

Nucleus Software Exports Ltd.

Consolidated Balance Sheet as at 31 March 2008

	Schedule	As at 31 March 2008 (Rupees)	As at 31 March 2007 (Rupees)
Sources of funds			
Shareholders' funds			
Share capital	1	323,685,240	161,618,120
Advance pursuant to stock option schemes		6,754,100	7,213,100
Reserves and surplus	2	1,829,507,034	1,490,312,656
		2,159,946,374	1,659,143,876
Deferred tax liability (refer note 2, schedule 16)		2,589,446	2,759,300
		2,162,535,820	1,661,903,176
Application of funds			
Fixed assets			
Gross block	3	950,342,530	685,421,855
Less: Accumulated depreciation		(379,276,057)	(265,565,579)
Net block		571,066,473	419,856,276
Add: Capital work in progress (including capital advances)		20,487,398	130,833,322
		591,553,871	550,689,598
Investments	4	905,683,618	690,092,446
Deferred tax asset (refer note 2, schedule 16)		2,746,398	-
Current assets, loans and advances			
Sundry debtors	5	678,142,849	552,623,005
Cash and bank balances	6	175,019,463	268,251,436
Loans and advances	7	166,588,896	96,882,798
Other current assets	8	331,672,434	181,563,104
		1,351,423,642	1,099,320,342
Less: Current liabilities and provisions			
Current liabilities	9	(486,981,430)	(625,138,250)
Provisions	10	(201,890,279)	(53,060,961)
		(688,871,709)	(678,199,211)
Net current assets		662,551,933	421,121,132
		2,162,535,820	1,661,903,176

SCHEDULE 1:**Share capital****Authorised capital**

40,000,000 (20,000,000) equity shares of Rs.10 each	<u>400,000,000</u>	<u>200,000,000</u>
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Issued, subscribed and paid up**Issued**

32,369,824 (16,163,112) equity shares of Rs.10 each	<u>323,698,240</u>	<u>161,631,120</u>
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Subscribed and paid up

32,367,024 (16,160,312) equity shares of Rs.10 each, fully paid up	323,670,240	161,603,120
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Of the above:

16,183,512 equity shares of Rs.10 each have been issued as bonus shares by capitalisation of securities premium account during the year ended 31 March 2008

8,045,406 equity shares of Rs.10 each have been issued as bonus shares by capitalisation of securities premium account during the year ended 31 March 2005

2,637,050 equity shares of Rs.10 each have been issued as bonus shares by capitalisation of general reserve and securities premium account during the year ended 31 March 2002

1,452,270 equity shares of Rs.10 each have been issued as bonus shares by capitalisation of general reserve during the year ended 31 March 1995

Less: Allotment money in Arrears

28,800 (Nil, Nil) ESOS issued

Add: 2,800 (2,800) forfeited equity shares pending for reissue	15,000	15,000
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323,685,240161,618,120**SCHEDULE 2:****Reserves and surplus****General reserve**

Balance as at 1 April	530,059,102	441,454,695
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Add: Transferred from Profit and Loss Account	84,415,178	100,000,000
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Less:- Gratuity and leave encashment transitional liability (refer note 8, schedule 16)	-	11,395,593
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614,474,280530,059,102**Securities premium account**

Balance as at 1 April	173,199,509	162,978,709
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Add: Share premium received	5,191,800	-
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Add : On conversion of stock options issued to employees	3,928,400	10,220,800
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Less: Amount utilised for issuance of 16,183,512 bonus shares of Rs.10 each	161,835,120	-
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20,484,589173,199,509**Capital reserve account**

Balance as at 1 April	1,573,030	1,500,030
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Add: Amount forfeited against employees stock option plan	227,000	73,000
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1,800,0301,573,030**Employee stock options**

