

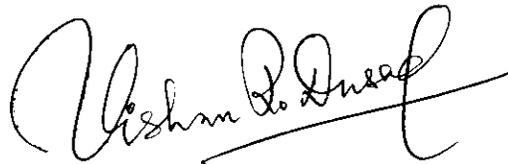
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NUCLEUS SOFTWARE NETHERLANDS B.V.
BALANCE SHEET AS AT 31 MARCH 2017

	Notes No.	As at 31 March 2017 (Euro)	As at 31 March 2016 (Euro)	As at 31 March 2017 (Rupees)	As at 31 March 2016 (Rupees)
A. EQUITY AND LIABILITIES					
1. SHAREHOLDERS' FUNDS					
a. Share capital	2.1	750,000	750,000	51,967,500	55,800,000
b. Reserves and surplus	2.2	(715,953)	(704,301)	(49,608,400)	(52,399,998)
		34,047	45,699	2,359,100	3,400,002
2. CURRENT LIABILITIES					
a. Trade payables	2.3				
i) Total outstanding dues of micro enterprises and small enterprises		-	-	-	-
ii) Total outstanding dues of creditors other than micro enterprises and small		5,540	7,015	383,882	521,916
b. Other current liabilities	2.4	1,250	20,240	86,613	1,505,856
		6,790	27,255	470,495	2,027,772
		40,837	72,954	2,829,595	5,427,774
B. ASSETS					
1. NON-CURRENT ASSETS					
a. Fixed assets					
- Tangible assets	2.5	-	-	-	-
2. CURRENT ASSETS					
a. Cash and Cash Equivalents	2.6	39,195	42,335	2,715,829	3,149,724
b. Short-term loans and advances	2.7	1,642	30,619	113,766	2,278,050
		40,837	72,954	2,829,595	5,427,774
		40,837	72,954	2,829,595	5,427,774

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

For and on behalf of the Board of Directors



VISHNU R DUSAD
General Managing Director

Place : New Delhi
Date : 25 April 2017



NUCLEUS SOFTWARE NETHERLANDS B.V.
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2017

	Notes No.	Year ended 31 March 2017 (Euro)	Year ended 31 March 2016 (Euro)	Year ended 31 March 2017 (Rupees)	Year ended 31 March 2016 (Rupees)
1. REVENUE FROM OPERATIONS					
Sales and services	2.8	77,163	97,349	5,656,048	6,979,887
2. OTHER INCOME	2.9	364	-	26,681	-
3. TOTAL REVENUE (1+2)		77,527	97,349	5,682,729	6,979,887
4. EXPENSES					
a. Operating and other expenses	2.10	87,384	118,494	6,405,269	8,496,020
b. Finance cost - Bank Charges	2.11	1,795	1,646	131,566	117,986
c. Depreciation	2.5	-	-	-	-
TOTAL EXPENSES		89,179	120,140	6,536,835	8,614,006
5. LOSS FOR THE YEAR		(11,652)	(22,791)	(854,106)	(1,634,119)
6. EARNINGS PER EQUITY SHARE					
Equity shares of Euro 100 each					
a. Basic and Diluted	2.15	(1.55)	(4.64)	(213.53)	(332.75)
Number of shares used in computing earnings per share		7,500	4,911	4,000	4,911

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

For and on behalf of the Board of Directors



VISHNU R DUSAD
General Managing Director

Place : New Delhi
Date : 25 April 2017

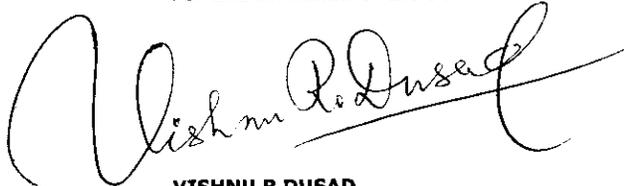


NUCLEUS SOFTWARE NETHERLANDS B.V.
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2017

