (176,418,295)	13,911,660 (28,865,893)	1,122,327,713 (1,067,948,768)	628,633,856 (589,100,251)	79,520,432 (67,602,999)	13,911,660 (28,069,394)	694,242,628 (628,633,856)	439,314,912 (331,296,115)

Notes :

(i) Figures in bracket pertain to previous year ended 31 March 2014/2013.

(ii) Pursuant to the Companies Act, 2013, ("The Act"), being effective from April 1, 2014, the Company has revised depreciation rates in respect of computers and data processing unit (end user devices such as desktop, laptops etc.) as per the useful life specified in Part 'C' of Schedule II of the Act. As a result of this change, the depreciation charge for the quarter and nine months ended December 31, 2014 is higher by Rs. 15.44 lakhs and Rs. 41.31 Lakhs respectively.

Particulars	As at 31 Dec, 2014	As at 31 Mar, 2014
	(Rupees)	(Rupees)
2.8 NON-CURRENT INVESTMENTS (at cost)		
- Trade		
Investments in equity instruments of wholly owned subsidiaries (unquoted)		
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
b. 1,000,000 (1,000,000) equity shares of US Dollar 0.35 each, fully paid up, in Nucleus Software Inc., USA	16,293,150	16,293,150
Less: Provision for diminution in value of investment in Nucleus Software Inc., USA	(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
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
e. 4,000 (4,000) equity shares of Euro 100 each, fully paid up, in Nucleus Software Netherlands B.V., Netherlands	24,242,000	24,242,000
Less: Provision for diminution in value of investment in Nucleus Software Netherlands B.V., Netherlands	(24,242,000)	(24,242,000)
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]	100,000,000	100,000,000
g. 100,000 (1) equity shares 1 AUD each, fully paid in Nucleus Software Australia Pty. Ltd., Australia	5,501,028	55
	135,913,240	130,412,267
- Other investments		
Investment in equity instruments (Unquoted)		
250,000 (250,000) equity shares of Rs. 10 each, fully paid up, in Ujjivan Financial Services Private Limited	2,500,000	2,500,000
Investment in bonds (quoted)		
a. Indian Railway Finance Corporation Limited - Tranche 1 Series IA (see note 2.38) (Net of adjustment to the carrying amount of investments amounting to Rs. 9,350,000)	90,650,000	90,650,000
b. Indian Infrastructure Finance Company Limited - Tranche 1 Series 1A	50,000,000	50,000,000
c. 8.09% Power Finance Corporation Tax Free Bonds 2021	45,600,000	-
d. 7.51% Power Finance Corporation Tax Free Bonds 2021	50,000,000	-
e. Indian Railway Finance Corporation Ltd.- Tranche 1 Series I	150,000,000	-
f. Indian Railway Finance Corporation Limited - Tranche 1 Series IB	100,000,000	100,000,000
	486,250,000	240,650,000
	624,663,240	373,562,267
Aggregate amount of non-current investments		
Aggregate amount of quoted investments	486,250,000	240,650,000
Aggregate market value of quoted investments	493,200,000	261,365,000
Aggregate amount of unquoted investments	138,413,240	132,912,267

2.9 DEFERRED TAX ASSET (Net)

Particular	Opening as at 1 Apr, 2014	(Credited)/ Charge during the period *	Closing as at 31 Dec, 2014
	(Rupees)	(Rupees)	(Rupees)
a. Deferred tax assets			
Provision for compensated absences, gratuity and other employee benefits	48,753,115	23,638,674	25,114,441
Provision for doubtful debts / service income accrued but not due	24,699,844	(395,952)	25,095,796
	73,452,959	23,242,722	50,210,237
b. Deferred tax liabilities			
On difference between book balance and tax balance of fixed assets	12,067,501	15,284,313	27,351,814
c. Net deferred tax asset	61,385,458	38,527,035	22,858,423

* including prior period charge for Rs. 9,196,807

Particulars	As at	As at
	31 Dec, 2014	31 Mar, 2014
	(Rupees)	(Rupees)
2.10 LONG-TERM LOANS AND ADVANCES (Unsecured, considered good)		
a. Loans to subsidiaries (see note 2.31) (also see note (i) below)	80,110,221	91,938,634
b. Security deposits	12,880,260	11,770,815
c. Loans and advances to employees - Staff Loans	307,109	595,890
d. Prepaid expenses	4,200,455	7,707,034
e. Balances with government authorities - Advance tax [net of provision of Rs. 437,569,697 (Rs. 354,675,203)] (see note 2.24)	133,276,263	140,338,603
- Mat Credit Entitlement	11,200,000	-
	241,974,308	252,350,976

Note (i) :Disclosure as per Clause 32 of the Listing Agreements with the Stock Exchanges is given below :-

Loans and advances in the nature of loans given to subsidiaries :

Name of the party	Interest Rate	Repayment Schedule	Amount outstanding as at 31 Dec, 2014	Maximum balance outstanding during the period
			(Rupees)	(Rupees)
a. Nucleus Software Limited, India	Interest free	Payable on demand after 31 March 2018.	80,110,221 (85,950,634)	85,950,634 (90,946,898)
b. Nucleus Software Inc., USA	3% over six months LIBOR	5 yearly installments (December 2011 to December 2015)	6,304,000 (11,976,000)	12,351,000 (20,196,000)

Note : Figures in bracket pertains to previous year ended 31 March, 2014.

2.11 OTHER NON CURRENT ASSETS

(Unsecured, considered good)

a. Long-term bank deposits (See note below)	1,675,000	4,175,000
b. Interest accrued but not due on bank deposits	526,635	513,330
c. Unamortised premium on tax free bonds	7,337,886	-
	9,539,521	4,688,330

Note :-

Long-term bank deposits represent deposits under lien with bank and are restricted from being settled for more than 12 months from the Balance Sheet Date.

Particulars	As at	As at
	31 Dec, 2014	31 Mar, 2014
	(Rupees)	(Rupees)
2.13 TRADE RECEIVABLES (Unsecured)		
a. Debts outstanding for a period exceeding six months from the date they were due for payment		
- Considered good	6,773,761	10,165,542
- Considered doubtful	43,762,522	19,590,209
	50,536,283	29,755,751
Less: Provision for doubtful trade receivables	(43,762,522)	(19,590,209)
	6,773,761	10,165,542
b. Other debts		
- Considered good	498,313,334	309,169,566
- Considered doubtful	4,888,023	14,085,547
	503,201,357	323,255,113
Less: Provision for doubtful trade receivables	(4,888,023)	(14,085,547)
	498,313,334	309,169,566
Total	505,087,095	319,335,108
2.14 CASH AND BANK BALANCES		
Cash and cash equivalents		
a. Cash on hand	116,179	132,933
b. Remittance in transit	6,304,000	-
c. Balances with scheduled banks:		
- in current accounts	92,044,980	2,296,066
- in EEFC accounts	46,039,356	24,637,011
d. Balance with non scheduled banks in current accounts:		
- Citibank, United Kingdom	319,953	827,432
- Citibank, United Arab Emirates	1,439,411	824,925
e. Balances with scheduled banks in deposit accounts with original maturity of less than 3 months	8,000,000	19,200,000
	154,263,879	47,918,367
Other bank balances		
a. Balances with scheduled banks in earmarked accounts:		
- unclaimed dividend accounts	2,737,087	2,269,925
b. Balances with scheduled banks in deposit accounts with original maturity of more than 3 months	1,189,230,258	669,685,286
	1,191,967,345	671,955,211
	1,346,231,224	719,873,578
Details of balances as on balance sheet dates with scheduled banks in current accounts:-		
- HDFC Bank	2,707,926	554,279
- Citi Bank	88,741,416	699,392
- DBS Bank	-	61,497
- ICICI Bank	595,638	744,151
- State Bank of India	-	236,747
- Citi Bank *	45,353,738	22,915,528
- HDFC Bank *	685,618	1,721,483
- HDFC Bank **	2,737,087	2,269,925
	140,821,423	29,203,002
* EEFC account		
** Earmarked for unclaimed dividend		
Details of balances as on balance sheet dates with scheduled banks in deposit accounts:-		
- HDFC Bank	10,000,000	10,000,000
- Citi Bank	8,000,000	19,200,000
- Bank of India	44,191,878	148,500,000
- State Bank of Travancore	139,200,000	89,400,000
- ICICI Bank	291,753,094	110,000,000
- Corporation Bank	252,204,156	202,204,156
- Kotak Mahindra Bank	99,800,000	-
- Punjab National Bank	298,457,298	108,457,298
- ING Vysya Bank	50,000,000	-
	1,193,606,426	687,761,454
Detail of fixed deposit under lien		
- HDFC Bank	1,123,832	1,123,832
- Citi Bank	2,500,000	-
Total	3,623,832	1,123,832

Particulars	As at 31 Dec, 2014 (Rupees)	As at 31 Mar, 2014 (Rupees)
2.15 SHORT-TERM LOANS AND ADVANCES		
(Unsecured, considered good)		
a. Loans to subsidiaries (see note 2.31)	6,304,000	5,988,000
b. Security deposit	581,488	2,330,312
c. Loans and advances to employees		
- Staff loans	2,725,492	1,730,614
- Employee advances	5,396,714	5,060,123
d. Prepaid expenses	40,967,980	46,524,177
e. Balances with government authorities		
- Advance fringe benefit tax [net of provision Rs. 24,915,859 (Rs. 24,915,859)]	2,732,275	2,732,275
- Service tax credit receivable	34,536,751	50,344,989
f. Others		
- Supplier advances	3,691,880	19,027,480
- Mark-to-market gain on forward contracts (see note 2.35)	-	28,216,253
- Expenses recoverable from customers	6,446,578	5,204,542
	103,383,158	167,158,765

