

AUDITORS' REPORT

**TO THE MEMBERS OF
NUCLEUS SOFTWARE LIMITED**

NUCLEUS SOFTWARE LIMITED

1. We have audited the financial statements of Nucleus Software Limited ("the Company") as at and for the year ended 31 March 2012 and for the Cash Flow Statement for the year ended 31 March 2012 on that date, both as set out in the accompanying financial statements, the responsibility of the Management, and our audit opinion is expressed in separate paragraphs of this report.

AUDITED FINANCIAL STATEMENT

2. We conducted our audit in accordance with the standards of auditing accepted in India. Those standards require that we plan and perform an audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also involves the application of the accounting principles generally accepted in India by the Management, as well as evaluating the overall presentation. We believe that our audit provides a reasonable basis for our opinion.

YEAR ENDED

31 MARCH, 2012

3. As required by the Companies (Auditors' Reports) Order, 2003 issued by the Central Government of India in terms of sub-section (1) of section 227 of the Companies Act, 1956, we enclose the Appendix on the matters specified in paragraphs 4 and 5 of the said Order.

4. Further to our comments in the Appendix referred to in paragraph 3 above, we report that:

- a. we have determined that the financial statements are the best of our knowledge and belief, and are free from any material misstatement of our audit;
- b. in our opinion, the financial statements for the year ended 31 March 2012 have been kept in the proper state and are in accordance with the provisions of those books;
- c. the Balance Sheet, Profit and Loss Statement, Cash Flow Statement and the Statement of Financial Position are in accordance with the books of account;
- d. in our opinion, the Cash Flow Statement for the year ended 31 March 2012 is in accordance with the accounting standards referred to in sub-section (3) of section 209 of the Companies Act, 1956.

AUDITORS' REPORT

TO THE MEMBERS OF NUCLEUS SOFTWARE LIMITED

1. We have audited the attached Balance Sheet of **Nucleus Software Limited** ("the Company") as at 31 March, 2012, the Statement of Profit and Loss and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - a. we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the 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 appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;



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- e. in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March, 2012;
 - ii. in the case of the Statement of Profit and Loss, of the loss of the Company for the year ended on that date; and
 - iii. in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
- 5. On the basis of written representations received from the directors, as on 31 March, 2012 and taken on record by the Board of Directors, we report that, none of the directors is disqualified as on 31 March, 2012 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

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



RASHIM TANDON
Partner
Membership No. 95540



GURGAON, 29 April, 2012

ANNEXURE TO THE AUDITORS' REPORT
(Referred to in paragraph 3 of our report of even date)

1. Having regard to the nature of the Company's business, sub clauses (ii), (viii), (x), (xi), (xii), (xiv), (xv) and (xix) of Clause 4 of the Order are not applicable.
2. 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 fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - c. The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
3.
 - a. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of sub clauses (a), (b), (c), and (d) of clause (iii) of the Order are not applicable to the Company.
 - b. The Company has taken loans aggregating Rs. 41,786,542 from its holding Company during the year covered in the register maintained under section 301 of the Companies Act, 1956. At the year-end, the outstanding balance of such loans taken and maximum amount outstanding during the year was Rs. 90,946,898.
 - c. The above-mentioned loans are non-interest bearing. The other terms and conditions of such loans are, in our opinion, *prima facie*, not prejudicial to the interest of the Company.
 - d. Since the aforesaid loan taken by the Company is not repayable in the next 12 months and is non-interest bearing hence the question of repayment of principal and interest does not arise.
4. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and sale of services. The Company's operations did not give rise to purchase of inventory and sale of goods during the year. During the course of our audit, we have not observed any major weakness in such internal control system.



5. Based on the examination of the books of account and related records and according to the information and explanations provided to us, there are no other contracts or arrangements with companies, firms or other parties which need to be entered in the register required to be maintained under Section 301 of the Companies Act, 1956.
6. According to the information and explanations given to us, the Company has not accepted any deposits from the public during the year.
7. In our opinion, the internal audit function carried out during the year by firm of Chartered Accountants appointed by the Management has been commensurate with the size of the Company and the nature of its business.
8. According to the information and explanations given to us, in respect of statutory dues:
 - a. the Company has generally been regular in depositing undisputed dues, including Income Tax and Cess with the appropriate authorities during the year and there were no undisputed amounts payable in respect of the above dues as at 31 March, 2012 for a period of more than six months from the date they became payable.
 - b. We are informed that the Company's operations during the year did not give rise to any balances in Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Sales Tax, Wealth Tax, Excise Duty, Service Tax and Custom Duty.
 - c. We are informed that there are no dues in respect of Income Tax, Excise Duty and Cess which have not been deposited on account of any dispute.
9. In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Accordingly, the provisions of clause 4(xiii) of the Order are not applicable to the Company.
10. In our opinion and according to the information and explanations given to us, the term loans availed by the company have been *prima facie* applied for the purposes for which they were obtained.
11. In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short term basis have, *prima facie*, not been used during the year for long-term investment.
12. According to information and explanations given to us, and the records of the Company examined by us, the company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.



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- 13. According to information and explanations given to us, the Company has not raised any money by way of public issue during the year. Accordingly, the provisions of clause 4(xx) of the Order are not applicable to the Company.
- 14. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.