Notes Ref.	Year ended 31 March 2017 (Euro)	Year ended 31 March 2016 (Euro)	Year ended 31 March 2017 (Rupees)	Year ended 31 March 2016 (Rupees)
A. Cash flow from operating activities				
Net Profit / (Loss) before tax	(11,652)	(22,791)	(854,106)	(1,634,119)
Adjustments for:				
Exchange difference on translation of foreign currency accounts	-	-	(169,594)	206,500
Operating profit/ (loss) before working capital changes	(11,652)	(22,791)	(1,023,700)	(1,427,619)
Adjustment for (increase)/decrease in operating assets				
Decrease / (increase) in other current assets				
Trade Receivables	-	11,745	-	873,797
Short -Term Loans and Advances	28,977	1,723	2,007,825	128,220
Adjustment for increase/ (decrease) in operating liabilities				
Trade payables	(1,475)	(332,141)	(102,203)	(24,711,273)
Other current liabilities	(18,990)	(1,942)	(1,315,817)	(144,491)
Net cash flow from/(used in) operating activities (A)	(3,140)	(343,406)	(433,895)	(25,281,366)
B. Cash flow from financing activities				
Proceeds from Issue of share capital	-	350,000	-	26,040,000
Net cash flow from financing activities (B)	-	350,000	-	26,040,000
Net increase/ (decrease) in cash and cash equivalents (A+B)	(3,140)	6,594	(433,895)	758,634
Cash and cash equivalents at the beginning of the Year	2.8 42,335	2.8 35,741	3,149,724	2,391,090
Cash and cash equivalents at the end of the Year	2.8 39,195	42,335	2,715,829	3,149,724

See accompanying notes forming part of the Financial Statements

For and on behalf of the Board of Directors



VISHNU R DUSAD
General Managing Director

Place : New Delhi
Date : 25 April 2017



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

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 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 as applicable 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.

The Company's net worth is substantially eroded. However, the directors consider that it is appropriate to prepare these accounts on going concern basis in view of 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. (Also refer note 2.19).

The financial statements have been prepared for the purpose of compliance with the provisions of Section 129(3) of the Companies Act, 2013 and the 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 the Cash flow statement have been restated on the average exchange rate for the financial year.

(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. 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.

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

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

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

(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.

(i) 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.

(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. Depreciation is charged on a pro-rata basis for assets purchased / sold during the year.

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

Asset category	Useful life (in years)
Office equipment	5
Computers	3
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.

Revenue from annual technical service contracts is recognised on a pro rata basis over the period in which such services are rendered.

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.

(vii) Lease

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

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

(viii) Foreign exchange transactions

Foreign exchange transactions are recorded at the exchange rates prevailing at the date of transaction. Realised gains and losses on foreign exchange transactions during the year are recognised as Income or Expense in the Statement of Profit and Loss. Monetary assets and liabilities are restated at the exchange rate prevalent at the date of balance sheet. The resulting gain/loss is recognised in the Statement of Profit and Loss.

(ix) 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.

(x) 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.

(xi) 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 applicable local tax laws.

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 carried 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.

(xii) 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.

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

(xiii) 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.

(xiv) VAT input tax credit

VAT input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilising the credits.

(xv) Operating Cycle

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

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

Particulars	As at 31 March 2017 (Euro)	As at 31 March 2016 (Euro)	As at 31 March 2017 (Rupees)	As at 31 March 2016 (Rupees)
2.1 SHARE CAPITAL				
a. Authorised				
Equity Shares 7,500 (Previous Year 7,500) equity shares of Euro 100 each	<u>750,000</u>	<u>750,000</u>	<u>51,967,500</u>	<u>55,800,000</u>
b. Issued, subscribed and paid-up				
7,500 (Previous Year 7,500) equity shares of Euro 100 each, fully paid up, held by Nucleus Software Exports Limited, India (the Holding Company).	<u>750,000</u>	<u>750,000</u>	<u>51,967,500</u>	<u>55,800,000</u>

Refer noted (i) to (iii) below

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

As at the beginning of the year				
- Number of shares	7,500	4,000	4,000	4,000
- Amount	750,000	400,000	55,800,000	26,760,000
Shares issued / (bought back) during the year				
- Number of shares	-	3,500	-	3,500
- Amount	-	350,000	-	26,040,000
As at the end of the year				
- Number of shares	7,500	7,500	4,000	7,500
- Amount	750,000	750,000	51,967,500	55,800,000

(ii) Rights, preference and restrictions attached to shares :

The Company has one class of equity shares having par value of Euro 100 each. Each shareholder is eligible for one vote per share held.

(iii) Details of share held by the Holding Company :

Nucleus Software Exports Limited				
- Number of shares	7,500	7,500	7,500	7,500
- Percentage	100%	100%	100%	100%
- Amount	750,000	750,000	51,967,500	55,800,000

