

Private

Financial Statements

2015, 2014, 2013

NUCLEUS SOFTWARE & TECHNOLOGY SERVICES LIMITED

Company

Financial statements of NUCLEUS

Software & Technology Services Limited

Financial Statement for the

period ended 31st March 2015

with explanatory information

Financial Statements

Nucleus Software Limited

Financial Statements for the period ended
March 31, 2015 and Independent Auditor's
report

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NUCLEUS SOFTWARE LIMITED Report on the Financial Statements

We have audited the accompanying financial statements of **NUCLEUS SOFTWARE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 March, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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 accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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 internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the financial statements.



Deloitte Haskins & Sells

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2015, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31 March, 2015 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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



SAMEER ROHATGI
Partner
(Membership No. 094039)

Noida,
7 May, 2015

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- i. In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us no material discrepancies were noticed on such verification.
- ii. The Company does not have any inventory. Accordingly, the provisions of Clause 3 (ii) of the Order are not applicable to the Company.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
- iv. In our opinion and according to the information and explanations given to us there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets. Having regard to the explanation that services rendered are for the specialised requirements of the buyers and suitable alternative sources are not available to obtain comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to sale of services. The Company's operations did not give rise to purchase of inventory and sale of goods during the current year. During the course of our audit, we have not observed any major weakness in such internal control system.
- v. According to the information and explanations given to us, the Company has not accepted any deposit during the year. The Company does not have any unclaimed deposits and accordingly, the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 is not applicable to the Company.
- vi. According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, 2013 for the Company.
- vii. According to the information and explanations given to us in respect of statutory dues:
 - (a) The Company has been generally regular in depositing undisputed statutory dues, including Income-tax, Service Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Income-tax, Service Tax, Cess and other material statutory dues in arrears as at 31 March, 2015 for a period of more than six months from the date they became payable.

We are informed that the operations of the Company during the year did not give rise to any liability for Provident Fund, Employees State Insurance, Sales Tax, Wealth Tax, Custom Duty, Excise Duty and Value Added Tax.

- (c) We are informed that there are no dues in respect of Income Tax, Service Tax and Cess which have not been deposited on account of any dispute.



**Deloitte
Haskins & Sells**

- (d) There are no amounts that are due to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder.
- viii. The accumulated losses of the Company at the end of the financial year are less than fifty per cent of its net worth and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- ix. According to the information and explanations given to us and the records examined by us, the Company has not taken any loans from financial institutions and banks nor has it issued any debentures. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company.
- x. According to the information and explanations given to us, the Company has not given guarantees for loans taken by others from banks and financial institutions.
- xi. Based on the examination of the books of account and related records and according to the information and explanations provided to us, no term loans were obtained by the Company.
- xii. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

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



SAMEER ROHATGI
Partner
(Membership No. 094039)

Noida,
7 May, 2015

NUCLEUS SOFTWARE LIMITED
BALANCE SHEET AS AT 31 MARCH, 2015

	Notes Ref.	As at 31 March 2015 (Rupees)	As at 31 March 2014 (Rupees)
<u>EQUITY AND LIABILITIES</u>			
1. SHAREHOLDERS' FUNDS			
a. Share capital	2.1	100,000,000	100,000,000
b. Reserves and surplus	2.2	<u>(13,675,326)</u>	<u>(12,338,310)</u>
		86,324,674	87,661,690
2. NON-CURRENT LIABILITIES			
a. Long-term borrowings	2.3	80,110,221	85,950,634
b. Long-term provisions	2.4	<u>81,917</u>	<u>325,390</u>
		80,192,138	86,276,024
3. CURRENT LIABILITIES			
a. Trade payables	2.5	859,164	1,458,489
b. Other current liabilities	2.6	<u>147,503</u>	<u>3,838,332</u>
		1,006,667	5,296,821
		<u>167,523,479</u>	<u>179,234,535</u>
<u>ASSETS</u>			
1. NON-CURRENT ASSETS			
a. Fixed assets			
- Tangible assets	2.7	157,014,264	160,220,867
- Intangible assets	2.7	<u>39,606</u>	<u>123,636</u>
		157,053,870	160,344,503
b. Non-current investments	2.8	23,000	23,000
c. Long-term loans and advances	2.9	<u>2,684,584</u>	<u>2,673,958</u>
		159,761,454	163,041,461
2. CURRENT ASSETS			
a. Current investments	2.10	5,229,471	11,737,144
b. Trade receivables	2.11	2,123,067	104,943
c. Cash and cash equivalents	2.12	307,975	3,105,796
d. Short-term loans and advances	2.13	101,512	1,201,600
e. Other current assets	2.14	<u>-</u>	<u>43,591</u>
		7,762,025	16,193,074
		<u>167,523,479</u>	<u>179,234,535</u>

