

NUCLEUS SOFTWARE Inc., USA
BALANCE SHEET AS AT 31 MARCH, 2012

	Notes No.	As at 31 Mar 2012 (USD)	As at 31 Mar 2011 (USD)	As at 31 Mar 2012 (Rupees) (Unaudited) Refer note 1.2 (i)	As at 31 Mar 2011 (Rupees) (Unaudited) Refer note 1.2 (i)
A. EQUITY AND LIABILITIES					
1. SHAREHOLDERS' FUNDS					
a. Share capital	2.1	350,000	350,000	17,808,000	15,638,000
b. Reserves and surplus	2.2	<u>(914,611)</u>	<u>(931,681)</u>	<u>(46,535,405)</u>	<u>(41,627,481)</u>
		(564,611)	(581,681)	(28,727,405)	(25,989,481)
2. NON-CURRENT LIABILITIES					
Long-term borrowings	2.3	300,000	400,000	15,264,000	17,872,000
3. CURRENT LIABILITIES					
a. Trade payables	2.4	1,361,805	203,928	69,288,616	9,111,512
b. Other current liabilities	2.5	<u>150,093</u>	<u>414,119</u>	<u>7,636,732</u>	<u>18,502,837</u>
		1,511,898	618,047	76,925,348	27,614,349
		<u>1,247,287</u>	<u>436,367</u>	<u>63,461,943</u>	<u>19,496,869</u>
B. ASSETS					
1. NON-CURRENT ASSETS					
a. Fixed assets					
- Tangible assets	2.6	<u>8,227</u>	<u>8,857</u>	<u>418,613</u>	<u>395,751</u>
		8,227	8,857	418,613	395,751
b. Long-term loans and advances	2.7	<u>8,700</u>	<u>5,100</u>	<u>442,656</u>	<u>227,868</u>
		16,927	13,957	861,269	623,619
2. CURRENT ASSETS					
a. Trade receivables	2.8	307,962	222,002	15,669,107	9,919,049
b. Cash and Cash Equivalents	2.9	876,531	199,367	44,597,895	8,907,733
c. Short-term loans and advances	2.10	<u>45,866</u>	<u>1,040</u>	<u>2,333,672</u>	<u>46,468</u>
		1,230,359	422,409	62,600,674	18,873,250
		<u>1,247,287</u>	<u>436,367</u>	<u>63,461,943</u>	<u>19,496,869</u>

Notes forming part of the Financial Statements 1 & 2

The notes referred to above form an integral part of the Financial Statements

In terms of our report attached

For **SPMG & CO.**
Chartered Accountants

VINOD GUPTA
Partner

New Delhi
Date : April 28, 2012



For and on behalf of the Board of Directors
NUCLEUS SOFTWARE Inc.

Vishnu R Dusad
VISHNU R DUSAD
Director

New Delhi
Date : April 28, 2012

NUCLEUS SOFTWARE Inc., USA
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2012

	Notes No.	For the Year ended 31 Mar 2012 (USD)	For the Year ended 31 Mar 2011 (USD)	For the Year ended 31 Mar 2012 (Rupees) (Unaudited) Refer note 1.2 (i)	For the Year ended 31 Mar 2011 (Rupees) (Unaudited) Refer note 1.2 (i)
1. REVENUE FROM OPERATIONS					
Sales and services	2.11	2,537,913	406,787	121,921,341	18,545,419
2. OTHER INCOME	2.12	-	1,287	-	58,674
3. TOTAL REVENUE (1+2)		2,537,913	408,074	121,921,341	18,604,093
4. EXPENSES					
a. Employee benefit expenses	2.13	381,999	425,797	18,351,220	19,412,089
b. Operating and other expenses	2.14	2,111,227	339,879	101,423,332	15,495,096
c. Finance cost	2.15	21,710	6,785	1,042,956	309,323
d. Depreciation	2.6	2,868	1,371	137,779	62,498
TOTAL EXPENSES		2,517,804	773,832	120,955,287	35,279,006
5. PROFIT /(LOSS) BEFORE TAX		20,109	(365,758)	966,054	(16,674,912)
6. TAX EXPENSE					
a. Current tax		3,040	3,229	146,042	147,196
7. PROFIT /(LOSS) FOR THE PERIOD		17,069	(368,987)	820,012	(16,822,108)
8. EARNINGS PER EQUITY SHARE					
Equity shares of USD 0.35 each					
a. Basic and Diluted	2.18	0.02	(0.37)	0.82	(16.82)
Number of shares used in computing earnings per share					
a. Basic and Diluted		1,000,000	1,000,000	1,000,000	1,000,000