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

Particulars	As at 31 March 2017 (Euro)	As at 31 March 2016 (Euro)	As at 31 March 2017 (Rupees)	As at 31 March 2016 (Rupees)
2.2 RESERVES AND SURPLUS				
a. Surplus/ (Deficit) in Statement of Profit and Loss				
Opening Balance	(704,301)	(681,510)	(46,370,267)	(44,736,148)
Add: Profit / (Loss) for the Year	<u>(11,652)</u>	<u>(22,791)</u>	<u>(854,106)</u>	<u>(1,634,119)</u>
Closing balance	<u>(715,953)</u>	<u>(704,301)</u>	<u>(47,224,373)</u>	<u>(46,370,267)</u>
b. Currency Translation Reserve				
Opening Balance	-	-	(6,029,731)	(856,838)
Add / (Less) : Effect of Foreign Exchange rate variations during the Year	-	-	3,645,704	(5,172,893)
Closing balance	<u>-</u>	<u>-</u>	<u>(2,384,027)</u>	<u>(6,029,731)</u>
	<u>(715,953)</u>	<u>(704,301)</u>	<u>(49,608,400)</u>	<u>(52,399,998)</u>
2.3 TRADE PAYABLES				
a. Trade Payables				
i) Total outstanding dues of micro enterprises and small enterprises (see note below)	-	-	-	-
ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	5,540	7,015	383,882	521,916
	<u>5,540</u>	<u>7,015</u>	<u>383,882</u>	<u>521,916</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 on the basis of information collected by the Management. This has been relied upon by the auditors.				
2.4 OTHER CURRENT LIABILITIES				
a. Advances from customer / Advance billing	1,250	20,240	86,613	1,505,856
	<u>1,250</u>	<u>20,240</u>	<u>86,613</u>	<u>1,505,856</u>

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

Particulars	As at 31 March 2017 (Euro)	As at 31 March 2016 (Euro)	As at 31 March 2017 (Rupees)	As at 31 March 2016 (Rupees)
2.6 CASH AND CASH EQUIVALENTS				
Balance with non scheduled bank - in current account Citibank-Netherlands	<u>39,195</u>	<u>42,335</u>	<u>2,715,829</u>	<u>3,149,724</u>
Note: All the above balances meet the definition of cash and cash equivalents as per AS-3 Cash Flow Statements.				
2.7 SHORT-TERM LOANS AND ADVANCES				
Unsecured, considered good				
a. Prepaid Expenses	1,358	23,210	94,087	1,726,813
b. Balances with Government Authorities	100	1,225	6,929	91,140
c. Security Deposits	184	6,184	12,750	460,097
	<u>1,642</u>	<u>30,619</u>	<u>113,766</u>	<u>2,278,050</u>

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

2.5 Fixed Assets (at Cost)

	Gross block			Accumulated Depreciation			Net block		
	As at 1 April 2016	Additions during the year	Deductions / adjustments	As at 31 March 2017	As at 1 April 2016	Depreciation the year	Deductions / adjustments	As at 31 March 2017	As at 31 March 2016
Tangible assets									
Office and other equipment	1,056 (1,056)	-	-	1,056 (1,056)	1,056 (1,056)	-	-	1,056 (1,056)	-
Computers	1,502 (1,502)	-	-	1,502 (1,502)	1,502 (1,502)	-	-	1,502 (1,502)	-
Furniture and fixtures	5,318 (5,318)	-	-	5,318 (5,318)	5,318 (5,318)	-	-	5,318 (5,318)	-
Current year (Euro)	7,876	-	-	7,876	7,876	-	-	7,876	-
Previous year (Euro)	(7,876)	(-)	(-)	(7,876)	(7,876)	-	(-)	(7,876)	(-)

	Gross block			Accumulated Depreciation			Net block		
	As at 1 April 2016	Additions during the year	Currency Translation	As at 31 March 2017	As at 1 April 2016	Depreciation the year	Currency Translation	As at 31 March 2017	As at 31 March 2016
Tangible assets									
Office and other equipment	78,566 (70,646)	-	(5,396) (7,920)	73,170 (78,566)	78,566 (70,646)	-	(5,396) (7,920)	73,170 (78,566)	-
Computers	111,749 (100,484)	-	(7,675) (11,265)	104,074 (111,749)	111,749 (100,484)	-	(7,675) (11,265)	104,074 (111,749)	-
Furniture and fixtures	395,659 (355,774)	-	(27,175) (39,885)	368,484 (395,659)	395,659 (355,774)	-	(27,175) (39,885)	368,484 (395,659)	-
Current year (Rupees)	585,974	-	(40,246)	545,728	585,974	-	(40,246)	545,728	-
Previous year (Rupees)	(526,904)	(-)	(59,070)	(585,974)	(526,904)	-	(59,070)	(585,974)	(-)