Balance as at 1 April	19,234,288	4,394,168
Add: Options granted during the year	-	19,906,600
Less: Reversal on forfeiture of stock options granted	57,680	1,761,600
Less: Transferred to securities premium account on exercise of stock options	3,928,400	3,304,880
	<u>15,248,208</u>	<u>19,234,288</u>
Less: Deferred employee compensation	(5,980,726)	(12,028,674)
	<u>9,267,482</u>	<u>7,205,614</u>
Foreign currency translation reserve		
Balance as at 1 April	9,447,419	4,320,879
Add: Addition during the year	2,826,521	5,126,540
	<u>12,273,940</u>	<u>9,447,419</u>
Profit and Loss Account		
Balance as at 1 April	768,827,982	381,673,741
Add: Profit for the year	617,392,308	551,472,428
Less: Transferred to general reserve	84,415,178	100,000,000
Less: Proposed dividend	97,101,072	-
Less: Interim dividend	-	56,407,092
Less: Corporate dividend tax	33,497,327	7,911,095
	<u>1,171,206,713</u>	<u>768,827,982</u>
	<u><u>1,829,507,034</u></u>	<u><u>1,490,312,656</u></u>

SCHEDULE 4:**Investments****Long term investments****Equity shares - Trade and unquoted**

10,040,000 (10,040,000) equity shares of Rs 10 each, fully paid up, in GMAC Financial Services India Limited [Of the above, 80,000 (80,000) equity shares are held by nominees on behalf of the Company]	136,882,640	136,882,640
25,000 (25,000) equity shares of Rs 10 each, fully paid up, in Ujjivan Financial Services Private Limited	2,500,000	2,500,000
Less: Provision for diminution in value of investment in Nucleus Software (Australia) Pty. Ltd., Australia	-	-
	139,382,640	139,382,640

Current investments**Investments in bonds and mutual funds - Non trade and unquoted**

Nil (500,000) units of face value of Rs. 10 each of UTI Fixed Maturity Plan-YFMP 06/06-Growth	-	5,000,000
Nil (2,000,000) units of face value of Rs. 10 each of Prudential ICICI FMP Series 5-Institutional-Growth	-	20,000,000
2,500,000 (2,500,000) units of face value of Rs. 10 each of ICICI Prudential FMP Series 34-One	25,000,000	25,000,000
1,500,000 (Nil) units of face value of Rs. 10 each of ING Long Term FMP 1 Institutional Growth	15,000,000	-
1,024,881 (Nil) units of face value of Rs. 10 each of Birla Interval Income Fund -Institutional Qu	10,248,882	-
Nil (17,571; Nil) units of face value of Rs. 1000 each of UTI Liquid Cash Plan Institutional-Growth	-	-
1,006,515 (Nil; Nil) units of face value of Rs. 10 each of Birla Interval Income Fund -Quarterly series- 3-Dividend	-	-
Nil (800,000) units of face value of Rs. 10 each of Grindlays Fixed Maturity-16th Plan A-Growth	-	8,000,000
Nil (900,000) units of face value of Rs. 10 each of Grindlays Fixed Maturity-20th Plan -Growth	-	9,000,000
Nil (4,080,824; Nil) units of face value of Rs. 10 each of LICMF Liquid Fund-Dividend	-	-
Nil (2,297,827) units of face value of Rs. 10 each of Birla Cash Plus-Institutional Premium-Grow	-	25,682,000
Nil (2,000,000) units of face value of Rs. 10 each of Chola FMP-14 Months-Cumulative	-	20,000,000
Nil (1,000,000) units of face value of Rs. 10 each of ABN Amro FTP Series 2 Thirteen Month Pl	-	10,000,000
2,500,000 (2,500,000) units of face value of Rs. 10 each of ABN AMRO FTFS5 14 Mths Plan In	25,000,000	25,000,000
2,500,000 (Nil) units of face value of Rs. 10 each of ABN AMRO Fixed Term Plan-Ser-8-Yly Pl	25,000,000	-
Nil (1,000,000) units of face value of Rs. 10 each of HSBC Fixed term Series-4-Growth	-	10,000,000
Nil (2,000,000) units of face value of Rs. 10 each of HSBC Fixed term Series-9-Growth	-	20,000,000
1,500,000 (1,500,000) units of face value of Rs. 10 each of HSBC Fixed Term Series-27 Inst. Gr	15,000,000	15,000,000
1,000,000 (Nil) units of face value of Rs. 10 each of HSBC Fixed Term Series-28 Inst. Growth	10,000,000	-
6,000,000 (Nil) units of face value of Rs. 10 each of HSBC Fixed Term Series-44 Inst. Growth	60,000,000	-
Nil (1,000,000) units of face value of Rs. 10 each of Principal Pnb Fixed Maturity Plan-385 Days	-	10,000,000
2,500,000 (2,500,000) units of face value of Rs. 10 each of Principal Pnb FMP 385 Days-Series I	25,000,000	25,000,000