Notes forming part of the Financial Statements 1 & 2

The notes referred to above form an integral part of the Financial Statements

In terms of our report attached

For **SPMG & CO.**
Chartered Accountants

VINOD GUPTA
Partner

New Delhi
Date : April 28, 2012



For and on behalf of the Board of Directors
NUCLEUS SOFTWARE Inc.

VISHNU R DUSAD
Director

New Delhi
Date : April 28, 2012

Vishnu R. Dusad

NUCLEUS SOFTWARE Inc., USA
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2012

	For the Year ended 31 Mar 2012 (USD)	For the Year ended 31 Mar 2011 (USD)	For the Year ended 31 Mar 2012 (Rupees) (Unaudited) Refer note 1.2 (i)	For the Year ended 31 Mar 2011 (Rupees) (Unaudited) Refer note 1.2 (i)
A. Cash flow from operating activities				
Net Profit / (loss) before tax	17,069	(368,987)	820,012	(16,822,108)
Depreciation	2,868	1,371	137,779	62,498
Adjustments for:				
Exchange difference on translation of foreign currency accounts			3,159,213	(106,735)
Operating Profit/ (Loss) before working capital changes	19,937	(367,616)	4,117,004	(16,866,345)
Adjustment for (increase)/decrease in operating assets				
Trade Receivables	(85,960)	(222,002)	(4,129,518)	(10,121,071)
Long-Term Loans and Advances	(3,600)		(172,944)	-
Short -Term Loans and Advances	(44,826)	(260)	(2,153,451)	(11,853)
Adjustment for increase/ (decrease) in operating liabilities				
Trade payables	1,157,876	(83,645)	55,624,384	(3,813,376)
Other current liabilities	(264,026)	233,793	(12,683,799)	10,658,623
Net cash flow from/(used in) operating activities (A)	779,402	(439,730)	40,601,675	(20,154,022)
B. Cash flow from investing activities				
Purchase of fixed assets/capital work in progress	(2,238)	(10,228)	(107,514)	(466,310)
Net cash from/ (used in) investing activities (B)	(2,238)	(10,228)	(107,514)	(466,310)
C. Cash flow from financing activities				
Long-Term Borrowings	(100,000)	500,000	(4,804,000)	22,795,000
Net cash from financing activities (C)	(100,000)	500,000	(4,804,000)	22,795,000
Net increase/ (decrease) in cash and cash equivalents (A+B)	677,164	50,042	35,690,162	2,174,669
Cash and cash equivalents at the beginning of the Year	199,367	149,325	8,907,733	6,733,064
Cash and cash equivalents at the end of the Year	876,531	199,367	44,597,895	8,907,733

Notes:

1. The above cash flow statement has been prepared in accordance with the 'Indirect method' as set out in the Accounting Standard 3 on "Cash Flow Statements" prescribed under Companies (Accounting Standard) Rules, 2006.

2. Cash and cash equivalents consist of balances in current accounts with non scheduled banks.

In terms of our report attached

For **SPMG & CO.**
Chartered Accountants

VINOD GUPTA
Partner

Gurgaon
Date : April 28, 2012



For and on behalf of the Board of Directors
NUCLEUS SOFTWARE Inc.