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

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

Particulars	Year ended 31 March 2017 (Euro)	Year ended 31 March 2016 (Euro)	Year ended 31 March 2017 (Rupees)	Year ended 31 March 2016 (Rupees)
2.8 SALES AND SERVICES				
a. Software Development Services	77,163	97,349	5,656,048	6,979,887
	77.163	97.349	5.656.048	6.979.887
2.9 OTHER INCOME				
a. Miscellaneous Income	364	-	26,681	-
	364	-	26.681	-
2.10 OPERATING AND OTHER EXPENSES				
a. Outsourced technical service expenses	65,631	80,442	4,810,776	5,767,698
b. Rent (see note 2.14)	6,374	22,636	467,214	1,622,988
c. Insurance	279	402	20,447	28,829
d. Repair and Maintenance	4,513	-	330,803	-
e. Legal and professional (see note 2.12)	8,833	12,930	647,491	927,078
f. Communication	974	839	71,360	60,131
g. Power & Fuel	91	84	6,683	6,039
h. Net loss on foreign currency transactions	689	1,161	50,495	83,257
	87,384	118,494	6,405,269	8,496,020
2.11 Finance cost				
Bank Charges	1,795	1,646	131,566	117,986
2.12 Legal and Professional expenses include:				
Audit fees (excluding service tax)	722	2,016	50,000	150,000

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

2.13 RELATED PARTY TRANSACTIONS

List of related parties

a. Holding Company

- Nucleus Software Exports Limited

Transactions with related parties

Particulars	Year ended 31 March 2017 (Euro)	Year ended 31 March 2016 (Euro)	Year ended 31 March 2017 (Rupees)	Year ended 31 March 2016 (Rupees)
a. Outsourced technical service expense				
- Nucleus Software Exports Limited	65,631	80,442	4,810,776	5,767,698
b. Reimbursement of expenses to				
- Nucleus Software Exports Limited	74	197	5,455	14,142
c. Issue of Share Capital				
- Nucleus Software Exports Limited	-	350,000	-	26,040,000

Outstanding balances as at year end

Particulars	As at 31 March 2017 (Euro)	As at 31 March 2016 (Euro)	As at 31 March 2017 (Rupees)	As at 31 March 2016 (Rupees)
a. Short term loan and advances				
- Nucleus Software Exports Limited	1,061	17,125	73,537	1,276,214

2.14 Operating Lease

Obligations on long-term, non-cancelable operating leases

The Company leases office space and other assets under operating lease till June 2016. The Lease rental expense recognised in the statement of profit and loss for the year in respect of such lease is Euro 6,374 (previous year Euro 22,636). The future minimum lease payment in respect of such lease is as follows:

Particulars	As at 31 March 2017 (Euro)	As at 31 March 2016 (Euro)	As at 31 March 2017 (Rupees)	As at 31 March 2016 (Rupees)
Lease obligations payable				
a. Not later than 1 year	276	5,759	20,231	428,444
b. Later than 1 year but not later than 5 years	-	-	-	-
	<u>276</u>	<u>5,759</u>	<u>20,231</u>	<u>428,444</u>

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

2.15 Earnings per share

Basic and Diluted

Particulars	As at 31 March 2017 (Euro)	As at 31 March 2016 (Euro)	As at 31 March 2017 (Rupees)	As at 31 March 2016 (Rupees)
a. Profit / (Loss) after tax	(11,652)	(22,791)	(854,106)	(1,634,119)
b. Weighted average number of equity shares	7,500	4,911	7,500	4,911
c. Earnings per share	(1.55)	(4.64)	(113.88)	(332.75)

2.16 Segment Reporting

Based on the guiding principles stated in Accounting Standard 17 - "Segment Reporting" as specified under section 133 of the Act, as applicable, 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.

2.17 Function wise classification of the Statement of Profit and Loss

Particulars	Year ended 31 March 2017 (Euro)	Year ended 31 March 2016 (Euro)	Year ended 31 March 2017 (Rupees)	Year ended 31 March 2016 (Rupees)
Sales and services	77,527	97,349	5,682,729	6,979,887
Software development expenses	65,631	80,442	4,810,776	5,767,698
Gross Profit	11,896	16,907	871,953	1,212,189
Selling and marketing expenses	5,819	20,448	426,507	1,466,124
General and administration expenses	17,729	19,250	1,299,552	1,380,184
Operating Loss	(11,652)	(22,791)	(854,106)	(1,634,119)
Loss after taxation	(11,652)	(22,791)	(854,106)	(1,634,119)

2.18 As at 31 March 2017, 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, 2017.

2.19 Going Concern Assumption

During the year ended 31 March 2017, the Company has incurred an operating loss of Euro 11,652 (Rupees 854,106). As at 31 March 2017, the accumulated losses of the Company aggregate to Euro 715,953 (Rupees 49,608,400). 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.

2.20 Previous year figures have been regrouped / reclassified wherever necessary to correspond with current year classification/disclosure.