See accompanying notes forming part of the Financial Statements

1 & 2

In terms of our report attached

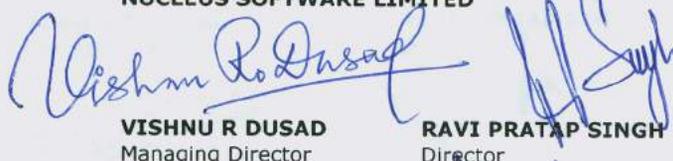
For **DELOITTE HASKINS & SELLS**
Chartered Accountants



SAMEER ROHATGI
Partner

Place : Noida
Date : 7 May 2015

For and on behalf of the Board of Directors
NUCLEUS SOFTWARE LIMITED

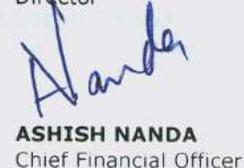


VISHNU R DUSAT
Managing Director

RAVI PRATAP SINGH
Director



MEENAKSHI SHARMA
Company Secretary



ASHISH NANDA
Chief Financial Officer

Place : Noida
Date : 7 May 2015

NUCLEUS SOFTWARE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2015

	Notes Ref.	Year ended 31 March 2015 (Rupees)	Year ended 31 March 2014 (Rupees)
1. REVENUE FROM OPERATIONS			
Rent Income	2.15	10,237,273	16,759,722
2. OTHER INCOME	2.16	442,591	441,222
3. TOTAL REVENUE (1+2)		10,679,864	17,200,944
4. EXPENSES			
a. Employee benefits expense	2.17	1,613,976	1,402,782
b. Operating and other expenses	2.18	3,013,627	1,987,684
c. Finance cost - bank charges	2.19	468	698
d. Depreciation and amortisation expense	2.7	7,376,301	7,364,112
TOTAL EXPENSES		12,004,372	10,755,276
5. PROFIT/(LOSS) BEFORE TAX (3-4)		(1,324,508)	6,445,668
6. TAX EXPENSE			
a. Current tax			
Current tax expense		12,508	496,214
MAT Credit Entitlement		-	(496,214)
NET TAX EXPENSE		12,508	-
7. PROFIT/(LOSS) FOR THE YEAR (5-6)		(1,337,016)	6,445,668
8. EARNINGS PER SHARE			
Equity shares of Rupees 10 each			
Basic and diluted	2.20	(0.13)	0.64
Number of shares used in computing earnings per share		10,000,000	10,000,000