2.16 OTHER CURRENT ASSETS

(Unsecured)

a. Service income accrued but not due		
- Considered good	232,495,119	247,554,571
- Considered doubtful	25,177,667	38,992,214
	257,672,786	286,546,785
Less : Provision for service income accrued but not due	(25,177,667)	(38,992,214)
	232,495,119	247,554,571
b. Interest accrued but not due on		
- Fixed deposits with banks	50,678,584	27,231,858
- Loan to subsidiary	17,840	176,167
- Current, non trade investments	9,208,741	6,787,041
c. Insurance claim recoverable (see note 2.37)	87,930,731	78,926,211
d. Unamortised premium on tax free bonds	1,206,602	-
	381,537,617	360,675,848

Particulars	Quarter ended 31 Dec, 2014	Quarter ended 31 Dec, 2013	Nine months ended 31 Dec, 2014	Nine months ended 31 Dec, 2013
	(Rupees)	(Rupees)	(Rupees)	(Rupees)

2.17 INCOME FROM SOFTWARE PRODUCTS AND SERVICES

a. Software development services and products				
- Domestic	129,392,301	148,726,284	393,062,668	475,210,023
- Overseas	549,033,772	471,659,053	1,565,472,670	1,273,480,133
b. Sale of goods	-	-	-	57,342,726
	678,426,073	620,385,337	1,958,535,338	1,806,032,882

2.18 OTHER INCOME

a. Interest income on				
- Deposits with banks	23,977,539	11,369,965	57,414,556	51,079,337
- Loan to subsidiary	86,532	133,512	286,645	450,358
- Current, non trade investments	9,309,402	3,218,556	19,423,082	6,798,720
- Income tax refund	6,090,702	-	6,090,702	4,496,028
b. Dividend income from				
- Current, non trade investments	5,934,510	19,077,502	33,514,970	42,321,226
- Non-current, non trade investment	-	-	125,000	62,500
- Subsidiary company (see note 2.31)	-	-	-	93,931,921
c. Net gain on sale of investments				
- Current, non trade investments	50,361,329	42,553,455	80,191,425	45,385,898
d. Net Gain / (Loss) on foreign currency				
- Gain / (Loss) on exchange fluctuation	2,360,302	(2,309,637)	7,847,241	16,104,393
- Gain / (Loss) on ineffective hedges (see note 2.35)	240,945	(160,914)	(936,404)	(322,866)
e. Other non-operating income				
- Provisions written back	5,487,359	-	21,761,935	-
- Net profit on sale of fixed assets/discarded assets	-	226,667	-	632,356
- Miscellaneous income	273,098	176,991	1,354,941	425,296
	104,121,718	74,286,097	227,074,093	261,365,167

2.19 EMPLOYEE BENEFITS EXPENSES

a. Salaries and wages	337,688,670	280,475,545	965,148,068	851,420,222
b. Contribution to provident and other funds	17,784,759	15,653,603	51,376,163	45,252,673
c. Gratuity expense (see note 2.34)	6,691,767	5,547,165	20,075,301	16,641,495
d. Staff welfare expenses	6,794,429	5,918,680	25,166,672	20,320,804
	368,959,625	307,594,993	1,061,766,204	933,635,194

Employee benefit expenses include Managing Director remuneration as follows :

a. Salary	1,500,000	1,500,000	4,500,000	4,500,000
b. Contribution to provident fund	90,000	90,000	270,000	270,000
	1,590,000	1,590,000	4,770,000	4,770,000

Notes:

The above remuneration does not include expense towards retirement benefits since the same is calculated for the Company as a whole.

Particulars	Quarter ended	Quarter ended	Nine months ended	Nine months ended
	31 Dec, 2014	31 Dec, 2013	31 Dec, 2014	31 Dec, 2013
	(Rupees)	(Rupees)	(Rupees)	(Rupees)
2.20 OPERATING AND OTHER EXPENSES				
a. Outsourced technical service expense	32,048,051	9,004,855	71,010,557	27,083,613
b. Cost of software purchased for delivery to clients	4,086,647	17,153,931	29,249,061	65,033,021
c. Power and fuel	9,764,285	8,588,014	34,059,826	31,234,520
d. Rent (see note 2.22)	8,913,080	8,082,832	27,832,266	21,685,971
e. Repair and maintenance				
- Buildings	279,709	445,841	1,499,900	2,523,764
- Others	5,458,472	4,663,999	16,592,364	14,510,341
f. Insurance	2,795,869	1,263,143	8,199,397	3,315,555
g. Rates and taxes	934,920	1,308,712	1,992,392	2,298,550
h. Travel expenses				
- Foreign	37,099,856	38,682,490	99,189,669	113,838,703
- Domestic	7,370,001	6,200,822	19,322,704	17,566,985
i. Advertisement and business promotion	3,627,854	2,752,588	13,527,401	8,010,255
j. Legal and professional (see note 2.26)	21,330,912	10,101,858	51,922,814	28,976,365
k. Directors remuneration	1,960,000	2,000,000	5,740,000	6,280,000
l. Conveyance	4,815,043	3,014,365	13,500,544	10,486,340
m. Communication	4,538,805	3,321,461	11,892,067	10,272,931
n. Training and recruitment	7,821,699	6,138,370	19,479,303	15,061,916
o. Adjustment to the carrying amount of investments (see note 2.39)	-	9,350,000	-	9,350,000
p. Conference, exhibition and seminar	1,195,295	(186,205)	18,471,949	9,248,770
q. Information technology expenses	9,589,173	7,519,911	28,046,246	14,511,470
r. Provision for doubtful debts/advances/other current asset	8,521,359	13,684,009	19,315,121	38,426,889
s. Commission to channel partners	3,770,399	10,448,262	14,232,879	17,017,825
t. Miscellaneous expenses	8,480,135	11,869,165	26,114,576	30,821,309
	184,401,564	175,408,423	531,191,036	497,555,093
Directors Remuneration includes :				
Non Executive Directors				
a. Commission	1,000,000	1,500,000	3,500,000	4,900,000
b. Sitting fees	960,000	500,000	2,240,000	1,380,000
	1,960,000	2,000,000	5,740,000	6,280,000
2.21 FINANCE COST				
Bank Charges	826,225	967,681	2,955,508	2,631,220
2.22 OPERATING LEASE				
Obligations on long-term, non-cancelable operating leases				
The Company has acquired office premises under cancellable and non-cancellable operating lease. Operating lease rentals paid during the quarter and nine months ended 31 December, 2014 is Rs. 8,913,080, Rs. 27,832,266 (Rs. 8,082,832, Rs. 21,685,971) . The future minimum lease expense in respect of non-cancellable leases as at 31 December, 2014 is Rs. Nil (As at 31 March, 2014, Rs. Nil).				
2.23 Tax Expense				
The Company has been accorded initial recognition for the in-house R&D unit by the Department of Scientific and Industrial Research (DSIR) for its R&D center at Noida effective 31 December, 2012 which is valid till 31 March, 2015. The Company has thereafter applied to DSIR for the approval of weighted deduction under section 35(2AB) of the Income Tax Act, 1961, which has been received by the Company in the year ended 31 March, 2014. Accordingly, the Company has during the nine months ended 31 December, 2014 availed and recognised tax benefit under section 35 (2AB) aggregating to Rs. 40,489,224. This has resulted in decrease in income tax liability of the Company for the nine months ended 31 December, 2014.				
2.24 Advance Tax (Net of provision)				
Advance Tax (Net of provision) aggregating to Rs. 133,276,263 (As at 31 March, 2014 : Rs. 140,338,603) has been classified as Long-Term Loans and Advances as the same represents amount recoverable from Income Tax Department after the completion of Income Tax Assessments.				

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

Particulars	As at	As at
	31 Dec, 2014	31 Mar, 2014
	(Rupees)	(Rupees)
a. Contingent liabilities		
Claims against the Company not acknowledged as debts	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).	2,374,810	22,725,415

c. Other Commitments

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

As at 31 December 2014, the Company has given an undertaking to repay the amounts due to Nucleus Software Solutions Pte Limited, Singapore (subsidiary company) by Nucleus Software Japan Kabushiki Kaisha, Japan (subsidiary company), in the event that the latter party is unable to repay the same, as and when it falls due. (Also see note 2.31)

As on 31 December, 2014, the Company has outstanding bank guarantee and letter of credits of Rs. 49,925,385 (As at 31 March, 2014 Rs. 13,617,899). These are secured to the extent of Rs. 15 crores against all present and future receivables and inventories of the Company.