For and on behalf of the Board of Directors



VISHNU R DUSAD
General Managing Director

Place : New Delhi
Date : 25 April 2017

NUCLEUS SOFTWARE NETHERLANDS B.V.
BALANCE SHEET AS AT 31 MARCH 2017

	Notes No.	As at 31 March 2017 (Euro)	As at 31 March 2016 (Euro)	As at 31 March 2017 (Rupees)	As at 31 March 2016 (Rupees)
A. EQUITY AND LIABILITIES					
1. SHAREHOLDERS' FUNDS					
a. Share capital	2.1	750,000	750,000	51,967,500	55,800,000
b. Reserves and surplus	2.2	(715,953)	(704,301)	(49,608,400)	(52,399,998)
		34,047	45,699	2,359,100	3,400,002
2. CURRENT LIABILITIES					
a. Trade payables	2.3				
i) Total outstanding dues of micro enterprises and small enterprises		-	-	-	-
ii) Total outstanding dues of creditors other than micro enterprises and small		5,540	7,015	383,882	521,916
b. Other current liabilities	2.4	1,250	20,240	86,613	1,505,856
		6,790	27,255	470,495	2,027,772
		40,837	72,954	2,829,595	5,427,774
B. ASSETS					
1. NON-CURRENT ASSETS					
a. Fixed assets					
- Tangible assets	2.5	-	-	-	-
2. CURRENT ASSETS					
a. Cash and Cash Equivalents	2.6	39,195	42,335	2,715,829	3,149,724
b. Short-term loans and advances	2.7	1,642	30,619	113,766	2,278,050
		40,837	72,954	2,829,595	5,427,774
		40,837	72,954	2,829,595	5,427,774
See accompanying notes forming part of the Financial Statements	1 & 2				

For and on behalf of the Board of Directors



VISHNU R DUSAD
General Managing Director

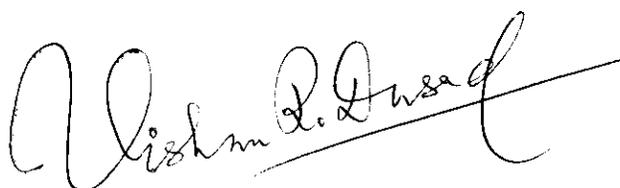
Place : New Delhi
Date : 25 April 2017

NUCLEUS SOFTWARE NETHERLANDS B.V.
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2017

	Notes No.	Year ended	Year ended	Year ended	Year ended
		31 March 2017 (Euro)	31 March 2016 (Euro)	31 March 2017 (Rupees)	31 March 2016 (Rupees)
1. REVENUE FROM OPERATIONS					
Sales and services	2.8	77,163	97,349	5,656,048	6,979,887
2. OTHER INCOME	2.9	364	-	26,681	-
3. TOTAL REVENUE (1+2)		77,527	97,349	5,682,729	6,979,887
4. EXPENSES					
a. Operating and other expenses	2.10	87,384	118,494	6,405,269	8,496,020
b. Finance cost - Bank Charges	2.11	1,795	1,646	131,566	117,986
c. Depreciation	2.5	-	-	-	-
TOTAL EXPENSES		89,179	120,140	6,536,835	8,614,006
5. LOSS FOR THE YEAR		(11,652)	(22,791)	(854,106)	(1,634,119)
6. EARNINGS PER EQUITY SHARE					
Equity shares of Euro 100 each					
a. Basic and Diluted	2.15	(1.55)	(4.64)	(213.53)	(332.75)
Number of shares used in computing earnings per share		7,500	4,911	4,000	4,911

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

For and on behalf of the Board of Directors



VISHNU R DUSAD
General Managing Director

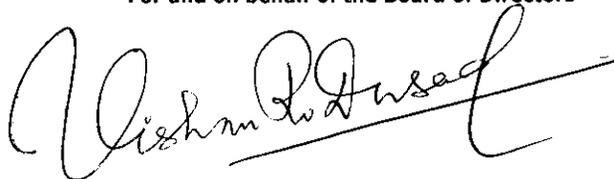
Place : New Delhi
Date : 25 April 2017

NUCLEUS SOFTWARE NETHERLANDS B.V.
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2017

	Notes Ref.	Year ended 31 March 2017 (Euro)	Year ended 31 March 2016 (Euro)	Year ended 31 March 2017 (Rupees)	Year ended 31 March 2016 (Rupees)
A. Cash flow from operating activities					
Net Profit / (Loss) before tax		(11,652)	(22,791)	(854,106)	(1,634,119)
Adjustments for:					
Exchange difference on translation of foreign currency accounts		-	-	(169,594)	206,500
Operating profit/ (loss) before working capital changes		(11,652)	(22,791)	(1,023,700)	(1,427,619)
Adjustment for (increase)/decrease in operating assets					
Decrease / (increase) in other current assets					
Trade Receivables		-	11,745	-	873,797
Short -Term Loans and Advances		28,977	1,723	2,007,825	128,220
Adjustment for increase/ (decrease) in operating liabilities					
Trade payables		(1,475)	(332,141)	(102,203)	(24,711,273)
Other current liabilities		(18,990)	(1,942)	(1,315,817)	(144,491)
Net cash flow from/(used In) operating activities (A)		(3,140)	(343,406)	(433,895)	(25,281,366)
B. Cash flow from financing activities					
Proceeds from Issue of share capital		-	350,000	-	26,040,000
Net cash flow from financing activities (B)		-	350,000	-	26,040,000
Net increase/ (decrease) in cash and cash equivalents (A+B)		(3,140)	6,594	(433,895)	758,634
Cash and cash equivalents at the beginning of the Year	2.8	42,335	35,741	3,149,724	2,391,090
Cash and cash equivalents at the end of the Year	2.8	39,195	42,335	2,715,829	3,149,724