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

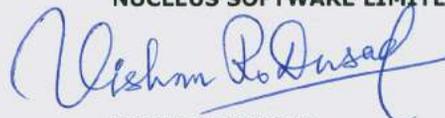
In terms of our report attached

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

For and on behalf of the Board of Directors
NUCLEUS SOFTWARE LIMITED




SAMEER ROHATGI
Partner



VISHNU R DUSAD
Managing Director


MEENAKSHI SHARMA
Company Secretary

Place : Noida
Date : 7 May 2015


RAVI PRATAP SINGH
Director


ASHISH NANDA
Chief Financial Officer

Place : Noida
Date : 7 May 2015

NUCLEUS SOFTWARE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2015

	<u>Notes Ref.</u>	<u>Year ended 31 March 2015 (Rupees)</u>	<u>Year ended 31 March 2014 (Rupees)</u>
A. Cash flow from operating activities			
Net profit / (loss) before tax		(1,324,508)	6,445,668
Adjustments for:			
Depreciation and amortisation expense		7,376,301	7,364,112
Dividend income from current investments		(404,039)	(401,217)
Provision for doubtful advances		-	244,734
Operating Profit / (loss) before working capital changes		<u>5,647,754</u>	<u>13,653,297</u>
Adjustment for (increase)/decrease in operating assets			
Long-term loans and advances		375,706	(311,866)
Trade receivable		(2,018,124)	433,151
Short-term loans and advances		1,100,088	(1,125,778)
Other current assets		43,591	219,378
Adjustment for increase/ (decrease) in operating liabilities			
Long-term provisions		(243,472)	34,713
Trade payable and other current liabilities		<u>(4,290,154)</u>	<u>4,768,186</u>
Income tax paid (net)		615,389	17,671,081
		<u>398,840</u>	<u>519,355</u>
Net cash from / (used in) operating activities (A)		<u>216,549</u>	<u>17,151,726</u>
B. Cash flow from investing activities			
Purchase of fixed assets/capital work in progress		(4,085,669)	(441,984)
Purchase of Current investments		(4,504,039)	(14,240,693)
Proceeds from sale of current investments		11,011,712	5,039,476
Dividend income from current investments		404,039	401,217
Net cash from / (used in) investing activities (B)		<u>2,826,043</u>	<u>(9,241,984)</u>
C. Cash flow from financing activities			
Repayment of long-term borrowings to Holding Company		(5,840,413)	(4,996,264)
Net cash from/ (used in) financing activities (C)		<u>(5,840,413)</u>	<u>(4,996,264)</u>
Net increase / (decrease) in cash and cash equivalents (A+B+C)		<u>(2,797,821)</u>	<u>2,913,478</u>
Cash and cash equivalents at the beginning of the year	2.12	3,105,796	192,318
Cash and cash equivalents at the end of the year	2.12	<u>307,975</u>	<u>3,105,796</u>
See accompanying notes forming part of the financial Statements	1 & 2		

In terms of our report attached

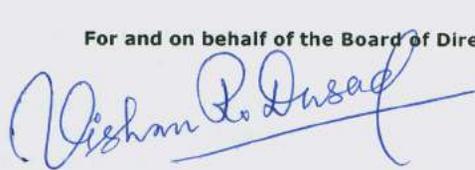
For **DELOITTE HASKINS & SELLS**
Chartered Accountants

SAMEER ROHATGI
Partner

Place : Noida
Date : 7 May 2015

For and on behalf of the Board of Directors

VISHNU R DUSAD
Managing Director

RAVI PRATAP SINGH
Director


MEENAKSHI SHARMA
Company Secretary


ASHISH NANDA
Chief Financial Officer

Place : Noida
Date : 7 May 2015

NUCLEUS SOFTWARE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 1:

1.1 Company Background

Nucleus Software Limited ('the Company') was incorporated on 21 April, 2008 in India. The Company's entire share capital is held by Nucleus Software Exports Ltd., India ('the Holding Company') and its nominees.

The Company had acquired 17.41 acres of land in a Special Economic Zone (SEZ) at Jaipur at a private sector multi-product Special Economic Zone, "Mahindra World City" in the year 2008-09. During the year 2010-11, the Company acquired the status of Co-Developer for the above land along with Mahindra World City (Jaipur) Ltd. (MWCJL). This was pursuant to approval granted by Board of Approvals (BOA) of the Ministry of Commerce in their meeting held on June 8, 2010, for developing, operating and maintaining the area of 17.41 acres in the said SEZ. In the first phase, the Company has developed an area of 2.87 acres and has let out a part of the same to the Holding Company w.e.f. 16 August 2011.

