

AUDITORS' REPORT

MEMBERS OF
NUCLEUS SOFTWARE NETHERLANDS B.V.

NUCLEUS SOFTWARE NETHERLANDS B.V.

We have audited the financial statements of NUCLEUS SOFTWARE NETHERLANDS B.V. ("the Company") as at 31 March, 2012, the Statement of Profit and Loss and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

AUDITED FINANCIAL STATEMENT

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the accounts and disclosures in the financial statements. It also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

**YEAR ENDED
31 MARCH, 2012**

Further, we report that:

- a. we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. in our opinion, proper books of account have been kept by the Company so far as appears from our examination of those books;
- c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;

AUDITORS' REPORT

TO THE MEMBERS OF NUCLEUS SOFTWARE NETHERLANDS B.V.

1. We have audited the attached Balance Sheet of **NUCLEUS SOFTWARE NETHERLANDS B.V.** ("the Company") as at 31 March, 2012, the Statement of Profit and Loss and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. Further, we report that:
 - a. we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion, proper books of account have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;



**Deloitte
Haskins & Sells**

- e. in our opinion and to the best of our information and according to the explanations given to us, the said accounts give a true and fair view in conformity with the accounting principles generally accepted in India:
- i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March, 2012;
 - ii. in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
 - iii. in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

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



RASHIM TANDON
Partner
Membership No. 95540



GURGAON, 28 April, 2012

**NUCLEUS SOFTWARE NETHERLANDS B.V.
BALANCE SHEET AS AT 31 MARCH, 2012**

	Notes No.	As at 31 Mar 2012 (Euro)	As at 31 Mar 2011 (Euro)	As at 31 Mar 2012 (Rupees) (Unaudited) See note 1.2 (i)	As at 31 Mar 2011 (Rupees) (Unaudited) See note 1.2 (i)
EQUITY AND LIABILITIES					
1. SHAREHOLDERS' FUNDS					
a. Share capital	2.1	400,000	400,000	27,164,000	25,280,000
b. Reserves and surplus	2.2	(435,539)	(450,637)	(29,577,336)	(28,480,195)
		(35,539)	(50,637)	(2,413,336)	(3,200,195)
2. CURRENT LIABILITIES					
a. Trade payables	2.3	770,306	248,345	52,311,483	15,695,341
b. Other current liabilities	2.4	2,219	100,000	150,652	6,320,000
		772,525	348,345	52,462,135	22,015,341
Total		736,986	297,708	50,048,799	18,815,146
B. ASSETS					
NON-CURRENT ASSETS					
a. Fixed assets					
- Tangible assets	2.5	2,799	4,450	190,080	281,240
		2,799	4,450	190,080	281,240
b. Long-term loans and advances	2.6	35,414	6,614	2,405,013	418,005
c. Other non-current assets	2.7	180,964	-	12,289,275	-
		219,177	11,064	14,884,368	699,245
2. CURRENT ASSETS					
a. Trade receivables	2.8	56,012	247,208	3,803,785	15,623,546
b. Cash and Cash Equivalents	2.9	226,332	30,528	15,370,174	1,929,370
c. Short-term loans and advances	2.10	11,545	8,908	784,054	562,985
d. Other current assets	2.11	223,920	-	15,206,418	-
		517,809	286,644	35,164,431	18,115,901
Total		736,986	297,708	50,048,799	18,815,146

See accompanying notes forming part of the Financial Statements 1 & 2

terms of our report attached

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

DASHIM TANDON
Partner



Gurgaon
Date : 28 April, 2012

For and on behalf of the Board of Directors
NUCLEUS SOFTWARE NETHERLANDS B.V.