Vishnu R Dusad

VISHNU R DUSAD
Director

New Delhi
Date : April 28, 2012

NUCLEUS SOFTWARE Inc., USA
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

SHARE CAPITAL

Particulars	As at 31 March 2012 (USD)	As at 31 March 2011 (USD)	As at 31 March 2012 (Rupees) (Unaudited) Refer note 1.2 (i)	As at 31 March 2011 (Rupees) (Unaudited) Refer note 1.2 (i)
a. Authorized				
Equity Shares 1,000,000 (1,000,000) equity shares of USD 0.35 per share	350,000	350,000	17,808,000	15,638,000
b. Issued, Subscribed and Paid-Up				
1,000,000 (1,000,000) equity shares of USD 0.35 each, fully paid up, held by Nucleus Software Exports Limited, India (the Holding Company).	350,000	350,000	17,808,000	15,638,000

2.2 RESERVES AND SURPLUS

a. Surplus/ (Deficit) In Statement of Profit and Loss				
Opening Balance	(931,681)	(562,694)	(43,471,296)	(26,649,188)
Add: Profit / (Loss) for the Year	17,069	(368,987)	820,012	(16,822,108)
Closing balance	<u>(914,611)</u>	<u>(931,681)</u>	<u>(42,651,283)</u>	<u>(43,471,296)</u>
b. Currency Translation Reserve				
Opening Balance			1,843,815	-
Add: Created during the Year			(5,727,937)	-
Closing balance	-	-	<u>(3,884,122)</u>	<u>1,843,815</u>
Total	<u>(914,611)</u>	<u>(931,681)</u>	<u>(46,535,405)</u>	<u>(41,627,481)</u>

**2.3 LONG-TERM BORROWINGS
(Unsecured)**

Loan from Holding Company	300,000	400,000	15,264,000	17,872,000
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2.4 TRADE PAYABLES

a. Trade Payables				
- Others	865,496	189,926	44,036,442	8,485,899
b. Due to Fellow Subsidiaries	129,521	-	6,590,028	-
c. Due to Holding Company	366,787	14,002	18,662,145	625,613
Total	<u>1,361,805</u>	<u>203,928</u>	<u>69,288,616</u>	<u>9,111,512</u>

Note: The Company has no amounts payable to micro, small and medium 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 from the available information.

2.5 OTHER CURRENT LIABILITIES

a. Loan from Holding Company- NSEL	100,000	100,000	5,088,000	4,468,000
b. Accrued Interest- Parent Company Loan	5,853	5,726	297,801	255,838
c. Advances from Customer	44,240	308,393	2,250,931	13,778,999
Total	<u>150,093</u>	<u>414,119</u>	<u>7,636,732</u>	<u>18,502,837</u>



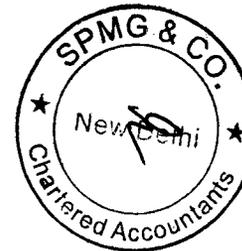
NUCLEUS SOFTWARE Inc., USA
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2.6 Fixed Assets

(Amount in USD unless otherwise stated)

PARTICULARS	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK		
	As at 1 Apr 2011	Additions	Currency Translation	As at 31 Mar 2012	As at 1 Apr 2011	Depreciation for year	Currency Translation	As at 31 Mar 2012	As at 31 Mar 2011
Tangible assets									
Office and other equipment	-	-	-	-	-	-	-	-	-
Computers	10,228	2,238	-	12,466	1,371	2,868.00	-	4,239	8,857
Furniture and fixtures	12,605	-	-	12,605	12,605	-	-	12,605	-
Current year (USD)	22,834	2,238	-	25,072	13,976	2,868	-	16,844	8,227
Current year (Rupees) (Unaudited)*	1,026,624	107,514	-	1,134,138	630,873	137,779	(53,127)	715,525	418,613
Previous year (USD)	12,605	10,228	-	22,834	12,605	1,371	-	13,976	8,857
Previous year (Rupees) (Unaudited)*	568,375	458,250	-	1,026,624	568,375	62,498	-	630,873	395,751

* Refer note 1.2 (i)