1.2 Significant accounting policies

(i) Basis of preparation

The financial statements have been prepared under the historical cost convention, on the accrual basis of accounting and in accordance with the Generally Accepted Accounting Principles ('GAAP') in India and comply with the accounting standards specified under section 133 of the act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as adopted consistently by the Company.

All income and expenditure having a material bearing on the financial statement are recognised on 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.

(ii) Use of estimates

The preparation of financial statements in conformity with Indian 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 period. Examples of such estimates include 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 periods in which the results are known/materialise.

(iii) Cash and cash equivalents (for the purpose of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.



NUCLEUS SOFTWARE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(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) Depreciation

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

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

<u>Particulars</u>	<u>Useful life (in years)</u>
<u>Tangible Assets :</u>	
- Building	30
- Computers	3
- Plant and equipment	5
- Furniture and Fixtures	5
<u>Intangible Assets :</u>	
- Software	3

(vi) Revenue Recognition

Lease income comprising of rent and other related services from operating leases is recognised in the Statement of Profit and Loss on a straight line basis over the lease term.

(vii) Other income

Dividend income is accounted for when the right to receive it is established.

(viii) 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 any directly attributable expenditure on making the asset ready for its intended use. Fixed assets under construction and cost of assets not ready to use before the year end, are disclosed as capital work-in-progress.

(ix) 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.



NUCLEUS SOFTWARE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(x) 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 period are recognised in the Statement of Profit and Loss. Monetary assets and monetary liabilities that are determined in foreign currency are restated at the exchange rate prevalent at the date of Balance Sheet. The resulting difference is recorded in the Statement of Profit and Loss.

(xi) Investments

Investments are classified into long term and current investments based on the intent of management at the time of acquisition. Long-term investments 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.

(xii) 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.

(xiii) Employee benefits

Short-Term Employee Benefits

All employee benefits payable wholly within twelve months of rendering services are classified as short-term employee benefits. Benefits such as salaries, wages and bonus etc. are recognised in the Statement of Profit and Loss in the period in which the employee renders related service.

Long-Term Employee Benefits

The company's long term employee benefits include Gratuity and Compensated Absences. The liability in respect of these benefits is provided on actuals on the basis of calculations made by the Company.

(xiv) Taxes on Income

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 are recognised for timing differences other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise such assets. 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.



NUCLEUS SOFTWARE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(xv) Impairment of assets

Management periodically assesses using, external and internal sources whether there is an indication that an asset may be impaired. An 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.

(xvi) 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 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.

(xvii) Operating Cycle

Based on the nature of 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.



NUCLEUS SOFTWARE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2.1 SHARE CAPITAL

Particulars	As at 31 March 2015 (Rupees)	As at 31 March 2014 (Rupees)
a. Authorized 10,000,000 (Previous Year 10,000,000) equity shares of Rupees 10 each	100,000,000	100,000,000
b. Issued, Subscribed and Fully Paid-Up 10,000,000 (Previous Year 10,000,000) equity shares of Rupees 10 each.	100,000,000	100,000,000

Of the above 9,999,994 (Previous Year 9,999,994) equity shares, fully paid up are held by Nucleus Software Exports Limited, the holding company and 6 (previous year 6) equity shares, fully paid up, are held by nominees on behalf of the holding company.

Notes :

(i) **Reconciliation of number of shares and amount outstanding at the beginning and at the end of the year :**

As at the beginning of the year		
- Number of shares	10,000,000	10,000,000
- Amount	100,000,000	100,000,000
Shares issued / (brought back) during the year		
- Number of shares	-	-
- Amount	-	-
As at the end of the year		
- Number of shares	10,000,000	10,000,000
- Amount	100,000,000	100,000,000

(ii) **Rights, preferances and restrictions attached to shares :**

The Company has one class of equity shares having a par value of Rupees 10 each. Each shareholder is eligible for one vote per share held. 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) **Details of shares held by the Holding Company**

Nucleus Software Exports Limited

- Number of shares*	10,000,000	10,000,000
- Percentage	100%	100%
- Amount	100,000,000	100,000,000

*Of the above, 6 (previous year 6) equity shares, fully paid up, are held by nominees on behalf of the holding company.