Vishnu R Dusad
VISHNU R DUSAD
General Managing Director

New Delhi
Date : 28 April, 2012

NUCLEUS SOFTWARE NETHERLANDS B.V.
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2012

	Notes No.	Year ended 31 Mar 2012 (Euro)	Year ended 31 Mar 2011 (Euro)	Year ended 31 Mar 2012 (Rupees) (Unaudited) See note 1.2 (i)	Year ended 31 Mar 2011 (Rupees) (Unaudited) See note 1.2 (i)
1. REVENUE FROM OPERATIONS					
Sales and services	2.12	1,042,348	247,208	69,243,178	14,923,947
OTHER INCOME	2.13	37,081	-	2,463,291	-
3. TOTAL REVENUE (1+2)		1,079,429	247,208	71,706,469	14,923,947
EXPENSES					
a. Employee benefit expenses	2.14	117,392	79,419	7,798,341	4,794,522
b. Operating and other expenses	2.15	942,559	327,183	62,614,080	19,751,979
c. Finance cost - Bank Charges		2,730	2,495	181,367	150,623
d. Depreciation	2.5	1,651	1,653	109,676	99,792
TOTAL EXPENSES		1,064,332	410,750	70,703,464	24,796,916
5. PROFIT/(LOSS) BEFORE TAX		15,097	(163,542)	1,003,005	(9,872,969)
TAX EXPENSE		-	-	-	-
7. PROFIT/(LOSS) FOR THE YEAR		15,097	(163,542)	1,003,005	(9,872,969)
EARNINGS PER EQUITY SHARE					
Equity shares of Euro 100 each					
a. Basic and Diluted	2.18	3.77	(43.41)	250.75	(2,620.91)
Number of shares used in computing earnings per share		4,000	3,767	4,000	3,767

See accompanying notes forming part of the Financial Statements 1 & 2

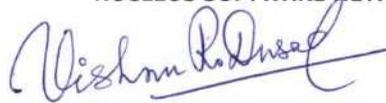
in terms of our report attached

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

For and on behalf of the Board of Directors
NUCLEUS SOFTWARE NETHERLANDS B.V.


ASHIM TANDON
Partner




VISHNU R DUSAD
General Managing Director

Surqaon
Date : 28 April, 2012

New Delhi
Date : 28 April, 2012

NUCLEUS SOFTWARE NETHERLANDS B.V.
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2012

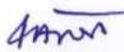
	Year ended 31 Mar 2012 (Euro)	Year ended 31 Mar 2011 (Euro)	Year ended 31 Mar 2012 (Rupees) (Unaudited) See note 1.2 (i)	Year ended 31 Mar 2011 (Rupees) (Unaudited) See note 1.2 (i)
A. Cash flow from operating activities				
Net Profit / (Loss) before tax	15,097	(163,542)	1,003,005	(9,872,969)
Adjustments for:				
Depreciation	1,651	1,653	109,676	99,792
Exchange difference on translation of foreign currency accounts		-	433,539	85,346
Operating profit/ (loss) before working capital changes	16,748	(161,889)	1,546,220	(9,687,832)
Adjustment for (increase)/decrease in operating assets				
Long-Term Loans and Advances	(28,800)	-	(1,913,184)	-
Other non-current assets	(180,963)	-	(12,021,439)	-
Trade Receivables	191,196	(247,208)	12,701,150	(14,923,947)
Short -Term Loans and Advances	(2,638)	1,070	(175,211)	64,596
Other current assets	(223,920)	-	(14,875,006)	-
Adjustment for increase/ (decrease) in operating liabilities				
Trade payables	521,961	-	34,673,894	-
Other current liabilities	(97,781)	324,199	(6,495,621)	19,571,833
Net cash flow from/(used in) operating activities (1)	195,804	(83,828)	13,440,804	(4,975,350)
B. Cash flow from investing activities				
Purchase of fixed assets	-	(619)	-	(37,369)
Net cash from/ (used in) investing activities (2)	-	(619)	-	(37,369)
C. Cash flow from financing activities				
Proceeds from Issue of share capital	-	100,000	-	6,037,000
Net cash flow from financing activities (3)	-	100,000	-	6,037,000
Net increase/ (decrease) in cash and cash equivalents (1+2+3)	195,804	15,553	13,440,804	1,024,281
Cash and cash equivalents at the beginning of the Year	30,528	14,975	1,929,370	905,089
Cash and cash equivalents at the end of the Year (Refer note 2.9)	226,332	30,528	15,370,174	1,929,370