Particulars	Quarter ended	Quarter ended	Nine months ended	Nine months ended
	31 Dec, 2014	31 Dec, 2013	31 Dec, 2014	31 Dec, 2013
	(Rupees)	(Rupees)	(Rupees)	(Rupees)

2.26 Auditors Remuneration (excluding service tax)

a. As auditors - statutory audit, including quarterly audits	1,000,000	550,000	2,100,000	1,650,000
b. For taxation matters	350,000	-	350,000	-
b. For other services	400,000	450,000	800,000	675,000
c. Reimbursement of expenses	219,986	127,060	219,986	273,766
	1,969,986	1,127,060	3,469,986	2,598,766

2.27 CIF value of imports

Capital goods	1,687,400	17,445,853	34,283,653	30,060,085
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2.28 Earnings in foreign currency

a. Software development services and products	549,033,772	471,659,053	1,565,472,670	1,273,480,133
b. Dividend income from subsidiary company	-	-	-	93,931,921
c. Interest income on loan to subsidiary	86,532	133,512	286,645	450,358
	549,120,304	471,792,565	1,565,759,315	1,367,862,412

2.29 Expenditure in foreign currency

a. Travel expenses	28,297,093	29,489,901	69,453,613	85,763,661
b. Legal and professional	4,506,874	2,252,484	13,776,765	5,276,718
c. Cost of software purchased for delivery to clients	1,902,366	2,856,606	13,708,105	8,335,031
d. Conference, exhibition and seminar	1,162,484	(277,925)	17,121,587	8,540,275
e. Outsourced technical service expense	24,715,329	3,082,345	51,770,417	9,272,515
f. Salaries and wages	13,259,903	10,823,068	33,594,094	34,826,430
g. Commission to channel partners	3,764,587	10,441,967	17,997,466	17,011,530
h. Rent	3,088,174	2,961,530	9,734,404	7,323,477
i. Others	9,894,516	8,686,032	28,520,115	20,119,822
	90,591,326	70,316,008	255,676,566	196,469,459

2.30 Earnings per share

a. Profit after taxation available to equity shareholders (Rupees)	162,907,979	188,187,078	399,226,788	440,804,722
b. Weighted average number of equity shares used in calculating basic earnings per share	32,383,724	32,383,724	32,383,724	32,383,691
c. Effect of dilutive issue of shares	-	-	-	-
d. Weighted average number of equity shares used in calculating diluted earnings per share	32,383,724	32,383,724	32,383,724	32,383,691
e. Basic earnings per share (Rupees)	5.03	5.81	12.33	13.61
f. Diluted earnings per share (Rupees)	5.03	5.81	12.33	13.61

2.31 RELATED PARTY TRANSACTIONS

List of related parties – where control exists

a. Wholly owned 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 (incorporated on 3 February, 2014)

b. Other subsidiary company (wholly owned subsidiary of VirStra i-Technology Services Limited, India)

- VirStra i-Technology (Singapore) Pte Ltd, Singapore (wound up with effect from 19 February, 2014)

c. Other related parties:

- Key managerial personnel:
- Vishnu R Dusad (Managing Director)

Transactions with related parties

Particulars	Quarter ended 31 Dec, 2014	Quarter ended 31 Dec, 2013	Nine months ended 31 Dec, 2014	Nine months ended 31 Dec, 2013
	(Rupees)	(Rupees)	(Rupees)	(Rupees)
a. Software development services and products				
- Nucleus Software Japan Kabushiki Kaisha, Japan	22,613,961	29,775,185	70,046,312	105,030,199
- Nucleus Software Solutions Pte Ltd, Singapore	28,739,323	21,304,345	73,198,368	58,780,937
- Nucleus Software Inc., USA	2,889,426	5,761,572	7,334,363	17,672,906
- Nucleus Software Netherlands B.V., Netherlands	2,767,756	4,380,293	5,447,335	11,703,499
	57,010,466	61,221,395	156,026,378	193,187,541
b. Other income				
Dividend income				
- Nucleus Software Solutions Pte Ltd, Singapore	-	-	-	93,931,921
Interest income				
- Nucleus Software Inc., USA	86,532	133,512	286,645	450,358
c. Managerial remuneration [including perquisite value of Rs. 161,781 and Rs. 493,495 for the quarter and nine months ended 31 December, 2014 respectively (Rs. 23,904; Rs. 47,808)]				
- Vishnu R Dusad (Managing Director & Chief Executive Officer)	1,751,781	1,613,904	5,263,495	4,817,808
d. Cost of software purchased for delivery to clients				
- Nucleus Software Solutions Pte Ltd, Singapore	622,771	970,923	1,904,048	2,548,557
e. Outsourced technical service expense				
- Nucleus Software Solutions Pte Ltd, Singapore	856,260	879,660	2,602,441	3,188,292
- Nucleus Software Japan Kabushiki Kaisha, Japan	2,252,278	-	5,681,621	-
- Nucleus Software Inc., USA	12,203,020	-	21,681,911	-
- Nucleus Software Australia Pty Ltd.	4,596,598	-	8,714,042	-
	19,908,156	879,660	38,680,015	3,188,292
f. Lease rent paid				
- Nucleus Software Limited, India	2,374,074	2,993,394	7,122,222	7,122,222
g. Reimbursement of expenses from				
- Nucleus Software Solutions Pte Ltd, Singapore	2,376,314	2,722,394	9,283,876	7,073,235
- Nucleus Software Japan Kabushiki Kaisha, Japan	-	271,759	260,222	421,869
- Nucleus Software Inc., USA	44,843	6,985,698	44,843	8,960,799
- Nucleus Software Netherlands B.V., Netherlands	-	-	-	419,477
- VirStra i-Technology Services Limited, India	-	8,331	15,796	73,516
- Nucleus Software Limited, India	-	-	-	8,826
	2,421,157	9,988,182	9,604,737	16,957,722
h. Reimbursement of expenses to				
- Nucleus Software Solutions Pte Ltd, Singapore	220,963	-	717,947	522,793
- Nucleus Software Japan Kabushiki Kaisha, Japan	-	68,341	-	68,341
- Nucleus Software Netherlands B.V., Netherlands	-	-	168,000	-
- Nucleus Software Australia Pty Ltd.	-	-	640,320	-
	220,963	68,341	1,526,267	591,134
i. Repayment of loans				
- Nucleus Software Limited, India	-	3,500,000	6,000,000	3,500,000
- Nucleus Software Inc., USA	6,203,000	6,262,500	6,203,000	6,262,500
	6,203,000	9,762,500	12,203,000	9,762,500
j. Investment in subsidiary				
- Nucleus Software Australia Pty. Ltd., Australia	-	-	5,500,973	-

Outstanding balances as at period/ year end

Particulars	As at	As at
	31 Dec, 2014	31 Mar, 2014
	(Rupees)	(Rupees)
a. Trade receivables		
- Nucleus Software Solutions Pte Ltd, Singapore	15,815,330	7,410,290
- Nucleus Software Japan Kabushiki Kaisha, Japan	14,657,311	7,053,967
- Nucleus Software Inc., USA	11,305,489	6,940,955
- Nucleus Software Netherlands B.V., Netherlands	26,377,698	29,720,291
- VirStrai i -Technology Services Limited, India	-	45,630
- Nucleus Software Limited, India	-	13,000
- Nucleus Software Australia Pty Ltd.	2,047,514	-
	70,203,342	51,184,133
b. Provision for doubtful trade receivables		
- Nucleus Software Netherlands B.V., Netherlands	21,991,600	21,991,600
c. Trade payables		
- Nucleus Software Solutions Pte Ltd, Singapore	1,718,405	-
- Nucleus Software Japan Kabushiki Kaisha, Japan	7,689,603	1,787,392
- Nucleus Software Australia Pty Ltd.	8,811,676	-
- Nucleus Software Limited, India	2,136,067	-
- Nucleus Software Inc., USA	13,412,827	-
	33,768,578	1,787,392
d. Other current liabilities		
- Nucleus Software Inc., USA (See note 2.37)	87,930,731	78,926,211
e. Loans to subsidiaries		
- Nucleus Software Inc., USA	6,304,000	11,976,000
- Nucleus Software Limited, India	80,110,221	85,950,634
	86,414,221	97,926,634
f. Interest income accrued but not due		
- Nucleus Software Inc., USA	17,840	176,167
g. Service income accrued but not due		
- Nucleus Software Inc., USA	-	732,836
- Nucleus Software Japan Kabushiki Kaisha, Japan	-	96,005
	-	828,841
h. Deferred revenue		
- Nucleus Software Japan Kabushiki Kaisha, Japan	105,665	-
- Nucleus Software Solutions Pte Ltd, Singapore	-	1,382,466
- Nucleus Software Inc., USA	3,322,210	438,252
- Nucleus Software Netherlands B.V., Netherlands	1,903,701	-
	5,331,576	1,820,718
i. Guarantees on behalf of (see note 2.25 c)		
- Nucleus Software Japan Kabushiki Kaisha, Japan	7,564,800	21,594,478
j. Investments in subsidiary companies (net of provision) (see note 2.8)	135,913,240	130,412,267

Particulars	Quarter ended	Quarter ended	Nine months ended	Nine months ended
	31 Dec, 2014	31 Dec, 2013	31 Dec, 2014	31 Dec, 2013
	(Rupees)	(Rupees)	(Rupees)	(Rupees)

2.32 Research and development expenditure

Expenditure on research and development as per Accounting Standard 26

Revenue	38,791,480	40,769,856	142,216,260	120,049,551
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The Company has been accorded initial recognition for the in-house R&D unit by the Department of Scientific and Industrial Research (DSIR) for its R&D center at Noida effective 31 December, 2012 which is valid till 31 March, 2015. The Company has thereafter applied to DSIR for the approval of weighted deduction under section 35(2AB) of the Income Tax Act, 1961, which has been received by the Company in the year ended 31 March, 2014. (Also see note 2.23)

2.33 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 Accounting Standard-17 on "Segment Reporting" notified under Section 211(3C) of the Companies Act, 1956 ("the 1956 Act") (which are deemed to be applicable as per Section 133 of the Companies Act, 2013 ("the 2013 Act") read with Rule 7 of Companies (Accounts) Rules, 2014. The segmentation is based on the Geographies (reportable primary segment) in which the Company operates and internal reporting systems. The secondary segmentation is based on the nature and type of services rendered.

b. Composition of reportable segments

The Company operates in six main geographical segments: India, Far East, South East Asia, Europe, Middle East and Africa 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 secondary segmentation is based on the nature and type of services rendered. Accordingly, Secondary 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 primary segment