NUCLEUS SOFTWARE Inc., USA
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	As at 31 March 2012 (USD)	As at 31 March 2011 (USD)	As at 31 March 2012 (Rupees) (Unaudited) Refer note 1.2 (I)	As at 31 March 2011 (Rupees) (Unaudited) Refer note 1.2 (I)
2.7 LONG-TERM LOANS AND ADVANCES (Unsecured, considered good)				
Security Deposits	8,700	5,100	442,656	227,868
2.8 TRADE RECEIVABLES (Unsecured, considered good)				
a. Trade Receivables outstanding for a period exceeding six months from the date they were due for payment	-	222,002	-	9,919,049
b. Other trade receivables	307,962	-	15,669,107	-
Total	307,962	222,002	15,669,107	9,919,049
2.9 CASH AND CASH EQUIVALENTS				
Balance with non scheduled bank				
- In current account				
- PNC Premium Money Market	694	825	35,285	36,858
- PNC Business Enterprise	279,018	196,042	14,196,419	8,759,175
- Business Basic checking	2,500	2,500	127,200	111,700
- Citibank	594,320	-	30,238,991	-
Total	876,531	199,367	44,597,895	8,907,733
2.10 SHORT-TERM LOANS AND ADVANCES				
Unsecured, considered good				
a. Prepaid Expenses	38,816	1,040	1,974,968	46,468
b. Expenses recoverable from Customers	7,050	-	358,704	-
Total	45,866	1,040	2,333,672	46,468



NUCLEUS SOFTWARE Inc., USA
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	Year ended 31 March 2012 (USD)	Year ended 31 March 2011 (USD)	Year ended 31 March 2012 (Rupees) (Unaudited) Refer note 1.2 (i)	Year ended 31 March 2011 (Rupees) (Unaudited) Refer note 1.2 (i)
2.11 SALES AND SERVICES				
Software Development Services	2,537,913	406,787	121,921,341	18,545,419
2.12 OTHER INCOME				
a. Miscellaneous Income	-	1,287	-	58,674
2.13 EMPLOYEE BENEFIT EXPENSES				
a. Salaries and bonus	333,564	384,541	16,024,412	17,531,207
b. Contribution to provident & other funds	-	-	-	-
c. Staff welfare	48,435	41,256	2,326,808	1,880,882
Total	381,999	425,797	18,351,220	19,412,089
2.14 OPERATING AND OTHER EXPENSES				
a. Consultancy charges	1,508,168	40,922	72,452,380	1,865,634
b. Cost of software purchased for delivery to clients	404,920	98,283	19,452,357	4,480,722
c. Rent	60,463	15,722	2,904,624	716,776
d. Repair and maintenance				
- Buildings	-	-	-	-
- Others	8,226	1,592	395,172	72,567
e. Travelling				
- Foreign	38,704	16,251	1,859,327	740,893
f. Advertisement and business promotion	695	-	33,395	-
g. Legal and professional charges (see note 2.16)	70,343	159,127	3,379,299	7,254,614
h. Communication	11,917	7,982	572,496	363,890
i. Information technology expenses	5,115	-	245,727	-
j. Miscellaneous expenses	2,676	-	128,555	-
Total	2,111,227	339,879	101,423,332	15,495,096
2.15 FINANCE COST				
a. Bank Charges	5,082	1,059	244,147	48,275
b. Interest on Loan	16,628	5,726	798,809	261,048
Total	21,710	6,785	1,042,956	309,323
2.16 Legal and Professional expenses include:				
Audit fees	4,000	3,600	192,160	164,124



NUCLEUS SOFTWARE Inc., USA
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

RELATED PARTY TRANSACTIONS

List of related parties – where control exists

- a. Holding Company**
- Nucleus Software Exports Limited
- b. Other related parties with whom transactions have taken place during the year**

Fellow Subsidiary

- Nucleus Software Solutions Pte. Ltd., Singapore
- Nucleus Software Japan Kabushiki Kaisha

Particulars	Year ended	Year ended	Year ended	Year ended
	31 March 2012	31 March 2011	31 March 2012	31 March 2011
	(USD)	(USD)	(Rupees) (Unaudited)	(Rupees) (Unaudited)
Transactions with related parties				
a. Consultancy charges				
- Nucleus Software Japan Kabushiki Kaisha	110,000	-	5,284,400	-
- Nucleus Software Exports Limited	215,730	-	10,363,659	-
- Nucleus Software Solutions Pte. Ltd., Singapore	-	200,000	-	9,118,000
b. Interest on Loan				
- Nucleus Software Exports Limited	16,628	5,726	798,809	261,048
c. Reimbursement of expenses				
- Nucleus Software Exports Limited	137,056	14,002	6,584,154	638,351
- Nucleus Software Japan Kabushiki Kaisha	19,521	-	937,789	-
d. Long-term Borrowings				
- Nucleus Software Exports Limited	-	500,000	-	22,795,000
e. Repayment of Long-term Borrowings				
- Nucleus Software Exports Limited	100,000	-	4,804,000	-