See accompanying notes forming part of the Financial Statements

1 & 2

In terms of our report attached

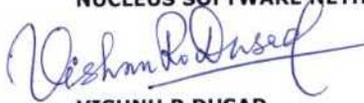
For **DELOITTE HASKINS & SELLS**
Chartered Accountants


RASHIM TANDON
Partner



Gurgaon
Date : 28 April, 2012

For and on behalf of the Board of Directors
NUCLEUS SOFTWARE NETHERLANDS B.V.



VISHNU R DUSED
General Managing Director

New Delhi
Date : 28 April, 2012

Note 1 :

1.1 Company Background

Nucleus Software Netherlands B.V. ('the Company') was incorporated on 3 February 2006 in Netherlands. The Company's entire share capital is held by Nucleus Software Exports Ltd., India ('the Holding Company'). The principal activities of the Company consists of dealing in software systems and providing support and technical advisory and consultancy services, which are executed through a service level agreement with the Holding Company.

1.2. Significant accounting policies

(i) Basis of preparation

The financial statements are prepared under the historical cost convention on the accrual basis, in accordance with the Generally Accepted Accounting Principles in India ("Indian GAAP") and mandatory accounting standards as specified in the Companies (Accounting Standards) Rules, 2006. All income and expenditure having a material bearing on the financial statements are recognised on the accrual basis. 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.

The Company's net worth is fully eroded. However, the directors consider that it is appropriate to prepare these accounts on going concern basis in view of the profits earned during the year and also the continued financial support from its holding company. Accordingly, these accounts are being prepared on a going concern basis, that is the assets and liabilities are recorded on the basis that the Company will be able to realise its assets and discharge its liabilities in the normal course of business.

The financial statements have been prepared for the purpose of compliance with the provisions of Section 212 of the Companies Act, 1956 and Balance Sheet has been restated to Indian Rupees at exchange rate prevailing on the last day of the financial year and the statement of Profit and Loss and Cash Flow Statement have been restated on the average exchange rate for the financial year.

The functional currency of the Company is Euro. The translation from Euro to Indian Rupees is unaudited.

(ii) Use of estimates

The preparation of financial statements in conformity with the generally accepted accounting principles 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 period. Actual results could differ from these estimates. Any changes in estimates are adjusted prospectively.



(iii) 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.

(iv) Fixed assets

Fixed assets are stated at the cost of acquisition less accumulated depreciation and impairment losses, if any. The cost of acquisition includes all incidental costs related to acquisition and installation till the date of capitalisation of the asset. Fixed assets under construction, advances paid towards acquisition of fixed assets and cost of assets not ready to use before the year end, are disclosed as capital work-in-progress.

(v) Depreciation

Depreciation on fixed assets is provided on the straight-line method based on useful lives of respective assets as estimated by the management. Depreciation is charged on a pro-rata basis for assets purchased / sold during the year. Assets costing Rs. 5,000 or less are fully depreciated in the year of purchase.

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

Asset category	Useful life (in years)
Office equipment	5
Computers	4
Furniture and fixtures	5

(vi) Revenue recognition

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 period in which such losses become certain based on the current estimates.

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

Interest on the deployment of surplus funds is recognised using the time-proportion method, based on interest rates implicit in the transaction.



(vii) Earnings per share

Basic earnings per share are computed by dividing the Profit / Loss after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the Profit / Loss after Tax by the weighted average number of equity and dilutive equivalent shares outstanding during the year, except where results are anti-dilutive.

(viii) Taxes on Income

Income taxes are accrued in the same period the related revenue and expenses arise. The differences that result between the taxable profit and the profit as per the financial statements are identified and thereafter deferred tax assets or deferred tax liabilities are recorded as timing differences, namely the differences that originate in one accounting period and reverse in another, based on the tax effect of the aggregate amount being considered. The tax effect is calculated on the accumulated timing differences at the end of an accounting period based on prevailing enacted or substantially enacted regulations. Where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognised only to the extent there is virtual certainty of realisation of such assets. In other situations, deferred tax assets are recognised only to the extent there is reasonable certainty of realisation in future. Such assets are reviewed at each balance sheet date for realisability.