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

a. For the quarter ended 31 December 2014

Description								<i>(Amount in Rupees)</i>	
	India	Far East	South East Asia	Europe	Middle East	Africa	Others	Total	
Revenue from operations	129,392,301	68,712,576	113,393,966	96,952,147	152,995,989	43,706,282	73,272,792	678,426,073	
Expenses	111,300,166	34,152,726	57,147,671	47,133,082	66,602,930	12,926,459	18,601,563	347,864,597	
Segment result	18,092,135	34,559,850	56,246,315	49,819,065	86,393,059	30,779,823	54,671,229	330,561,476	
Unallocated corporate expenditure								233,852,324	
Operating profit before taxation								96,709,152	
Other income								104,121,718	
Profit before taxation								200,830,870	
Tax Expense									
Net current tax expense								14,922,428	
Net deferred tax credit								23,000,463	
								37,922,891	
Profit for the quarter								162,907,979	

b. For the quarter ended 31 December 2013

Description								<i>(Amount in Rupees)</i>	
	India	Far East	South East Asia	Europe	Middle East	Africa	Others	Total	
Revenue from operations	148,726,284	76,005,434	88,858,321	73,193,932	116,217,014	78,130,330	39,254,022	620,385,337	
Expenses	96,555,159	29,928,053	60,839,968	42,563,813	42,903,390	35,058,622	17,248,457	325,097,462	
Segment result	52,171,125	46,077,381	28,018,353	30,630,119	73,313,624	43,071,708	22,005,565	295,287,875	
Unallocated corporate expenditure								175,145,880	
Operating profit before taxation								120,141,995	
Other income								74,286,097	
Profit before taxation								194,428,092	
Tax Expense									
Net current tax expense								1,663,818	
Net deferred tax credit								4,577,196	
								6,241,014	
Profit for the quarter								188,187,078	

c. For the nine months ended 31 December, 2014

Description	India	Far East	South East Asia	Europe	Middle East	Africa	Others	Total
Revenue from operations	393,062,669	193,057,892	298,473,150	263,859,185	486,216,507	164,207,112	159,658,823	1,958,535,338
Expenses	322,311,375	87,347,736	162,869,054	112,449,481	180,881,802	50,557,668	43,870,765	960,287,881
Segment result	70,751,294	105,710,156	135,604,096	151,409,704	305,334,705	113,649,444	115,788,058	998,247,457
Unallocated corporate expenditure								715,145,299
Operating profit before taxation								283,102,158
Other income								227,074,093
Profit before taxation								510,176,251
Tax Expense								
Net current tax expense								72,422,428
Net deferred tax credit								38,527,035
								110,949,463
Profit for the period								399,226,788

d. For the nine months ended 31 December, 2013

Description	India	Far East	South East Asia	Europe	Middle East	Africa	Others	Total
Revenue from operations	532,552,749	240,878,279	257,976,190	155,865,602	363,793,345	171,048,217	83,918,500	1,806,032,882
Expenses	363,479,631	107,274,455	199,299,307	85,623,909	154,248,117	76,667,153	41,909,805	1,028,502,377
Segment result	169,073,118	133,603,824	58,676,883	70,241,693	209,545,228	94,381,064	42,008,695	777,530,505
Unallocated corporate expenditure								498,474,396
Operating profit before taxation								279,056,109
Other income								261,365,167
Profit before taxation								540,421,276
Tax Expense								
Net current tax expense								102,046,085
Net deferred tax credit								(2,429,531)
								99,616,554
Profit for the period								440,804,722

Assets and liabilities of reportable primary segment are as follows:

a. As at 31 December, 2014

Description	India	Far East	South East Asia	Europe	Middle East	Africa	Others	Total
Segment assets	361,485,841	37,317,047	112,137,090	56,752,422	149,606,042	101,087,219	158,636,099	977,021,760
Unallocated corporate assets								3,795,360,990
Total assets								4,772,382,750
Segment liabilities	205,843,812	32,997,786	163,900,453	68,200,015	120,591,009	79,502,897	135,070,922	806,106,894
Unallocated corporate liabilities								44,167,345
Total liabilities								850,274,239
Capital employed								3,922,108,511

b. As at 31 March, 2014

Description	India	Far East	South East Asia	Europe	Middle East	Africa	Others	Total
Segment assets	337,628,912	23,812,606	96,279,432	64,344,903	148,323,638	29,099,194	33,659,962	733,148,647
Unallocated corporate assets								3,868,005,232
Total assets								4,601,153,879
Segment liabilities	192,304,172	26,353,290	145,675,349	49,226,432	141,624,377	67,473,423	125,486,268	748,143,311
Unallocated corporate liabilities								296,928,981
Total liabilities								1,045,072,292
Capital employed								3,556,081,587

Listing of capital expenditure, depreciation and other non-cash expenditure of the reportable primary segment are set out below:

a. For the quarter ended 31 December, 2014

(Amount in Rupees)

Description	India	Far East	South East Asia	Europe	Middle East	Africa	Others	Total
Capital expenditure (unallocated)								15,342,834
Total capital expenditure								15,342,834
Depreciation expenditure (unallocated)								27,529,507
Total depreciation								27,529,507
Segment non-cash expense other than depreciation	3,517,100	981,156	2,131,152	162,350	1,795,728	(66,127)	-	8,521,359
Total non cash expenditure other than depreciation	3,517,100	981,156	2,131,152	162,350	1,795,728	(66,127)	-	8,521,359

b. For the quarter ended 31 December, 2013

(Amount in Rupees)

Description	India	Far East	South East Asia	Europe	Middle East	Africa	Others	Total
Capital expenditure (unallocated)								134,914,094
Total capital expenditure								134,914,094
Depreciation expenditure (unallocated)								16,272,245
Total depreciation								16,272,245
Segment non-cash expense other than depreciation	(3,453,721)	-	2,052,518	17,056,000	(1,970,788)	-	-	13,684,009
Total non cash expenditure other than depreciation	(3,453,721)	-	2,052,518	17,056,000	(1,970,788)	-	-	13,684,009

c. For the nine months ended 31 December, 2014

(Amount in Rupees)

Description	India	Far East	South East Asia	Europe	Middle East	Africa	Others	Total
Capital expenditure (unallocated)								62,880,605
Total capital expenditure								62,880,605
Depreciation expenditure (unallocated)								79,520,432
Total depreciation								79,520,432
Segment non-cash expense other than depreciation	5,261,707	981,156	2,264,585	162,350	7,899,502	2,745,821	-	19,315,121
Total non cash expenditure other than depreciation	5,261,707	981,156	2,264,585	162,350	7,899,502	2,745,821	-	19,315,121

d. For the nine months ended 31 December, 2013

(Amount in Rupees)

Description	India	Far East	South East Asia	Europe	Middle East	Africa	Others	Total
Capital expenditure (unallocated)								159,574,775
Total capital expenditure								159,574,775
Depreciation expenditure (unallocated)								43,668,847
Total depreciation								43,668,847
Segment non-cash expense other than depreciation	3,234,963	-	15,336,644	17,056,000	2,653,325	145,957	-	38,426,889
Total non cash expenditure other than depreciation	3,234,963	-	15,336,644	17,056,000	2,653,325	145,957	-	38,426,889

Information in respect of secondary segment

Information for business segments

Description	(Amounts in Rupees)		
	Products	Software projects and services	Total
a. For the quarter ended 31 December, 2014			
Revenue	598,547,283	79,878,790	678,426,073
Carrying amount of segment assets	861,985,916	115,035,844	977,021,760
b. For the quarter ended 31 December, 2013			
Revenue	582,746,437	37,638,900	620,385,337
Carrying amount of segment assets	855,421,643	55,250,668	910,672,311
a. For the nine months ended 31 December 2014			
Revenue	1,739,235,089	219,300,249	1,958,535,338
Carrying amount of segment assets	867,623,114	109,398,646	977,021,760
b. For the nine months ended 31 December, 2013			
Revenue	1,700,388,553	105,644,329	1,806,032,882
Carrying amount of segment assets	857,402,315	53,269,996	910,672,311

Note : The carrying amount of segment assets has been allocated proportionately in ratio of revenue in the related secondary segment.

2.34 Employee Benefit Obligations

Defined contribution plans

An amount of Rs. 17,784,759; Rs. 51,376,163 for the quarter and nine months ended 31 December, 2014 (Rs. 15,653,603; Rs. 45,252,673), have been recognized as an expense in respect of Company's contribution for Provident Fund and 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 leave encashment for an interim period are calculated on year to date basis by using actuarially determined rates at the end of prior financial year, adjusted, by the Management's estimates after keeping only material events occurring during the interim period.

During the period, the Company has made contributions to its Gratuity Trust, Nucleus Software 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, 2014 :

a. Particulars	As at 31 March, 2014 (Rupees)	As at 31 March, 2013 (Rupees)
Obligation at beginning of the year	91,032,223	83,557,616
Current service cost	14,436,138	14,043,237
Interest cost	7,404,558	7,280,939
Actuarial losses/(gains)	2,415,963	(781,645)
Benefits paid	(13,957,738)	(13,067,924)
Obligation at year end	101,331,144	91,032,223

b. Change in plan assets

Plan Assets at year beginning, at fair value	-	-
Contributions by employer	13,957,738	13,067,924
Benefits paid	(13,957,738)	(13,067,924)
Plan assets at year end, at fair value	-	-

The Scheme does not have any assets as at the valuation date to meet the gratuity liability.