Outstanding balances as at year end

Particulars	As at	As at	As at	As at
	31 March 2012	31 March 2011	31 March 2012	31 March 2011
	(USD)	(USD)	(Rupees) (Unaudited)	(Rupees) (Unaudited)
a. Trade Payables				
Holding Company			Refer note 1.2 (i)	Refer note 1.2 (i)
- Nucleus Software Exports Limited	366,787	519,728	18,662,145	23,221,447
To Fellow Subsidiaries				
- Nucleus Software Japan Kabushiki Kaisha	129,521	-	6,590,028	-
b. Loan outstanding from Holding Company				
- Nucleus Software Exports Limited	400,000	500,000	20,352,000	22,340,000
c. Interest payable to Nucleus Software Exports Limited				
	5,853	5,726	297,801	255,838

Particulars	Year ended	Year ended	Year ended	Year ended
	31 March 2012	31 March 2011	31 March 2012	31 March 2011
	(USD)	(USD)	(Rupees) (Unaudited)	(Rupees) (Unaudited)
2.18 Earnings per share				
Basic and Diluted				
a. Profit/(loss) after tax	17,069	(368,987)	820,012	(16,822,108)
b. Weighted average number of equity shares.	1,000,000	1,000,000	1,000,000	1,000,000
c. Earnings per share	0.02	(0.37)	0.82	(16.82)

2.18 Earnings per share

Basic and Diluted

a. Profit/(loss) after tax	17,069	(368,987)	820,012	(16,822,108)
b. Weighted average number of equity shares.	1,000,000	1,000,000	1,000,000	1,000,000
c. Earnings per share	0.02	(0.37)	0.82	(16.82)

2.19 Segment Reporting

Based on the guiding principles stated in Accounting Standard 17 – "Segment Reporting" as specified in the Companies (Accounting Standard) Rules, 2006, the Company does not have any reportable segment information as required to be disclosed by this statement. Accordingly, no additional disclosure for segment reporting has been made in the financial statements.



NUCLEUS SOFTWARE Inc., USA
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FUNCTION WISE CLASSIFICATION OF STATEMENT OF PROFIT AND LOSS

Particulars	Year ended	Year ended	Year ended	Year ended
	31 March 2012	31 March 2011	31 March 2012	31 March 2011
	(USD)	(USD)	(Rupees)	(Rupees)
			(Unaudited)	(Unaudited)
			Refer note 1.2 (i)	Refer note 1.2 (i)
Sales and services	2,537,913	406,787	121,921,341	18,545,419
Software development expenses	1,964,088	139,205	94,354,777	6,346,356
Gross Profit	573,825	267,582	27,566,563	12,199,063
Selling and marketing expenses	435,736	529,466	20,932,747	24,138,334
General and administration expenses	115,112	103,791	5,529,983	4,731,817
Profit / (Loss) before depreciation	22,977	(365,674)	1,103,832	(16,671,088)
Depreciation	2,868	1,371	137,779	62,498
Profit / (Loss) after Depreciation	20,109	(367,045)	966,054	(16,733,586)
Other income	-	1,287	-	58,674
Profit before taxation	20,109	(365,758)	966,054	(16,674,912)
Provision for tax - current income tax	(3,040)	(3,229)	(146,042)	(147,196)
Profit / (Loss) after taxation	17,069	(368,987)	820,012	(16,822,108)

2.21 No provision for tax has been made in view of the carry forward losses. In view of absence of virtual certainty of realisation of unabsorbed tax losses, no deferred tax asset has been recognised by the Company as at 31 March, 2012.

2.22 The Company has during the year presented its financials under Revised Schedule VI notified by Ministry of Corporate Affairs vide Notification number S.O. 447(E) dated 28 February, 2011. Previous year figures have been regrouped/ reclassified wherever necessary to make them comparable with the current year figures.

For and on behalf of the Board of Directors
NUCLEUS SOFTWARE Inc.

VISHNU R DUSAD
Director

Place: New Delhi
Date : April 28, 2012