NUCLEUS SOFTWARE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	As at 31 March 2015 (Rupees)	As at 31 March 2014 (Rupees)
2.2 RESERVES AND SURPLUS		
Surplus/ (Deficit) in Statement of Profit and Loss		
Opening Balance	(12,338,310)	(18,783,978)
Add: Profit / (loss) for the year	(1,337,016)	6,445,668
Closing balance	<u>(13,675,326)</u>	<u>(12,338,310)</u>
2.3 LONG-TERM BORROWINGS		
Unsecured loans		
Loan from holding company	<u>80,110,221</u>	<u>85,950,634</u>
<p>Note : The above loan is repayable on demand after five years from 1 April 2013 and is interest free. During the year ended 31 March, 2015, the Company has repaid Rupees 5,840,413 (Previous year Rupees 4,996,264)</p>		
2.4 LONG-TERM PROVISIONS		
Provision for employee benefits		
- Compensated absences	81,917	128,184
- Gratuity	-	197,206
	<u>81,917</u>	<u>325,390</u>
2.5 TRADE PAYABLES		
Trade Payables		
- Micro and small enterprises (refer note below)		-
- Others	859,164	1,458,489
	<u>859,164</u>	<u>1,458,489</u>
<p>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 auditor.</p>		
2.6 OTHER CURRENT LIABILITIES		
a. Other payables - statutory liabilities	63,746	71,788
b. Security deposits received	-	3,220,346
c. Advance Rent	-	546,198
d. Provision for gratuity (net)	83,757	-
	<u>147,503</u>	<u>3,838,332</u>



NUCLEUS SOFTWARE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2.7 FIXED ASSETS (at Cost)

(Amount in Rupees)

PARTICULARS	GROSS BLOCK			ACCUMULATED DEPRECIATION/ AMORTISATION			NET BLOCK	
	As at 1 April 2014	Additions during the Year	As at 31 March 2015	As at 1 April 2014	Depreciation for the Period	As at 31 March 2015	As at 31 March 2015	As at 31 March 2014
Tangible assets								
Leasehold land	121,447,361 (121,447,361)	- -	121,447,361 (121,447,361)	7,187,238 (5,937,354)	1,252,035 (1,249,884)	8,439,273 (7,187,238)	113,008,088 (114,260,123)	114,260,123 (115,510,007)
Building	39,441,997 (39,400,747)	4,085,669 (41,250)	43,527,666 (39,441,997)	3,504,965 (2,182,966)	1,361,747 (1,321,999)	4,866,712 (3,504,965)	38,660,954 (35,937,032)	35,937,032 (37,217,781)
Plant and equipment	13,622,471 (13,391,090)	- (231,381)	13,622,471 (13,622,471)	7,289,624 (4,712,894)	2,616,494 (2,576,730)	9,906,118 (7,289,624)	3,716,353 (6,332,847)	6,332,847 (8,678,196)
Computers	5,054,935 (5,054,935)	- -	5,054,935 (5,054,935)	3,283,832 (2,006,967)	1,263,734 (1,276,865)	4,547,566 (3,283,832)	507,369 (1,771,103)	1,771,103 (3,047,968)
Furniture and fixtures	5,317,562 (5,259,809)	- (57,753)	5,317,562 (5,317,562)	3,397,801 (2,600,512)	798,261 (797,289)	4,196,062 (3,397,801)	1,121,500 (1,919,761)	1,919,761 (2,659,297)
Total	184,884,326	4,085,669	188,969,995	24,663,460	7,292,271	31,955,731	157,014,264	160,220,866
Previous Year	(184,553,942)	(330,384)	(184,884,326)	(17,440,693)	(7,222,767)	(24,663,460)	(160,220,866)	
Intangible assets								
Softwares	402,328 (290,728)	- (111,600)	402,328 (402,328)	278,692 (137,347)	84,030 (141,345)	362,722 (278,692)	39,606 (123,636)	123,636 (153,381)
Total	185,286,654	4,085,669	189,372,323	24,942,152	7,376,301	32,318,453	157,053,870	160,344,502
Previous Year	(184,844,670)	(441,984)	(185,286,654)	(17,578,040)	(7,364,112)	(24,942,152)	(160,344,502)	

Note : Figures in brackets denote amounts pertaining to previous year.