Nil (1,000,000) units of face value of Rs. 10 each of HDFC FMP 13M March 2006(1)- Institutional	-	10,000,000
Nil (1,000,000) units of face value of Rs. 10 each of HDFC FMP 13M June 2006(1)- Institutional	-	10,000,000
Nil (1,250,000) units of face value of Rs. 10 each of HDFC FMP 13M July 2006(1)- Institutional	-	12,500,000
1,091,130 (Nil) units of face value of Rs. 10 each of HDFC FMP 367D April 2007 (5)-Wholesale	10,911,300	-
5,000,000 (Nil) units of face value of Rs. 10 each of HDFC FMP 13M March 2008 (VII) (2) -Wh	50,000,000	-
Nil (3,117,013) units of face value of Rs. 10 each of LICMF Liquid Fund-Growth	-	40,000,000
3,012,865 (Nil; Nil) units of face value of Rs. 10 each of LICMF Liquid Plus Fund-Dividend	-	-
Nil (4,826,534) units of face value of Rs. 10 each of Prudential ICICI Super Institutional Plan-Gr	-	50,000,000
1,821,275 (Nil) units of face value of Rs. 10 each of ICICI Prudential Flexible Income Plan - Div	19,257,256	-
1,025,916 (Nil) units of face value of Rs. 10 each of ICICI Prudential Interval Fund II Qtrly Inter	10,259,156	-
Nil (1,398,093) units of face value of Rs. 10 each of Kotak Liquid- Institutional Plus Plan -Growt	-	20,000,000
2,000,000(Nil) units of face value of Rs. 10 each of Kotak FMP 14M S-4 - Institutional Growth	20,000,000	-
Nil (1,500,000) units of face value of Rs 10 each of Reliance Fixed Horizon QFMP Series V-Div	-	15,000,000
1,500,000 (1,500,000) units of face value of Rs 10 each of Reliance Fixed Horizon Fund III-Ann	15,000,000	15,000,000
1,500,000 (1,500,000) units of face value of Rs 10 each of Reliance Fixed Horizon Fund III-Ann	15,000,000	15,000,000
1,000,000 (Nil; Nil) units of face value of Rs 10 each of Reliance Fixed Horizon Fund VI- Series I-Institutional -Dividend	-	-
2,500,000 (2,500,000) units of face value of Rs 10 each of Kotak FMP 13M Series 2 Institutional	25,000,000	25,000,000
Nil (1,250,000) units of face value of Rs 10 each of Kotak FMP Series 26-Growth	-	12,500,000
2,500,000 (2,500,000) units of face value of Rs 10 each of DWS Fixed Term Fund Series 24-Inst	25,000,000	25,000,000
2,000,000 (Nil) units of face value of Rs 10 each of DWS Fixed Term Fund Series 33-Institution	20,000,000	-
Nil (4,000,000; Nil) units of face value of Rs. 10 each of ABN Amro FTP Series 4 -Quarterly Plan A -Dividend	-	-
Nil (2,500,000; Nil) units of face value of Rs. 10 each of ABN Amro FTP Series3 quarterly plan G Dividend	-	-
Nil (2,000,000; Nil) units of face value of Rs. 10 each of ABN Amro FTP Series4 quarterly plan B Dividend on Maturity	-	-
Nil (2,500,000;Nil) units of face value of Rs 10 each of UTI Fixed maturity plan quarterly series QFMP/1106/I Dividend plan-Reinvestment	-	-
Nil (1,500,000;Nil) units of face value of Rs 10 each of UTI Fixed maturity plan halfyearly series HFMP/1206/I Dividend plan-Reinvestment	-	-
Nil (2,500,000; Nil) units of face value of Rs. 10 each of Sundram BNP Paribas Fixed Term Plan Series XVII (90 days)-Dividend	-	-
2,500,000 (2,500,000; Nil) units of face value of Rs. 10 each of DWS Fixed Term Plan Series 22-Dividend	-	-
Nil (4,000,000;Nil) units of face value of Rs 10 each of Standard Chartered Fixed maturity plan quarterly series 2- Dividend	-	-
Nil (2,000,000; Nil) units of face value of Rs 10 each of Principal PNB Fixed maturity plan (FMP-32) 91 days series VI-Dec06 Dividend	-	-
5,000,000 (Nil) units of face value of Rs 10 each of DWS Fixed Term Fund Series 47-Institution	50,000,000	-