See accompanying notes forming part of the Financial Statements

For and on behalf of the Board of Directors



VISHNU R DUSAD
General Managing Director

Place : New Delhi
Date : 25 April 2017

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

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 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 as applicable 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.

The Company's net worth is substantially eroded. However, the directors consider that it is appropriate to prepare these accounts on going concern basis in view of 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. (Also refer note 2.19).

The financial statements have been prepared for the purpose of compliance with the provisions of Section 129(3) of the Companies Act, 2013 and the 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 the Cash flow statement have been restated on the average exchange rate for the financial year.

(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. 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.

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

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

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

(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.

(i) 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.

(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. Depreciation is charged on a pro-rata basis for assets purchased / sold during the year.

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

Asset category	Useful life (in years)
Office equipment	5
Computers	3
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.

Revenue from annual technical service contracts is recognised on a pro rata basis over the period in which such services are rendered.

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.

(vii) Lease

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

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

(viii) Foreign exchange transactions

Foreign exchange transactions are recorded at the exchange rates prevailing at the date of transaction. Realised gains and losses on foreign exchange transactions during the year are recognised as Income or Expense in the Statement of Profit and Loss. Monetary assets and liabilities are restated at the exchange rate prevalent at the date of balance sheet. The resulting gain/loss is recognised in the Statement of Profit and Loss.

(ix) 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.

(x) 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.

(xi) 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 applicable local tax laws.

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 carried 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.

(xii) 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.

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

(xiii) 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.

(xiv) VAT input tax credit

VAT input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilising the credits.

(xv) Operating Cycle

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

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

Particulars	As at 31 March 2017 (Euro)	As at 31 March 2016 (Euro)	As at 31 March 2017 (Rupees)	As at 31 March 2016 (Rupees)
2.1 SHARE CAPITAL				
a. Authorised				
Equity Shares 7,500 (Previous Year 7,500) equity shares of Euro 100 each	<u>750,000</u>	<u>750,000</u>	<u>51,967,500</u>	<u>55,800,000</u>
b. Issued, subscribed and paid-up				
7,500 (Previous Year 7,500) equity shares of Euro 100 each, fully paid up, held by Nucleus Software Exports Limited, India (the Holding Company).	<u>750,000</u>	<u>750,000</u>	<u>51,967,500</u>	<u>55,800,000</u>

Refer noted (i) to (iii) below

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

As at the beginning of the year				
- Number of shares	7,500	4,000	4,000	4,000
- Amount	750,000	400,000	55,800,000	26,760,000
Shares issued / (bought back) during the year				
- Number of shares	-	3,500	-	3,500
- Amount	-	350,000	-	26,040,000
As at the end of the year				
- Number of shares	7,500	7,500	4,000	7,500
- Amount	750,000	750,000	51,967,500	55,800,000

(ii) Rights, preference and restrictions attached to shares :

The Company has one class of equity shares having par value of Euro 100 each. Each shareholder is eligible for one vote per share held.

(iii) Details of share held by the Holding Company :

Nucleus Software Exports Limited				
- Number of shares	7,500	7,500	7,500	7,500
- Percentage	100%	100%	100%	100%
- Amount	750,000	750,000	51,967,500	55,800,000