(ix) 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.

(x) Provisions 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 estimate of the amount 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.



NUCLEUS SOFTWARE NETHERLANDS B.V.
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2.1 SHARE CAPITAL

Particulars	As at 31 March 2012 (Euro)	As at 31 March 2011 (Euro)	As at 31 March 2012 (Rupees) (Unaudited) See note 1.2 (i)	As at 31 March 2011 (Rupees) (Unaudited) See note 1.2 (i)
a. Authorised				
Equity Shares 5,000 (Previous Year 5,000) equity shares of Euro 100 each	<u>500,000</u>	<u>500,000</u>	<u>33,955,000</u>	<u>31,600,000</u>
b. Issued, Subscribed and Paid-Up				
4,000 (Previous Year 4,000) equity shares of Euro 100 each, fully paid up, held by Nucleus Software Exports Limited, India (the Holding Company).	<u>400,000</u>	<u>400,000</u>	<u>27,164,000</u>	<u>25,280,000</u>

2.2 RESERVES AND SURPLUS

a. Surplus/ (Deficit) in Statement of Profit and Loss				
Opening Balance	(450,637)	(287,095)	(27,224,991)	(17,352,022)
Add: Profit / (Loss) for the Year	15,097	(163,542)	1,003,005	(9,872,969)
Closing balance	<u>(435,539)</u>	<u>(450,637)</u>	<u>(26,221,986)</u>	<u>(27,224,991)</u>
b. Currency Translation Reserve				
Opening Balance			(1,255,204)	1,567,502
Add: Created during the Year			(2,100,146)	(2,822,706)
Closing balance	<u>-</u>	<u>-</u>	<u>(3,355,350)</u>	<u>(1,255,204)</u>
Total	<u>(435,539)</u>	<u>(450,637)</u>	<u>(29,577,336)</u>	<u>(28,480,195)</u>

2.3 TRADE PAYABLES

a. Trade Payables				
- Micro and small enterprises (Refer note below)	-	-	-	-
- Others	7,646	52,540	519,220	3,320,402
b. Due to Holding Company	762,660	195,805	51,792,263	12,374,939
Total	<u>770,306</u>	<u>248,345</u>	<u>52,311,483</u>	<u>15,695,341</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.

2.4 OTHER CURRENT LIABILITIES

a. Advances from customer		100,000	-	6,320,000
b. Other payables - statutory dues	2,219	-	150,652	-
Total	<u>2,219</u>	<u>100,000</u>	<u>150,652</u>	<u>6,320,000</u>



NUCLEUS SOFTWARE NETHERLANDS B.V.
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Amounts in EURO)

2.5 Fixed Assets (at Cost)	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	As at 31 Mar 2012	As at 31 Mar 2011
Tangible assets								
Office and other equipment	1,056	-	-	1,056	466	211	677	590
Computers	1,502	-	-	1,502	637	376	1,013	865
Furniture and fixtures	5,318	-	-	5,318	2,323	1,064	3,387	2,995
Current year	7,876	-	-	7,876	3,426	1,651	5,077	4,450
Previous year	7,257	619		7,876	1,773	1,653	3,426	5,484

(Amounts in Rupees) (Unaudited - Refer note 1.2(i))

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	As at 31 Mar 2012	As at 31 Mar 2011
Tangible assets								
Office and other equipment	66,739	-	(2,483)	69,222	29,451	14,017	43,468	37,288
Computers	94,926	-	(3,531)	98,457	40,258	24,977	65,236	54,668
Furniture and fixtures	336,098	-	(12,502)	348,600	146,814	70,682	217,495	189,284
Current year	497,763	-	(18,516)	516,279	216,523	109,676	326,199	281,240
Previous year	438,613	37,369	(21,781)	497,663	107,160	99,792	216,523	331,453