Expected employer's contribution next year	25,042,372	22,285,555
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c. Gratuity cost for the year:

Particulars	Year end 31 March, 2014 (Rupees)	Year end 31 March, 2013 (Rupees)
Current service cost	14,436,138	14,043,237
Interest cost	7,404,558	7,280,939
Actuarial losses/(gains)	2,415,963	(781,645)
Net gratuity cost	24,256,659	20,542,531

d. **Experience adjustment**

Particulars	Year ended 31 March, 2010	Year ended 31 March, 2011	Year ended 31 March, 2012	Year ended 31 March, 2013	Year ended 31 March, 2014
	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)
Defined benefit obligation	58,763,800	75,668,784	83,557,616	91,032,223	101,331,144
Plan assets	-	-	-	-	-
Surplus/(Deficit)	(58,763,800)	(75,668,784)	(83,557,616)	(91,032,223)	(101,331,144)
Experience adjustment on plan liabilities	(3,409,464)	(609,066)	(1,340,985)	(2,781,491)	3,407,556
Experience adjustment on plan assets	-	-	-	-	-
Actuarial assumptions for gratuity and long-term compensated absences					

e. **Economic assumptions :**

	As at 31 March, 2014	As at 31 March, 2013
Discount rate	8.90%	7.85%
Salary escalation rate	8.00%	7.00%
Expected return on plan assets	-	-

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.

f. **Demographic assumptions**

Retirement age	58 years	58 years
Mortality table	IALM Mortality (2006-08)	LIC (1994-96) duly modified

g. **Withdrawal rates**

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

2.35 Forward contract and option in foreign currency

a. **Forward contract outstanding**

	Buy/Sell	As at 31 December, 2014	As at 31 March, 2014
In USD	Sell	9,040,326	9,000,000
Equivalent amount in Rupees	Sell	569,902,151	538,920,000

- b. Other current liabilities include net marked to market loss of Rs. 5,993,232 (As at 31 March, 2014, Short term loans and advances include net marked to market gain of Rs. 28,216,253) relating to forward contracts which are outstanding as at period / year end. The loss on such forward contract which are designated as effective, aggregating to Rs. 5,056,828 (Previous year ended 31 March 2014 : gain of Rs. 28,143,036) have been debited/ credited to Hedging Reserve. The loss on ineffective contracts aggregating to Rs. 936,404 (Previous year ended 31 March 2014 : Gain of Rs. 73,217) has been debited / credited to Statement of Profit and Loss.

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

NUCLEUS SOFTWARE EXPORTS LIMITED CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER, 2014

	Notes Ref.	As at 31, Dec, 2014 (Rupees)	As at 31 Mar 2014 (Rupees)
<u>EQUITY AND LIABILITIES</u>			
1. SHAREHOLDERS' FUNDS			
a. Share capital	2.1	323,852,240	323,852,240
b. Reserves and surplus	2.3	4,047,394,804	3,646,217,622
		4,371,247,044	3,970,069,862
2. NON-CURRENT LIABILITIES			
Long-term provisions	2.4	50,126,084	115,990,177
		50,126,084	115,990,177
3. CURRENT LIABILITIES			
a. Trade payables	2.5	279,308,909	241,321,372
b. Other current liabilities	2.6	322,377,810	492,436,343
c. Short-term provisions	2.7	37,641,763	313,569,175
		639,328,482	1,047,326,890
		5,060,701,610	5,133,386,929
<u>ASSETS</u>			
1. NON-CURRENT ASSETS			
a. Fixed assets			
- Tangible assets	2.8	493,497,590	479,736,934
- Intangible assets	2.8	100,154,536	126,713,081
- Capital work in progress		11,456,064	12,560,000
		605,108,190	619,010,015
b. Non-current investments	2.9	488,773,000	243,173,000
c. Deferred tax assets (net)	2.10	26,584,953	67,480,087
d. Long-term loans and advances	2.11	211,185,992	214,408,882
e. Other non-current assets	2.12	9,539,521	4,688,330
		1,341,191,656	1,148,760,314
2. CURRENT ASSETS			
a. Current investments	2.13	1,217,355,859	1,992,659,193
b. Trade receivables	2.14	542,967,790	417,165,994
c. Cash and bank balances	2.15	1,565,635,113	987,526,757
d. Short-term loans and advances	2.16	117,233,211	188,988,355
e. Other current assets	2.17	276,317,981	398,286,316
		3,719,509,954	3,984,626,615
		5,060,701,610	5,133,386,929

NUCLEUS SOFTWARE EXPORTS LIMITED
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER, 2014

	Notes Ref.	Quarter ended 31 Dec, 2014 (Rupees)	Quarter ended 30 Sep, 2014 (Rupees)	Quarter ended 31 Dec, 2013 (Rupees)	Nine months 31 Dec, 2014 (Rupees)	Nine months 31 Dec, 2013 (Rupees)
1. REVENUE FROM OPERATIONS						
Income from software products and services	2.17	859,787,353	868,347,392	899,614,731	2,522,399,585	2,585,361,958
2. OTHER INCOME	2.18	122,550,342	68,366,135	76,492,201	258,433,010	170,688,909
3. TOTAL REVENUE (1+2)		982,337,695	936,713,527	976,106,932	2,780,832,595	2,756,050,867
4. EXPENSES						
a. Changes in inventories of stock of trade						49,486,419
b. Employee benefits expense	2.19	499,216,997	494,849,834	457,987,470	1,477,043,221	1,347,562,973
c. Operating and other expenses	2.20	209,036,523	216,612,031	245,764,897	634,302,257	719,522,359
d. Finance cost	2.21	1,199,219	1,473,619	1,395,322	4,036,942	3,899,114
e. Depreciation and amortisation expense	2.8	30,816,577	29,362,118	19,309,653	88,797,521	52,805,624
TOTAL EXPENSES		740,269,317	742,297,602	724,457,342	2,204,179,941	2,173,276,489
5. PROFIT BEFORE TAX (3-4)		242,068,378	194,415,925	251,649,590	576,652,654	582,774,378
6. TAX EXPENSE						
a. Current tax expense for current year		40,149,153	49,927,989	21,538,727	118,258,167	136,981,671
b. MAT Credit Entitlement		(6,400,000)	(4,000,000)	-	(11,200,000)	-
c. Net tax credit relating to prior year		(3,580,765)	-	(10,253,915)	(5,486,670)	(10,253,915)
d. Provision for wealth tax		-	-	-	0	-
d. Withholding taxes charged off		2,666,380	-	2,440,992	2,666,380	4,431,850
e. Net current tax expense		32,834,768	45,927,989	13,725,804	104,237,877	131,159,606
f. Net deferred tax credit		13,557,194	19,995,614	4,060,600	31,705,402	(3,349,280)
NET TAX EXPENSE		46,391,962	65,923,603	17,786,404	135,943,279	127,810,326
7. PROFIT FOR THE YEAR (5-6)		195,676,416	128,492,322	233,863,186	440,709,375	454,964,052
8. EARNINGS PER EQUITY SHARE	2.26					
Equity shares of Rs. 10 each						
a. Basic		6.04	3.97	7.22	13.61	14.05
b. Diluted		6.04	3.97	7.22	13.61	14.05
Number of shares used in computing earnings per share						
a. Basic		32,383,724	32,383,724	32,383,724	32,383,724	32,383,691
b. Diluted		32,383,724	32,383,724	32,383,724	32,383,724	32,383,691

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 in compliance with the requirements of the Companies Act, 1956, Generally Accepted Accounting Principles (GAAP) in India and mandatory accounting standards as prescribed in Companies (Accounting Standard) Rules, 2006. All income and expenditure items having a material bearing on the financial statements are recognized on accrual basis. The consolidated financial statements have been prepared in accordance with the principles and procedures for the preparation and presentation as laid under Accounting Standard 21 on “Consolidated Financial Statements” issued by the ICAI.

Overview

The Company was incorporated on January 9, 1989 as Nucleus Software Exports Private Limited with its registered office at 33-35 Thyagraj Nagar Market, New Delhi 110 003. 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 provides software solutions to the Banking and Financial Services Industry. For over 20 years, we have developed solutions spanning from Retail Banking to Corporate Banking, Cash Management, Internet Banking. FinnOne Neo™, the Flagship product of Nucleus Software is a comprehensive suite for Retail Banking applications comprising of modules like Customer Acquisition System, Loan Management, Delinquency and Recovery Management, Deposits and Finance Against Securities. FinnAxia™ is the offerings from Nucleus Software in the area of global transactional banking space, consisting of corporate solutions for receivables and collection management, payments, liquidity management and financial supply chain. Over the years, our committed professionals have provided solutions par excellence and with the experience and skills, we have been able to create a global footprint of clients 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, Australia and USA and branch offices in Chennai and Mumbai in India and in London, UK and Dubai. The Singapore subsidiary has branch offices in Seoul in Korea and Manila in Philippines. These Subsidiaries/branch offices help the Company in providing front-end support to clients and explore new opportunities.

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 Company’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 Company’s focus on product development is to build products on latest architecture & technology stack. They will have advanced feature & functionalities to support growing need of business. At Nucleus

our strategy is to ultimately touch and improve lives of more and more people across the world by equipping Banks with superior technology products for managing lending operations. Our key strengths include:

- Robust functionality of products
- A satisfied and widely spread customer base
- Commitment to deliver quality and Value through our portfolio of products
- Strong and rich BFS domain expertise
- Reputation of being a 'Leader' / Niche player
- Following Best practices of Corporate Governance
- A pool of technically qualified skilled resources
- Highly competent and geared up Leadership team
- Industry recognitions and accolades from all across the globe

Nucleus Software is embarking on a makeover which will take it to the next level. This endeavor 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:

- Nucleus Software won The Asian Banker Award for “Best Lending Platform Implementation” during the The Asian banker Summit 2014.
- FinnOne™ has been ranked as the **Global No. 1 Lending Software solution** for the sixth consecutive year by IBS Publishing, UK in their Sales League Table 2014 for Banking Product Sales.
- Nucleus Software won Corporate Affairs Forum & Awards for 2nd consecutive year under the category Financial & Investor Relations Award – 2013 organised by World CSR Congress.
- Online Annual Report of the Company for the year ended March 31, 2013 has won the Platinum award for excellence within the Industry Technology–Software category and has been ranked 15 worldwide in the Top 50 Annual Reports in the Vision Awards by the League of American Communications Professionals (LACP).
- Annual Report of the Company for the year ended March 31, 2013, 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' for the year 2012–13.
- NASSCOM Corporate Award for Excellence in Diversity and Inclusion 2013 for the category **Best IT services & Product Company – Special recognition (less than 5000 employees)**
- '**Best Online Annual Report**' globally in the technology sector & the Best in '**Most Improved Financial Disclosure Procedures**' in the regional rankings for India for the year 2012 by IR Global Rankings (IRGR).
- Nucleus Software wins the prestigious **IR Global Ranking Awards**, 2013 for the second consecutive year. Adjudged as the **3rd Best Ranked Company – IR Website by Region**.