NUCLEUS SOFTWARE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	As at 31 March 2015 (Rupees)	As at 31 March 2014 (Rupees)
2.8 NON CURRENT INVESTMENTS (at cost)		
Non Trade (unquoted)		
Investment in government securities	<u>23,000</u>	<u>23,000</u>
Note: The above is provided as security to government authorities		
2.9 LONG-TERM LOANS AND ADVANCES (Unsecured, considered good)		
a. Security deposit	599,600	939,095
b. Prepaid expenses	9,184	45,395
c. Advance income tax [net of provision Rupees 508,722 (previous year Rupees 496,214)]	1,592,094	1,193,254
d. MAT credit entitlement	483,706	496,214
	<u>2,684,584</u>	<u>2,673,958</u>
2.10 CURRENT INVESTMENTS (at the lower of cost and fair value)		
Investments in Liquid Schemes of Mutual Funds (Quoted, Non trade)		
a. 5169.40 Units (Previous year 10,381.08) in Kotak Floater Short Term Fund-Direct Plan-Daily Dividend-Reinvestment Option	5,229,471	10,501,711
b. Nil units (Previous year 1,221.49) in Kotak Floater Short Term Fund- Regular-Daily Dividend-Reinvestment Option	-	1,235,433
	<u>5,229,471</u>	<u>11,737,144</u>
Market value of quoted investments	5,229,471	11,737,144
2.11 TRADE RECEIVABLES (Unsecured, considered good)		
a. Trade Receivables outstanding for a period less than six months from the date they were due for payment	2,123,067	104,943
	<u>2,123,067</u>	<u>104,943</u>
2.12 CASH AND CASH EQUIVALENTS		
a. Cash on hand	28	28
b. Balances with scheduled banks: - in current accounts	307,947	3,105,768
	<u>307,975</u>	<u>3,105,796</u>
Details of balances as on balance sheet dates with scheduled banks in current accounts:-		
- Citi Bank	201,049	2,674,352
- HDFC Bank	106,898	431,416
	<u>307,947</u>	<u>3,105,768</u>

Note : All the above balances meet the definition of Cash and Cash Equivalents as per AS -3 Cash Flow Statements



NUCLEUS SOFTWARE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	As at 31 March 2015 (Rupees)	As at 31 March 2014 (Rupees)
2.13 SHORT-TERM LOANS AND ADVANCES		
Unsecured, considered good		
a. Prepaid Expenses	34,881	40,142
b. Others - Advance to suppliers		
- considered good	66,631	1,161,458
- considered doubtful	244,734	244,734
	311,365	1,406,192
Less : Provision for doubtful advances	(244,734)	(244,734)
	66,631	1,161,458
	101,512	1,201,600
2.14 OTHER CURRENT ASSETS		
Rent income accrued but not due	-	43,591
	-	43,591