NUCLEUS SOFTWARE NETHERLANDS B.V.
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	As at 31 March 2012 (Euro)	As at 31 March 2011 (Euro)	As at 31 March 2012 (Rupees) (Unaudited) See note 1.2 (i)	As at 31 March 2011 (Rupees) (Unaudited) See note 1.2 (i)
6 LONG-TERM LOANS AND ADVANCES (Unsecured, considered good)				
a. Security Deposits	6,614	6,614	449,195	418,005
b. Advance Tax	28,800	-	1,955,818	-
Total	35,414	6,614	2,405,013	418,005
2.7 OTHER NON-CURRENT ASSETS Service Income accrued but not due Unsecured - Considered good	180,964	-	12,289,275	-
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	-	247,208	-	15,623,546
b. Other trade receivables	56,012	-	3,803,785	-
Total	56,012	247,208	3,803,785	15,623,546
9 CASH AND CASH EQUIVALENTS Balance with non scheduled bank - in current account Citibank-Netherlands	226,332	30,528	15,370,174	1,929,370
[Maximum amount outstanding during the year Euro 489,887.05; Rupees 33,268,230 (Previous year Euro 98,367; Rupees 5,938,416)				
Note: All the above balances meet the definition of cash and cash equivalents as per AS-3 Cash Flow Statements.				
10 SHORT-TERM LOANS AND ADVANCES Unsecured, considered good				
a. Advance to Employees	4,264	-	289,602	-
b. Prepaid Expenses	5,872	6,913	398,747	436,927
c. Balances with Government Authorities	1,409	1,995	95,705	126,058
Total	11,545	8,908	784,054	562,985
11 OTHER CURRENT ASSETS (Unsecured, considered good) Service Income accrued but not due	223,920	-	15,206,418	-



NUCLEUS SOFTWARE NETHERLANDS B.V.
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	Year ended 31 March 2012 (Euro)	Year ended 31 March 2011 (Euro)	Year ended 31 March 2012 (Rupees) (Unaudited) See note 1.2 (i)	Year ended 31 March 2011 (Rupees) (Unaudited) See note 1.2 (i)
12 SALES AND SERVICES				
Software Development Services	<u>1,042,348</u>	<u>247,208</u>	<u>69,243,178</u>	<u>14,923,947</u>
13 OTHER INCOME				
Excess Liabilities Written Back	<u>37,081</u>	-	<u>2,463,291</u>	-
14 EMPLOYEE BENEFIT EXPENSES				
a. Salaries and bonus	105,194	71,688	6,988,020	4,327,831
b. Contribution to provident and other funds	6,970	4,467	463,024	269,647
c. Staff welfare	5,228	3,264	347,297	197,044
Total	<u>117,392</u>	<u>79,419</u>	<u>7,798,341</u>	<u>4,794,522</u>
15 OPERATING AND OTHER EXPENSES				
a. Software Development Expenses	851,078	173,047	56,537,125	10,446,847
b. Rent	21,943	21,357	1,457,664	1,289,298
c. Insurance	105	-	6,961	-
d. Rates and taxes	3,034	482	201,532	29,077
e. Travelling				
- Foreign	20,446	17,392	1,358,234	1,049,958
- Domestic	809	216	53,725	13,028
f. Advertisement and business promotion	588	1,850	39,041	111,681
g. Legal and professional expenses (see note 2.16)	35,964	70,932	2,389,055	4,282,146
h. Communication	5,479	3,094	363,948	186,761
i. Conference, exhibition and seminar	1,969	364	130,827	21,987
j. Commission to channel partners	-	37,081	-	2,238,580
k. Miscellaneous expenses	1,144	1,368	75,968	82,616
Total	<u>942,559</u>	<u>327,183</u>	<u>62,614,080</u>	<u>19,751,979</u>
16 Legal and Professional expenses include:				
Audit fees (excluding service tax)	2,352	1,187	156,243	71,659