- Social and Corporate Governance Award 2013 in the category '**Best Overall Corporate Governance**'
- Nucleus Software has won the Titanium Award for Investor Relations, Corporate Governance, Social Responsibility, Environment Responsibility and Investor Relations in the Asset Triple A Corporate Awards 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., 31 March 2011.
- HDFC Bank, Nucleus Software customer, won the prestigious Celent 2010 Model Bank Award for its loan origination system, FinnOne™.
- Ranked amongst the Top 25 companies adopting "Good Corporate Governance Practices" by ICSI for fourth consecutive year in 2009.

FINANCIAL PERFORMANCE

Financial statements of the Company are prepared in compliance with the Companies Act, 2013 and generally accepted accounting principles in India (Indian GAAP). The Company has seven subsidiary companies, all over the world, all of which are wholly-owned subsidiaries.

The consolidated financial results are as below:

(Rs. in crore)

For the Quarter Ended December 31,	2014	% of Revenue	Growth (%)	2013	% of Revenue
Revenue From Operations	85.98	100%	-4.4%	89.96	100%
Expenses					
a) Changes in inventories of stock-in-trade	-	0%		-	0%
b) Employee benefits expense	49.92	58%	9.0%	45.80	51%
c) Travel expenditure	5.13	6%	3.5%	4.95	6%
d) Finance costs	0.12	0%	-14.1%	0.14	0%
e) Other expenses	15.78	18%	-19.6%	19.62	22%
Total Expenses	70.95	83%	0.6%	70.51	78%
Operating Profit (EBITDA)	15.03	17%	-22.7%	19.45	22%
Depreciation	3.08	4%	59.6%	1.93	2%
Operating Profit after Interest and Depreciation	11.95	14%	-31.8%	17.52	19%
Other Income	11.62	14%	46.2%	7.94	9%
Foreign Exchange Gain/ (Loss)	0.64	1%	-316.6%	(0.30)	0%
Profit Before Tax	24.21	28%	-3.8%	25.16	28%
Taxation					
- Withholding Taxes	0.27	0%	9.2%	0.24	0%
- Income / Wealth Tax	4.01	5%	255.8%	1.13	1%
MAT credit entitlement	(0.64)	-1%			0%
Earlier year tax	(0.38)	0%			0%
- Deferred Taxation	1.38	2%	239.9%	0.41	0%
Profit After Tax	19.57	23%	-16%	23.39	26%

Revenue from Operations

We derive our revenue from the following business segments:

- Products
- Projects and Services

During the quarter the total revenue is Rs. 85.98 crore against Rs. 89.96 crore for the corresponding quarter previous year.

Revenue from Products

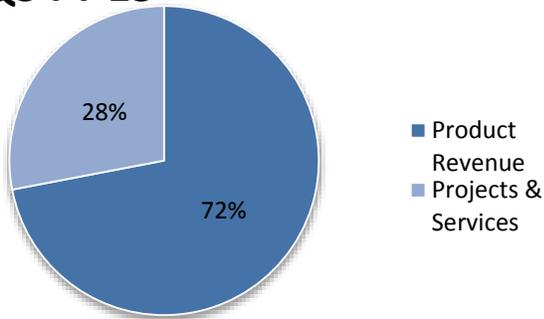
Product revenue arises from Products and related services comprising of license fees, revenue from customization and implementation of products and post production and maintenance support. Product revenue is Rs.61.90 crore during the quarter, constituting 72% of the total revenue against Rs. 61.41 crore, 68% of total revenue, in the corresponding quarter previous year. This has increased by 0.79%. We are a Company focused on Product business.

Revenue from Projects and Services

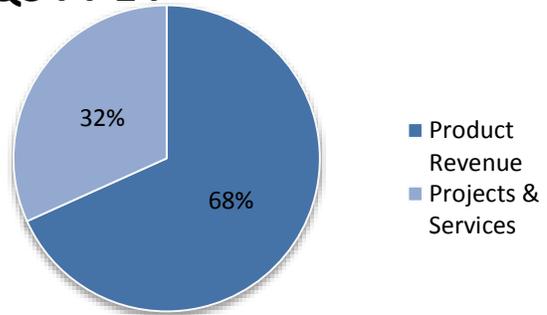
Software services rendered by the Company, classified under this segment, typically consist of development of software to meet specific customer requirements consisting of application development & maintenance, testing services, consulting and infrastructure management services with a strong banking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

Revenue from software projects and services segment during the quarter is Rs. 24.08 crore constituting 28% of the total revenue against Rs. 28.55 crore, constituting 32% of total revenue in the corresponding quarter previous year. This has decreased by 15.64%.

Q3 FY 15



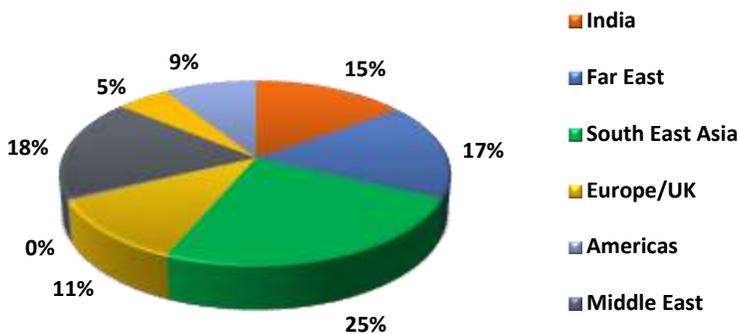
Q3 FY 14



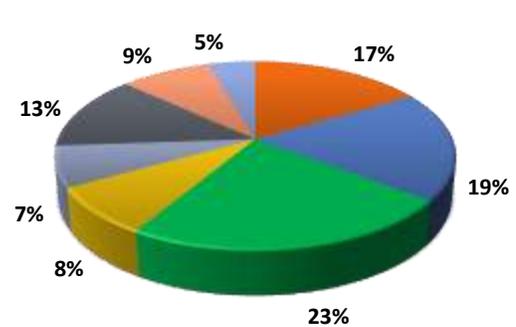
Revenue from Various Geographies

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.

Q3 FY 15



Q3 FY 14



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. 49.92 crore. For the corresponding quarter previous year, they were at Rs. 45.80 crore.

Employee costs have risen and we are taking steps to optimize utilization and productivity.

(Rs. in crore)

Employee Benefit Expenses

For the Quarter Ended December 31,	2014	% of Revenue	Growth (%)	2013	% of Revenue
Salaries and bonus	45.99	53%	11.50%	41.25	46%
Contribution to provident and other funds	2.36	3%	8.72%	2.17	2%
Gratuity expense	0.72	1%	-58.33%	1.74	2%
Staff welfare	0.85	1%	32.10%	0.64	1%
Total Employee Benefit Expenses	49.92	58%	9%	45.80	51%

Operating and Other Expenses

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

(Rs. in crore)

For the Quarter Ended December 31,	2014	% of Revenue	Growth (%)	2013	% of Revenue
Software and other development charges	1.44	2%	-66%	4.29	5%
Cost of software purchased for delivery to clients	0.50	1%	-79%	2.32	3%
Power and fuel	1.09	1%	8%	1.01	1%
Rent (see note 2.23)	2.36	3%	3%	2.30	3%
Repair and maintenance	0.70	1%	-8%	0.76	1%
- Buildings	0.10	0%	-46%	0.18	0%
- Others	0.60	1%	4%	0.58	1%
Insurance	0.28	0%	19%	0.24	0%
Rates and taxes	0.10	0%	-57%	0.22	0%
Travel expenses	5.13	6%	3%	4.95	6%
Advertisement and business promotion	0.49	1%	67%	0.29	0%
Legal and professional (see note 2.25)	3.04	4%	32%	2.30	3%
Directors remuneration (see note below)	0.22	0%	1%	0.21	0%
Conveyance	0.61	1%	39%	0.44	0%
Communication	0.73	1%	24%	0.59	1%
Training and recruitment	0.85	1%	-7%	0.91	1%
Loss on Current non trade investments				0.94	1%
Conference, exhibition and seminar	0.17	0%	-1039%	(0.02)	0%
Information technology expenses	1.01	1%	24%	0.81	1%
Provision for doubtful debts/advances/other current assets	0.84	1%	-317%	(0.39)	0%
Commission to channel partners	0.38	0%	-64%	1.04	1%
Finance Cost	0.12	0%	-14%	0.14	0%
Miscellaneous expenses	0.98	1%	-28%	1.36	2%
Total Operating and Other Expenses	21.02	24%	-15%	24.72	27%

- 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. 15.03 crore, 17.5% of revenue against Rs. 19.45 crore, 21.6% of revenue in the corresponding quarter previous year.

Depreciation

Depreciation on fixed assets was Rs. 3.08 crore, for the quarter against Rs. 1.93 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 December 31,	2014	2013
On Investments		
Capital Gain- Mutual Funds	5.04	4.26
Dividend on investment in Mutual fund units	0.75	2.05
Interest Income	3.95	1.47
Foreign Exchange differences on consolidation	0.40	0.05
Profit on sale of assets	0.00	0.02
Provisions written back	0.55	-
Others	0.93	0.09
Total	11.62	7.94

Other income for the quarter is Rs. 11.62 crore, against Rs. 7.94 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. 0.63 crore against a gain of Rs. 0.58 crore for the corresponding quarter previous year.