NUCLEUS SOFTWARE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	Year ended 31 March 2015 (Rupees)	Year Ended 31 March 2014 (Rupees)
2.15 INCOME FROM RENTAL SERVICES		
a. Rental Income	<u>10,237,273</u>	<u>16,759,722</u>
2.16 OTHER INCOME		
a. Dividend income from current investments	404,039	401,217
b. Interest on income tax refund	38,552	40,005
	<u>442,591</u>	<u>441,222</u>
2.17 EMPLOYEE BENEFITS EXPENSE		
a. Salaries and wages	1,535,135	1,331,533
b. Gratuity expenses	65,641	58,049
c. Staff welfare expenses	13,200	13,200
	<u>1,613,976</u>	<u>1,402,782</u>
2.18 OPERATING AND OTHER EXPENSES		
a. Power and fuel	126,445	58,470
b. Repair and maintenance - Buildings	1,748,280	435,635
c. Insurance	3,951	30,543
d. Rates and Taxes	4,266	100
e. Communication	83,356	158,732
f. Travelling - Domestic	15,561	24,157
g. Legal and professional	359,338	800,885
h. Directors' sitting fees	426,968	120,000
i. Provision for doubtful advances	-	244,734
j. Miscellaneous expenses	245,462	114,428
	<u>3,013,627</u>	<u>1,987,684</u>
Legal and Professional expenses include:		
Payment to Statutory Auditors - Audit Fees	<u>200,000</u>	<u>200,000</u>
	<u>200,000</u>	<u>200,000</u>
2.19 FINANCE COST		
a. Bank Charges	<u>468</u>	<u>698</u>
2.20 Earnings per share		
a. Loss after taxation available to equity shareholders (Rupees)	(1,337,016)	6,445,668
b. Weighted average number of equity shares used in calculating earnings per share	10,000,000	10,000,000
c. Basic and Diluted earnings per share (Rupees)	(0.13)	0.64



NUCLEUS SOFTWARE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2.21 RELATED PARTY TRANSACTIONS

List of related parties- where control exists

- a. Holding Company**
- Nucleus Software Exports Limited

Particulars	Year ended 31 March 2015 (Rupees)	Year Ended 31 March 2014 (Rupees)
Transactions with related parties		
a. Rent Income		
- Nucleus Software Exports Limited	9,496,296	9,496,296
b. Repayment of loan		
- Nucleus Software Exports Limited	5,840,413	4,996,264
c. Reimbursement of expenses to		
- Nucleus Software Exports Limited	600	8,826

Outstanding balances as at year end

Particulars	As at 31 March 2015 (Rupees)	As at 31 March 2014 (Rupees)
a. Unsecured Loans	80,110,221	85,950,634
b. Share Capital	100,000,000	100,000,000
c. Trade Payable	25,099	-
d. Trade Receivables	2,123,067	-

2.22 Segment Reporting

Based on the guiding principles stated in Accounting Standard-17 on "Segment Reporting", as specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, the Company does not have any reportable segment information as required to be disclosed by this statement. Accordingly, no additional disclosure for segment reporting is required in the financial statements.

2.23 As at 31 March, 2015, 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, 2015.



NUCLEUS SOFTWARE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2.24 Function wise classification of the Statement of Profit and Loss (unaudited)

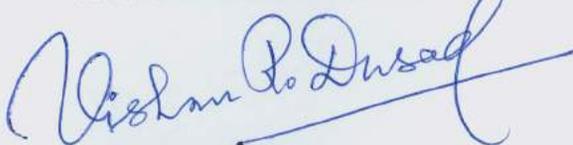
Particulars	Year ended 31 March 2015 (Rupees)	Year Ended 31 March 2014 (Rupees)
Income from rental services	10,237,273	16,759,722
Gross Profit	10,237,273	16,759,722
General and administration expenses	4,628,071	3,391,164
Operating profit before depreciation	5,609,202	13,368,558
Depreciation	7,376,301	7,364,112
Operating profit/ (loss) after depreciation	(1,767,099)	6,004,446
Other income	442,591	441,222
Profit/ (loss) before taxation	(1,324,508)	6,445,668
Tax expense	12,508	-
Profit/(loss) after taxation	(1,337,016)	6,445,668

2.25 Transfer Pricing

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

2.26 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



VISHNU R DUSAD
Managing Director



MEENAKSHI SHARMA
Company Secretary



RAVI PRATAP SINGH
Director



ASHISH NANDA
Chief Financial Officer



Place : Noida
Date : 7 May 2015