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

Particulars	As at 31 March 2017 (Euro)	As at 31 March 2016 (Euro)	As at 31 March 2017 (Rupees)	As at 31 March 2016 (Rupees)
2.2 RESERVES AND SURPLUS				
a. Surplus/ (Deficit) in Statement of Profit and Loss				
Opening Balance	(704,301)	(681,510)	(46,370,267)	(44,736,148)
Add: Profit / (Loss) for the Year	(11,652)	(22,791)	(854,106)	(1,634,119)
Closing balance	<u>(715,953)</u>	<u>(704,301)</u>	<u>(47,224,373)</u>	<u>(46,370,267)</u>
b. Currency Translation Reserve				
Opening Balance	-	-	(6,029,731)	(856,838)
Add / (Less) : Effect of Foreign Exchange rate variations during the Year	-	-	3,645,704	(5,172,893)
Closing balance	<u>-</u>	<u>-</u>	<u>(2,384,027)</u>	<u>(6,029,731)</u>
	<u>(715,953)</u>	<u>(704,301)</u>	<u>(49,608,400)</u>	<u>(52,399,998)</u>
2.3 TRADE PAYABLES				
a. Trade Payables				
i) Total outstanding dues of micro enterprises and small enterprises (see note below)	-	-	-	-
ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	5,540	7,015	383,882	521,916
	<u>5,540</u>	<u>7,015</u>	<u>383,882</u>	<u>521,916</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 on the basis of information collected by the Management. This has been relied upon by the auditors.				
2.4 OTHER CURRENT LIABILITIES				
a. Advances from customer / Advance billing	1,250	20,240	86,613	1,505,856
	<u>1,250</u>	<u>20,240</u>	<u>86,613</u>	<u>1,505,856</u>

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

2.5 Fixed Assets (at Cost)

	Gross block			Accumulated Depreciation			Amount in Euro		
	As at 1 April 2016	Additions during the year	Deductions / adjustments	As at 31 March 2017	As at 1 April 2016	Depreciation the year	Deductions / adjustments	As at 31 March 2017	As at 31 March 2016
Tangible assets									
Office and other equipment	1,056 (1,056)	-	-	1,056 (1,056)	1,056 (1,056)	-	-	1,056 (1,056)	-
Computers	1,502 (1,502)	-	-	1,502 (1,502)	1,502 (1,502)	-	-	1,502 (1,502)	-
Furniture and fixtures	5,318 (5,318)	-	-	5,318 (5,318)	5,318 (5,318)	-	-	5,318 (5,318)	-
Current year (Euro)	7,876	-	-	7,876	7,876	-	-	7,876	-
Previous year (Euro)	(7,876)	(-)	(-)	(7,876)	(7,876)	-	(-)	(7,876)	(-)

	Gross block			Accumulated Depreciation			(Amount in Rupees)		
	As at 1 April 2016	Additions during the year	Currency Translation	As at 31 March 2017	As at 1 April 2016	Depreciation the year	Currency Translation	As at 31 March 2017	As at 31 March 2016
Tangible assets									
Office and other equipment	78,566 (70,646)	-	(5,396) (7,920)	73,170 (78,566)	78,566 (70,646)	-	(5,396) (7,920)	73,170 (78,566)	-
Computers	111,749 (100,484)	-	(7,675) (11,265)	104,074 (111,749)	111,749 (100,484)	-	(7,675) (11,265)	104,074 (111,749)	-
Furniture and fixtures	395,659 (355,774)	-	(27,175) (39,885)	368,484 (395,659)	395,659 (355,774)	-	(27,175) (39,885)	368,484 (395,659)	-
Current year (Rupees)	585,974	-	(40,246)	545,728	585,974	-	(40,246)	545,728	-
Previous year (Rupees)	(526,904)	(-)	(59,070)	(585,974)	(526,904)	-	(59,070)	(585,974)	(-)

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

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

Particulars	As at 31 March 2017 (Euro)	As at 31 March 2016 (Euro)	As at 31 March 2017 (Rupees)	As at 31 March 2016 (Rupees)
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2.6 CASH AND CASH EQUIVALENTS

Balance with non scheduled bank
- in current account
Citibank-Netherlands

<u>39,195</u>	<u>42,335</u>	<u>2,715,829</u>	<u>3,149,724</u>
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Note: All the above balances meet the definition of cash and cash equivalents as per AS-3 Cash Flow Statements.

2.7 SHORT-TERM LOANS AND ADVANCES

Unsecured, considered good

a. Prepaid Expenses	1,358	23,210	94,087	1,726,813
b. Balances with Government Authorities	100	1,225	6,929	91,140
c. Security Deposits	184	6,184	12,750	460,097
	<u>1,642</u>	<u>30,619</u>	<u>113,766</u>	<u>2,278,050</u>