Taxation

It represents provision for corporate & income taxes in various countries where the Company and subsidiaries operate.

(Rs. in crore)

For the Quarter Ended December 31,	2014	2013
- Withholding taxes charged off	0.27	0.24
- Current Tax	4.01	1.13
- MAT Credit Entitlement	(0.64)	-
- Deferred Tax Credit (net)	1.36	0.41
- Earlier Year Tax	(0.36)	-
Total	4.64	1.78

Profit after Tax

Our profit after tax for the quarter is Rs. 19.57 crore, 23% of revenue, against Rs. 23.39 crore, 26% 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 December 31, 2014 is 32,383,724 equity shares of Rs. 10 each.

Subsidiaries

The Company has seven wholly owned subsidiary companies, all over the world. As 100% of the Share Capital of the Subsidiaries is held by Nucleus Software Exports Limited and nominees; on consolidation of accounts, these amounts are contra with investments in Subsidiaries amounts in the accounts of the Parent Company. Paid-up Share Capital of the Subsidiaries as on December 31, 2014 is as per the below table:

Name of Subsidiary Company	Currency	As at December 31, 2014		As at March 31, 2014	
		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 S\$ 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 (After provision for diminution)	USD	350,000	1.63	350,000	1.63
Nucleus Software Japan Kabushiki Kaiga, 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. 4000 equity shares of Euro 100 each	Euro	400,000	2.42	400,000	2.42
Nucleus Software Limited, India 10,000,000 equity shares of Rs.10/- each	INR	-	10.00	-	10.00
Nucleus Software Australia Pty. Limited, 100,000 equity shares of 1 AUD each	AUD	100,000	0.55	1	-

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

Fixed Assets

As at December 31, 2014, gross block of fixed assets including investment in technology assets is Rs. 142.82 crore (Rs. 141.49 crore Sep 30, 2014)

(Rs. in crore)

As at	31-Dec-14	Inc/Dec (%)	30-Sep-14
Gross Block			
Freehold land	0.34	-	0.34
Leasehold land	18.78	-	18.78
Leasehold improvement	1.02	(1.99)	1.04
Building	28.09	0.00	28.09
Office and other equipment	19.57	(0.14)	19.6
Computers	36.21	0.33	36.09
Vehicles	2.66	10.70	2.4
Furniture and fixtures	5.22	(0.20)	5.23
Software	30.94	3.39	29.92
Total	142.82	0.94	141.49
Less: Accumulated Depreciation	83.46	3.39	80.72
Net Block	59.37	(2.31)	60.77
Add: Capital Work In Progress			
Net Fixed Assets	59.37	(2.31)	60.77

Other Long-Term Investments

Other long term investments comprise of investment in 250,000 Equity Shares of face value of Rs.10/- each in Ujjivan Financial Services Private Ltd., a Company promoted in the area of micro finance by a group of experienced professionals with banking and technology background.

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 December 31, 2014 the cash and bank balances stood at Rs. 156.56 crore (and current investments in liquid schemes and Fixed Maturity Plans of mutual funds were Rs. 121.73 crore.

Total cash and current investments are thus at Rs. 278.29 crore on December 31, 2014.

Cash & Cash Equivalents as at	31-Dec-14	30-Sep-14	31-Dec-13
Balances with Bank			
In Current Accounts	29.19	24.24	23.60
In Fixed Deposit Account	127.37	81.87	54.16
Investments in Mutual Funds	121.73	150.46	211.69
Investments in tax free PSU Bonds*	-	-	10.00
Total	278.29	256.57	299.45

* Investments in tax free PSU bonds are under non current investments.

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.

Days of sales receivables (DSR) are at 58 days as on December 31, 2014 against 75 days as on September 30, 2014.

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.

Current Liabilities

Current Liabilities as on December 31, 2014 is Rs. 63.93 crore (Rs. 93.16 crore as on September 30, 2014).

(Rs. in crore)		
As at	31-Dec-14	30-Sep-14
Trade Payables	27.93	28.68
Advances from customers	3.17	26.10
Deferred Revenue	23.25	26.44
Mark-to-market loss on forward and options contr:	0.67	0.21
Unclaimed dividend	0.27	0.28
Book Overdraft	-	0.00
Payable for purchase of fixed assets	0.20	0.59
Retention Money	-	-
Other Payables- statutory remittances	4.67	4.08
Short term provisions		0.00
Compensated absences	2.30	2.80
Gratuity	0.41	2.95
Proposed dividend	-	0.00
Tax on dividend	-	0.00
Provision for tax	1.05	1.04
Total	63.93	93.16

Long Term Provisions

Provisions as on December 31, 2014 are Rs. 5.01 crore (Rs. 12.51 crore as on September 30, 2014). The breakup of provisions at the quarter end is given below.

(Rs. in crore)

As at	31-Dec-14	30-Sep-14
Gratuity	1.25	8.87
Compensated Absences	3.76	3.64
Total	5.01	12.51

Provisions for Gratuity and Leave encashment represent provision made by the Company based on valuation reports from actuaries.

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 results for the year ending Ending March 31, 2015	between 21 st to 31 st of April 2015
Financial reporting for the first quarter Ending June 30, 2015	between 21 st to 31 st of July 2015
Financial reporting for the second quarter Ending September 30, 2015.	between 21 st to 31 st of October 2015
Financial reporting for the third quarter Ending December 31, 2015.	between 21 st to 31 st of January 2016

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.
- 99.56 % of the Company's equity shares are in demat form.
- The Company has 16,218 shareholders as on December 31, 2014.
- The Company has not issued any GDRs / ADRs. The Company has granted options to employees under ESOP (1999), ESOP (2002), ESOP (2005) and ESOP (2006) scheme. The options if exercised at the end of the vesting period shall be converted into equity shares.
- 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
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.
- 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

Plot No. 17-24

Vithal Rao Nagar, Madhapur

Hyderabad 500 081

Tel: 040-23420815-28

Fax: 040- 23420814/23420857

Email: mailmanager@karvy.com

- Financial Results of Nucleus Software Exports Limited for the Quarter Ended December 31, 2014.
(Consolidated)



CONSOLIDATED PROFIT AND LOSS FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER, 2014

₹ In Lakhs

Particulars	Quarter Ended			Nine Months Ended		Year Ended
	December 31, 2014	September 30, 2014	December 31, 2013	December 31, 2014	December 31, 2013	March 31, 2014
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. INCOME FROM OPERATIONS						
Income from Software Products and Services	8,597.87	8,683.47	8,996.15	25,224.00	25,853.62	34,622.21
Total Income from operations (net)	8,597.87	8,683.47	8,996.15	25,224.00	25,853.62	34,622.21
2. EXPENSES						
a) Changes in inventories of stock-in-trade	-	-	-	-	494.86	494.86
b) Employee benefit expense	4,992.17	4,948.50	4,579.87	14,770.43	13,475.63	18,077.51
c) Travel expense	512.66	477.73	495.48	1,419.33	1,472.26	1,990.08
d) Finance cost (Bank Charges)	11.99	14.74	13.96	40.37	38.99	51.48
e) Other expenses	1,577.71	1,688.39	1,962.16	4,923.69	5,722.96	7,349.84
Total Expenses	7,094.53	7,129.36	7,051.47	21,153.82	21,204.70	27,963.77
3. PROFIT FROM OPERATIONS BEFORE DEPRECIATION (1-2)	1,503.34	1,554.11	1,944.68	4,070.18	4,648.92	6,658.44
4. Depreciation and amortisation expense	308.17	293.62	193.10	887.98	528.06	793.56
5. PROFIT FROM OPERATIONS AFTER DEPRECIATION (3-4)	1,195.17	1,260.49	1,751.58	3,182.20	4,120.86	5,864.88
6. Other Income	1,225.50	683.66	764.92	2,584.33	1,706.88	2,455.34
7. PROFIT BEFORE TAXES (5+6)	2,420.67	1,944.15	2,516.50	5,766.53	5,827.74	8,320.22
8. Tax expense	463.92	659.24	177.87	1,359.43	1,278.10	1,886.34
9. PROFIT AFTER TAXES (7-8)	1,956.75	1,284.91	2,338.63	4,407.10	4,549.64	6,433.88
10. Earnings Per Share (Rs.) (Par value Rs.10 each) (not annualised)						
Basic	6.04	3.97	7.22	13.61	14.05	19.87
Diluted	6.04	3.97	7.22	13.61	14.05	19.87

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 and branch offices in Dubai (UAE) and London (U.K).

Nucleus operates state-of-the-art Software Development Centers at NOIDA (U.P) and Chennai 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) under the Software Technology Park Scheme of the Government of India.

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 has De-materialized 32,241,204 shares (99.56% of the paid up share capital) as at December 31, 2014

The Company obtains from a Company Secretary in practice half –yearly certificate of compliance with the share transfer formalities as required under Clause 47 (c) of the Listing Agreement and files a copy of the certificate with the Stock Exchanges.

8. Employee Stock Option Schemes

The Company earlier instituted an ESOP scheme 1999 in year 2000, ESOP scheme 2002 was instituted in 2002, ESOP scheme 2005 was instituted in 2005 and ESOP scheme 2006 was instituted in 2006. These schemes were duly approved by the Board of Directors and Shareholders in their respective meetings. The 1999 scheme originally provided for the issue of 170,000 Equity Shares, 2002 scheme for 225,000 Equity Shares, 2005 scheme for 625,000 Equity Shares and 2006 scheme for 10,00,000 to eligible employees and Directors. A Compensation Committee of Board of Directors administers these schemes.

The Company has allotted Bonus shares in the ratio of 1:1 to the existing equity shareholders of the Company in August 2007. Consequently the Company has applied and received in-principal approval from stock exchanges for allotment of additional shares in the ratio of 1:1 (pursuant to Bonus Issue), which are likely to arise out of exercise of options as and when exercised under the abovementioned schemes.