10,072 (Nil; Nil) units of face value of Rs. 1000 each of UTI Liquid Plus Fund Institutional- Dividend	-	-
Nil (1,527,025) units of face value of Rs 10 each of UTI Fixed maturity plan halfyearly series HF	-	15,270,255
750,000 (Nil) units of face value of Rs 10 each of Standard Chartered Fixed Maturity Plan - Year	7,500,000	-
2,541,864 (Nil; Nil) units of face value of Rs 10 each of DSP Merrill Lynch Fixed Term Plan 3M Series 2-Institutional -Dividend	-	-
20,076 (Nil; Nil) units of face value of Rs 1000 each of DSP Merrill Lynch Cash Plus-Retail -Dividend	-	-
4,000,000 (Nil) units of face value of Rs 10 each of Templeton Fixed Horizon Fund Series II-Pla	40,000,000	-
1,525,148 (Nil; Nil) units of face value of Rs. 10 each of ABN AMRO Flexible Short Term Plan Ser. C -Qly Div-Ren	-	-
2,042,311 (Nil; Nil) units of face value of Rs 10.0004 each of Reliance Quarterly Interval Fund-Series III-Institutional Dividend Plan	-	-
999,960 (Nil; Nil) units of face value of Rs 10.0004 each of Reliance Interval Fund-Quarterly Plan-Series II-Institutional Dividend Plan	-	-
1,524,887 (Nil; Nil) units of face value of Rs 10 each of Sundaram BNP Paribas Interval Fund Qty-Plan-A-Inst Div	-	-
10,000 (Nil) units of face value of Rs 1000 each of DSP Merrill Lynch Fixed Term Plan Series 3	10,000,000	-
4,000,000 (Nil) units of face value of Rs 1000 each of DSP Merrill Lynch Fixed Term Plan Serie	40,000,000	-
2,500,000 (Nil) units of face value of Rs 10 each of Lotus India FMP 375 Days Series II Inst. Growth	25,000,000	-
1,000,000 (Nil; Nil) units of face value of Rs 10 each of Lotus India FMP 3 Months Series XIX-Dividend	-	-
1,500,000 (Nil) units of face value of Rs 10 each of Lotus India FMP 375 Days Series VII Inst. G	15,000,000	-
1,000,000 (Nil; Nil) units of face value of Rs 10 each of Lotus India Quarterly Interval Fund- Plan B-Dividend	-	-
4,224,449 (Nil; Nil) units of face value of Rs 10 each of DWS Credit Opportunity Cash Fund-Dividend	-	-
ING-Virstra		
5,000,000 (Nil) units of face value of Rs 10 each of Standard Chartered Fixed Maturity Plan - Ye	50,000,000	-
3,000,000 (Nil) units of face value of Rs 10 each of Sundaram BNP Paribas Fixed Term Plan D-	30,000,000	-
2,000,000 (Nil) units of face value of Rs 10 each of Sundaram BNP Paribas Fixed Term Plan E- I	20,000,000	-
5,000,000 (Nil) units of face value of Rs 10 each of UTI Fixed Maturity HFMP 03/08 I Plan E- Ir	50,000,000	-
Nil (56,666) units of face value of Rs. 1000 each of UTI Liquid Cash Plan Institutional-Dividend	-	57,757,551
812,438 (Nil) units of of face value of Rs. 10 each of LIC Mutual Fund Dividend Plan-Daily divi	8,124,384	-
	766,300,978	550,709,806
	905,683,618	690,092,446

Notes:

1. Net asset value (NAV) of current investments Rs. 796,960,566 (Rs 570,440,447) as at 31 March 2008.
2. Refer note 6, schedule 16 for details of investments purchased and sold during the year ended 31 March 2008.