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

Particulars	Year ended 31 March 2017 (Euro)	Year ended 31 March 2016 (Euro)	Year ended 31 March 2017 (Rupees)	Year ended 31 March 2016 (Rupees)
2.8 SALES AND SERVICES				
a. Software Development Services	77,163	97,349	5,656,048	6,979,887
	77,163	97,349	5,656,048	6,979,887
2.9 OTHER INCOME				
a. Miscellaneous Income	364	-	26,681	-
	364	-	26,681	-
2.10 OPERATING AND OTHER EXPENSES				
a. Outsourced technical service expenses	65,631	80,442	4,810,776	5,767,698
b. Rent (see note 2.14)	6,374	22,636	467,214	1,622,988
c. Insurance	279	402	20,447	28,829
d. Repair and Maintenance	4,513	-	330,803	-
e. Legal and professional (see note 2.12)	8,833	12,930	647,491	927,078
f. Communication	974	839	71,360	60,131
g. Power & Fuel	91	84	6,683	6,039
h. Net loss on foreign currency transactions	689	1,161	50,495	83,257
	87,384	118,494	6,405,269	8,496,020
2.11 Finance cost				
Bank Charges	1,795	1,646	131,566	117,986
2.12 Legal and Professional expenses include:				
Audit fees (excluding service tax)	722	2,016	50,000	150,000

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

2.13 RELATED PARTY TRANSACTIONS

List of related parties

a. Holding Company

- Nucleus Software Exports Limited

Transactions with related parties

Particulars	Year ended 31 March 2017 (Euro)	Year ended 31 March 2016 (Euro)	Year ended 31 March 2017 (Rupees)	Year ended 31 March 2016 (Rupees)
a. Outsourced technical service expense				
- Nucleus Software Exports Limited	65,631	80,442	4,810,776	5,767,698
b. Reimbursement of expenses to				
- Nucleus Software Exports Limited	74	197	5,455	14,142
c. Issue of Share Capital				
- Nucleus Software Exports Limited	-	350,000	-	26,040,000

Outstanding balances as at year end

Particulars	As at 31 March 2017 (Euro)	As at 31 March 2016 (Euro)	As at 31 March 2017 (Rupees)	As at 31 March 2016 (Rupees)
a. Short term loan and advances				
- Nucleus Software Exports Limited	1,061	17,125	73,537	1,276,214

2.14 Operating Lease

Obligations on long-term, non-cancelable operating leases

The Company leases office space and other assets under operating lease till June 2016. The Lease rental expense recognised in the statement of profit and loss for the year in respect of such lease is Euro 6,374 (previous year Euro 22,636). The future minimum lease payment in respect of such lease is as follows:

Particulars	As at 31 March 2017 (Euro)	As at 31 March 2016 (Euro)	As at 31 March 2017 (Rupees)	As at 31 March 2016 (Rupees)
Lease obligations payable				
a. Not later than 1 year	276	5,759	20,231	428,444
b. Later than 1 year but not later than 5 years	-	-	-	-
	<u>276</u>	<u>5,759</u>	<u>20,231</u>	<u>428,444</u>

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

2.15 Earnings per share

Basic and Diluted

Particulars	As at 31 March 2017 (Euro)	As at 31 March 2016 (Euro)	As at 31 March 2017 (Rupees)	As at 31 March 2016 (Rupees)
a. Profit / (Loss) after tax	(11,652)	(22,791)	(854,106)	(1,634,119)
b. Weighted average number of equity shares	7,500	4,911	7,500	4,911
c. Earnings per share	(1.55)	(4.64)	(113.88)	(332.75)

2.16 Segment Reporting

Based on the guiding principles stated in Accounting Standard 17 – “Segment Reporting” as specified under section 133 of the Act, as applicable, 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.

2.17 Function wise classification of the Statement of Profit and Loss

Particulars	Year ended 31 March 2017 (Euro)	Year ended 31 March 2016 (Euro)	Year ended 31 March 2017 (Rupees)	Year ended 31 March 2016 (Rupees)
Sales and services	77,527	97,349	5,682,729	6,979,887
Software development expenses	65,631	80,442	4,810,776	5,767,698
Gross Profit	11,896	16,907	871,953	1,212,189
Selling and marketing expenses	5,819	20,448	426,507	1,466,124
General and administration expenses	17,729	19,250	1,299,552	1,380,184
Operating Loss	(11,652)	(22,791)	(854,106)	(1,634,119)
Loss after taxation	(11,652)	(22,791)	(854,106)	(1,634,119)

2.18 As at 31 March 2017, 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, 2017.

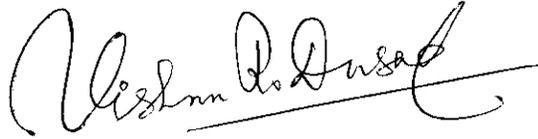
2.19 Going Concern Assumption

During the year ended 31 March 2017, the Company has incurred an operating loss of Euro 11,652 (Rupees 854,106). As at 31 March 2017, the accumulated losses of the Company aggregate to Euro 715,953 (Rupees 49,608,400). 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.

2.20 Previous year figures have been regrouped / reclassified wherever necessary to correspond with current year classification/disclosure.

For and on behalf of the Board of Directors



VISHNU R DUSAD
General Managing Director

Place : New Delhi
Date : 25 April 2017