9. Investors' Services

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

S.No.	Nature of Requests	Received	Attended	Pending
1.	Revalidation of Dividend Warrants	14	14	Nil
2.	Non-receipt of Dividend Warrant	1	1	Nil
3.	Non-Receipt of Securities	0	0	Nil
4.	Non-Receipt of Shares after transfer	0	0	Nil
5.	Non-Receipt of Annual Report	0	0	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 clause 47(f) of the Listing Agreement, the designated e-mail address for investor complaints is investorrelations@nucleussoftware.com.

10. Legal Proceedings

There is no legal proceeding pending against the Company in the Court.

11. Distribution of Shareholding

Distribution Schedule As On 30/09/2014					
S.No	Category	No. of Cases	% of Cases	No. of Shares	% To Equity
1	1-5000	14,089	86.87	15,411,430	4.76
2	5001- 10000	1,092	6.73	8,238,050	2.54

3	10001- 20000	499	3.08	7,349,290	2.27
4	20001- 30000	159	0.98	4,050,160	1.25
5	30001- 40000	92	0.57	3,248,290	1.00
6	40001- 50000	62	0.38	2,869,910	0.89
7	50001- 100000	114	0.70	8,068,740	2.49
8	100001& Above	111	0.68	274,601,370	84.80
	Total:	16,218	100	323,837,240	100.00

12. Categories of Shareholders

	<i>As on December 31,2014</i>		
<i>Category</i>	<i>No. of Share Holders</i>	<i>Voting Strength (%)</i>	<i>No. of Shares Held</i>
Promoter and Promoter Group	11	60.62	1,96,31,866
Individuals	15,243	23.01	7,450,241
Bodies Corporate	484	2.70	8,73,670
Non-Resident Indians	376	1.86	6,03,158
Foreign Institutional Investors	17	8.54	2,766,918
Mutual Funds	5	2.90	9,38,570
Financial Institutions/ Banks	2	0.13	42,918
Clearing Members and Trusts	80	0.24	76,383
Total	16,218	100.00	32,383,724

13. 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

14. Employee Strength of Nucleus

Nucleus employed 1,513 people as on December 31, 2014 as compared to 1,516 people as on March 31, 2014.

Distribution of the employees is:

A. Distribution of the Employees:

	December 31, 2014	September 30, 2014
Technical Employee's	1216	1,266
Non-Technical Employee's including Business Development Group	297	292
TOTAL	1513	1,558
Male	1137	1170
Female	376	380
TOTAL	1513	1558

B. The Age Profile of The Employees Is:

	December 31, 2014	September 30, 2014
Between 20 and 25 years	388	434
Between 26 and 30 years	366	358

Between 31 and 40 years	624	638
Between 41 and 50 years	122	115
51 years and above	13	13
Total	1513	1558

15. *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

E Mail: vishnu@nucleussoftware.com

Pramod K Sanghi - President - Finance & CFO

Tel: +91 (120) 4031800

E Mail: pksanghi@nucleussoftware.com

Poonam Bhasin - Company Secretary

Tel: +91 (120) 4031400

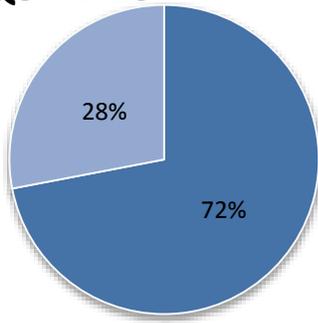
E Mail: poonam@nucleussoftware.com

Consolidated segment Information



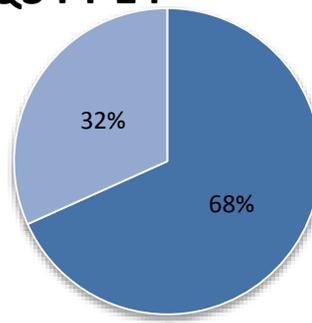
CONSOLIDATED SEGMENT INFORMATION												
												₹ In Lakhs
REVENUE BY	Quarter Ended						Nine Month Ended				Year Ended	
	December 31, 2014	% of Revenue	September 30, 2014	% of Revenue	December 31, 2013	% of Revenue	December 31, 2014	% of Revenue	December 31, 2013	% of Revenue	March 31, 2014	% of Revenue
	Unaudited		Unaudited		Unaudited		Unaudited		Unaudited		Audited	
GEOGRAPHICAL SEGMENTS												
INDIA	1,293.92	15.05	1,266.77	14.59	1,487.26	16.53	3,930.62	15.58	5,325.53	20.60	6,985.31	20.18
FAR EAST	1,449.79	16.86	1,531.61	17.64	1,696.13	18.85	4,399.70	17.44	5,343.18	20.67	6,929.99	20.02
SOUTH EAST ASIA	2,108.36	24.52	1,926.46	22.19	2,090.23	23.23	5,717.05	22.67	5,692.79	22.02	7,799.46	22.53
EUROPE /U.K.	974.41	11.33	839.99	9.67	741.34	8.24	2,511.54	9.96	1,585.04	6.13	2,179.61	6.30
AMERICAS	33.94	0.39	26.19	0.30	633.75	7.04	382.44	1.52	1,806.28	6.99	2,550.80	7.37
MIDDLE EAST	1,529.96	17.79	1,760.80	20.28	1,162.17	12.92	4,862.17	19.28	3,640.04	14.08	4,978.71	14.38
AFRICA	437.06	5.09	779.90	8.98	781.30	8.68	1,642.07	6.51	1,708.37	6.61	2,028.22	5.86
REST OF THE WORLD	770.43	8.97	551.75	6.35	403.96	4.51	1,778.41	7.05	752.39	2.91	1,170.11	3.36
TOTAL	8,597.87	100.00	8,683.47	100.00	8,996.15	100.00	25,224.00	100.00	25,853.62	100.00	34,622.21	100.00
BUSINESS SEGMENTS												
PRODUCTS	6,189.54	71.99	6,195.40	71.35	6,141.26	68.27	18,023.76	71.45	17,883.81	69.17	23,795.98	68.73
Own	6,120.58	71.19	6,098.78	70.23	5,876.91	65.33	17,613.89	69.83	16,461.07	63.67	22,139.03	63.94
Traded	68.96	0.80	96.62	1.11	264.35	2.94	409.87	1.62	1,422.74	5.50	1,656.95	4.79
PROJECTS & SERVICES	2,408.33	28.01	2,488.07	28.65	2,854.88	31.73	7,200.24	28.55	7,969.80	30.83	10,826.23	31.27
TOTAL	8,597.87	100.00	8,683.47	100.00	8,996.15	100.00	25,224.00	100.00	25,853.62	100.00	34,622.21	100.00

Q3 FY 15



■ Product Revenue
■ Projects & Services

Q3 FY 14



■ Product Revenue
■ Projects & Services

RATIO ANALYSIS

Consolidated Performance			
Particulars	Quarter Ended		
	Dec-14	Sep-14	Dec-13
Ratios- Financial Performance			
Export Revenue/ Revenue (%)	84.95%	85.41%	83.47%
Domestic Revenue/ Revenue (%)	15.05%	14.59%	16.53%
Total Operating Expenses/ Revenue (%)	82.51%	82.10%	78.38%
Operating Profit/ Revenue (%)	17.49%	17.90%	21.62%
Depreciation/ Revenue (%)	4.22%	3.96%	2.57%
Other Income/ Revenue (%)	16.36%	8.78%	11.27%
Tax/ Revenue (%)	30.86%	42.42%	9.15%
Effective Tax Rate - Tax/ PBT (%)	19.16%	33.91%	7.07%
PAT from Ordinary Activities/ Revenue(%)	9.26%	7.59%	17.16%
PAT from Ordinary Activities/Net Worth(%) (LTM)	1.82%	1.57%	406.01%
Ratios- Return			
ROCE(PBIT/ Average Capital Employed) (%) (LTM)	18.68%	19.37%	17.73%
ROANW (PAT/Average Net Worth) (%) (LTM)	14.70%	16.15%	14.49%
Ratios - Balance Sheet			
Debt-Equity Ratio	-	-	-
Debtors Turnover (Days)	58	76	70
Asset Turnover Ratio (LTM)	0.66	0.65	0.69
Current Ratio	5.82	4.25	4.48
Cash and Equivalents/Total Assets (%)	54.01%	48.65%	61.91%
Cash and Equivalents/ Revenue (%) (LTM)	81.87%	74.60%	90.20%
Ratios - Growth (YoY)			
Growth in Export Revenue (%)	-2.73%	12.88%	19.75%
Growth in Total Revenue (%)	-4.43%	5.57%	20.54%
Operating Expenses Growth (%)	0.61%	2.69%	13.52%
Operating Profit Growth (%)	-22.69%	21.19%	55.42%
PAT Growth (%)	-16.33%	17.40%	89.68%
EPS Growth (%)	-16.36%	17.41%	89.68%
Per- Share Data (Period End)			
Earning Per Share from Ordinary Activities (Rs.)	2.46	2.03	4.77
Earning Per Share (Including Other Income) (Rs.)	6.04	3.97	7.22
Cash Earning Per Share from Ordinary Activities (Rs.)	3.41	2.94	5.36
Cash Earning Per Share (Including Other Income)(Rs.)	6.99	4.87	7.82
Book Value Per Share (Rs.)	134.98	129.30	123.39
Price/Earning (Annualized)	7.63	14.73	4.84
Price/ Cash Earning (Annualized)	6.59	11.99	4.47
Price/Book Value	1.37	1.81	1.13

- Note:**
1. While calculating the consolidated figures of group, inter group transactions have been ignore
 2. Previous year figures have been regrouped/ reclassified wherever necessary.
 3. Cash and Equivalents includes cash and bank balances and current investments.