7 RELATED PARTY TRANSACTIONS

List of related parties

- 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

Particulars	Year ended 31 March 2012 (Euro)	Year ended 31 March 2011 (Euro)	Year ended 31 March 2012 (Rupees) See note 1.2 (i)	Year ended 31 March 2011 (Rupees) See note 1.2 (i)
Transactions with related parties				
a. Software Development Services - Nucleus Software Exports Limited	343,972	173,047	22,850,027	10,446,847
b. Issue of share capital - Nucleus Software Exports Limited	-	100,000	-	6,037,000
c. Reimbursement of expenses - Nucleus Software Exports Limited	51,779	-	3,439,706	-
d. Repayment of Advance - Nucleus Software Solutions Pte Ltd, Singapore	100,000	-	6,643,000	-
Outstanding balances as at year end				
a. Trade Payables - Nucleus Software Exports Limited	762,660	195,806	51,792,273	12,374,939
b. Advance from Fellow Subsidiary - Nucleus Software Solutions Pte Ltd	-	100,000	-	6,320,000

8 Earnings per share

Basic and Diluted

Particulars	Year ended 31 March 2012 (Euro)	Year ended 31 March 2011 (Euro)	Year ended 31 March 2012 (Rupees) (Unaudited) See note 1.2 (i)	Year ended 31 March 2011 (Rupees) (Unaudited) See note 1.2 (i)
a. Profit / (Loss) after tax	15,097	(163,542)	1,003,005	(9,872,969)
b. Weighted average number of equity shares.	4,000	3,767	4,000	3,767
c. Earnings per share	3.77	(43.41)	250.75	(2,620.91)

9 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 NETHERLANDS B.V.
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

20 Function wise Classification of the Statement of Profit and Loss

Particulars	Year ended 31 March 2012 (Euro)	Year ended 31 March 2011 (Euro)	Year ended 31 March 2012 (Rupees) (Unaudited) See note 1.2 (i)	Year ended 31 March 2011 (Rupees) (Unaudited) See note 1.2 (i)
Sales and services	1,042,348	247,208		
Software development expenses	851,078	173,047	69,243,178	14,923,947
Gross Profit	191,270	74,161	56,537,125	10,446,847
Selling and marketing expenses	188,362	193,798	12,512,779	11,699,524
General and administration expenses	23,241	42,252	1,543,884	2,550,753
Operating profit before depreciation	(20,333)	(161,889)	(1,350,610)	(9,773,178)
Depreciation	1,651	1,653	109,676	99,792
Operating profit after depreciation	(21,984)	(163,542)	(1,460,286)	(9,872,969)
Other income	37,081	-	2,463,291	-
Profit / (Loss) before taxation	15,097	(163,542)	1,003,005	(9,872,969)
Provision for tax - current income tax	-	-	-	-
Profit / (Loss) after taxation	15,097	(163,542)	1,003,005	(9,872,969)

21 No provision for tax has been made in view of the losses in the current year. As at 31 March 2012, the Company has unabsorbed 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.

22 Going Concern Assumption

During the year ended 31 March 2012, the Company has incurred an operating loss of Euro 21,984 (Rupees 1,460,286) while Net Profit for the year is Euro 15,097 (Rupees 1,003,005). As at 31 March 2012, the accumulated losses of the Company aggregate to Euro 435,539 (Rupees 29,577,336) and the Company's current liabilities exceed its current assets by Euro 254,716 (Rupees 17,297,704). The Financial Statements of the Company have been prepared on the basis that the Company is a going concern. However, having regard to the accumulated losses of the Company which have eroded the net worth of the Company, the ability of the Company to continue as a going concern is significantly dependent on the improvement of the Company's future operations and continued financial support from its Holding Company. The Holding Company has confirmed to provide such financial support as and when a need arises.

Accordingly, the Financial Statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and the classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

23 The Revised Schedule VI has become effective from 1 April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board of Directors
NUCLEUS SOFTWARE NETHERLANDS B.V.

Vishnu R DUSAD

VISHNU R DUSAD
 General Managing Director

Place: New Delhi
 Date : 28 April, 2012