SCHEDULE 5:**Sundry debtors**

(Unsecured)

Debts outstanding for a period exceeding six months

- Considered good	37,471,606	13,258,993
- Considered doubtful	6,935,163	12,101,592
	<u>44,406,769</u>	<u>25,360,585</u>
Less: Provision for doubtful debts	(6,935,163)	(12,101,592)
	<u>37,471,606</u>	<u>13,258,993</u>
Other debts (considered good)	640,671,243	539,364,012
	<u>678,142,849</u>	<u>552,623,005</u>

SCHEDULE 6:**Cash and bank balances**

Cash in hand [including cheques in hand Rs. Nil (Rs. 708,663)]	571,131	1,154,079
Balances with scheduled banks:		
- in current accounts	52,358,556	127,488,075
- in fixed deposit accounts**	11,836,175	9,954,311
Balance with non scheduled bank: *		
- in current account		
Citibank-U.K.	816,658	829,963
Citibank-UAE	1,075,668	-
Citibank-Singapore	27,814,130	5,055,139
Citibank-Korea	19,990,752	-
Korea Exchange Bank	320	986,567
PNC Bank-USA	23,952,700	29,524,134
Bank of Tokyo Mitshubishi -Japan	13,782,730	69,980,699
Shinsei Bank - Japan	18,800,665	6,597,533
Citibank -Hong Kong	34,434	36,201
ANZ Bank - Australia	301,539	421,318
Citibank -Singapore	295,256	3,295,569
Citibank -Netherlands	3,215,246	4,553,035
- in fixed deposit accounts		
ANZ Bank - Australia	173,503	17,695
Remittance in transit	-	8,357,119
	<u>175,019,463</u>	<u>268,251,436</u>

*Maximum amount outstanding during the year

- in current accounts		
Citibank-U.K.	2,020,956	1,106,298
Citibank-UAE	2,210,768	-
Citibank-Singapore	140,247,341	107,845,585
Citibank-Korea	19,990,752	-
Korea Exchange Bank	4,367,340	2,479,211
PNC Bank-USA	28,720,180	60,293,084
Bank of Tokyo Mitshubishi -Japan	171,520,735	242,091,011
Shinsei Bank - Japan	150,051,758	76,775,795
Citibank -Hong Kong	72,460	110,837
ANZ Bank - Australia	302,992	3,206,069
Citibank -Singapore	13,346,068	-
Citibank -Netherlands	4,553,035	5,644,536
- in fixed deposit accounts		
ANZ Bank - Australia	173,503	17,695

**include fixed deposits amounting to Rs. 6,712,120 (Rs. 9,954,311) under lien with bank on account of guarantees issued on behalf of the Company

SCHEDULE 7:**Loans and advances****(Unsecured, considered good)**

	-	-
Advances recoverable in cash or in kind or for value to be received	35,856,415	36,322,488
Security deposits	29,233,965	25,958,119
Advance income tax [net of provision Rs. 37,388,111 (Rs. 36,175,434)]	8,423,897	8,218,595
Advance fringe benefit tax [net of provision Rs. 17,563,018 (Rs. Nil)]	2,732,274	-
MAT credit entitlement (refer note 7, schedule 16)	59,650,000	-
Prepaid expenses	30,692,345	26,383,596
	166,588,896	96,882,798

SCHEDULE 8:**Other current assets**

Service income accrued but not due	330,551,008	180,448,534
Interest accrued but not due	1,121,426	1,114,570
	331,672,434	181,563,104

SCHEDULE 9:**Current liabilities**

Sundry creditors	260,911,060	189,934,510
Withholding tax	27,772,507	14,506,608
Advances from customers	135,948,255	379,251,212
Unclaimed dividend	1,085,191	3,435,287
Other liabilities	61,264,417	38,010,633
Book overdraft	-	-
	486,981,430	625,138,250

SCHEDULE 10:**Provisions**

Gratuity	37,253,641	21,484,480
Leave encashment	40,027,407	29,203,236
Taxation [Net of advance tax Rs. 9,432,764 (Rs. Nil)]	11,005,832	2,303,245
Fringe benefit tax [Net of advance fringe benefit tax Rs. Nil (Rs. 10,325,604)]	-	70,000
Proposed dividend	97,101,072	-
Corporate dividend tax	16,502,327	-
	201,890,279	53,060,961