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



RASHIM TANDON
Partner
Membership No. 95540



GURGAON, 29 April, 2012

NUCLEUS SOFTWARE LIMITED
BALANCE SHEET AS AT 31 MARCH, 2012

	Notes No.	As at 31 March 2012 (Rupees)	As at 31 March 2011 (Rupees)
A. EQUITY AND LIABILITIES			
1. SHAREHOLDERS' FUNDS			
a. Share capital	2.1	100,000,000	100,000,000
b. Reserves and surplus	2.2	(14,883,949)	(9,758,940)
		85,116,051	90,241,060
2. NON-CURRENT LIABILITIES			
a. Long-term borrowings	2.3	90,946,898	49,160,356
b. Other Long-term liabilities	2.4	-	997,636
c. Long-term provisions	2.5	198,796	-
		91,145,694	50,157,992
3. CURRENT LIABILITIES			
a. Trade payables	2.6	280,041	221,495
b. Other current liabilities	2.7	2,600,318	8,332,152
		2,880,359	8,553,647
Total		179,142,104	148,952,699
B. ASSETS			
1. NON-CURRENT ASSETS			
a. Fixed assets			
- Tangible assets	2.8	173,626,558	119,124,298
- Capital work-in-progress		-	25,271,227
		173,626,558	144,395,525
b. Non-current investments	2.9	23,000	23,000
c. Long-term loans and advances	2.10	1,374,851	3,335,933
		175,024,409	147,754,458
2. CURRENT ASSETS			
a. Cash and Cash Equivalents	2.11	2,540,442	993,419
b. Short-term loans and advances	2.12	125,309	204,822
c. Other Current Assets	2.13	1,451,944	-
		4,117,695	1,198,241
Total		179,142,104	148,952,699

See accompanying notes forming part of the Financial Statements

1 & 2

In terms of our report attached

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

Rashim Tandon

RASHIM TANDON
Partner



Gurgaon
Date : 29 April, 2012

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

Vishnu R Dusad

VISHNU R DUSAD
Managing Director

Prithvi Haldea

PRITHVI HALDEA
Director

Meenakshi Sharma

MEENAKSHI SHARMA
Company Secretary

New Delhi
Date : 29 April, 2012

NUCLEUS SOFTWARE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2012

	Notes No.	Year ended 31 March 2012 (Rupees)	Year ended 31 March 2011 (Rupees)
1. REVENUE FROM OPERATIONS			
Income from rental services	2.14	6,193,242	-
2. OTHER INCOME	2.15	17,933	-
3. TOTAL REVENUE (1+2)		6,211,175	-
4. EXPENSES			
a. Employee benefit expenses	2.16	1,118,429	700,532
b. Operating and other expenses	2.17	3,497,804	2,429,897
c. Finance cost	2.18	2,229	29,898
d. Depreciation and amortisation expense	2.8	6,717,722	1,288,316
TOTAL EXPENSES		11,336,184	4,448,643
5. LOSS BEFORE TAX		(5,125,009)	(4,448,643)
6. TAX EXPENSE		-	-
7. LOSS FOR THE YEAR		(5,125,009)	(4,448,643)
8. EARNINGS PER SHARE			
Equity shares of Rupees 10 each			
a. Basic and diluted	2.20	(0.51)	(0.44)
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

Rashim Tandon

RASHIM TANDON
Partner

Gurgaon
Date : 29 April, 2012



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

Vishnu R Dusat

VISHNU R DUSAD
Managing Director

Prithvi Haldea

PRITHVI HALDEA
Director

Meenakshi Sharma

MEENAKSHI SHARMA
Company Secretary

New Delhi
Date : 29 April, 2012

NUCLEUS SOFTWARE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2012

	Year ended 31 March 2012 (Rupees)	Year ended 31 March 2011 (Rupees)
A. Cash flow from operating activities		
Net Profit / (loss) before tax	(5,125,009)	(4,448,643)
Adjustments for:		
Depreciation	6,717,722	1,288,316
(Gain)/ Loss on Sale of Fixed Assets	(17,933)	-
Operating Profit / (loss) before working capital changes	<u>1,574,780</u>	<u>(3,160,327)</u>
Adjustment for (increase)/decrease in operating assets		
Long-Term Loans and Advances	1,961,082	(638,047)
Short-Term Loans and Advances	79,513	
Other Current Assets	(1,451,944)	
Adjustment for increase/ (decrease) in operating liabilities		
Long-Term Liabilities	(997,636)	
Long-Term Provisions	198,796	
Current liabilities	<u>(5,673,288)</u>	<u>9,146,604</u>
Net cash from / (used in) operating activities (A)	(4,308,697)	5,348,230
B. Cash flow from investing activities		
Proceeds from Sale of Fixed Assets	1,451,944	
Purchase of fixed assets/capital work in progress	<u>(37,382,766)</u>	<u>(24,232,432)</u>
Net cash from / (used in) investing activities (B)	(35,930,822)	(24,232,432)
C. Cash flow from financing activities		
Increase in Long Term Borrowings	41,786,542	19,845,507
Net cash from/ (used in) financing activities (C)	41,786,542	19,845,507
Net increase / (decrease) in cash and cash equivalents (A+B+C)	1,547,023	961,305
Cash and cash equivalents at the beginning of the year	993,419	32,114
Cash and cash equivalents at the end of the year	2,540,442	993,419

See accompanying notes forming part of the Financial Statements

1 & 2

In terms of our report attached

For **DELOITTE HASKINS & SELLS**
Chartered Accountants


RASHIM TANDON
Partner

Gurgaon
Date : 29 April, 2012



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


VISHNU R DUSAD
Managing Director


MEENAKSHI SHARMA
Company Secretary

New Delhi
Date : 29 April, 2012


PRITHVI HALDEA
Director

Note 1:

SIGNIFICANT ACCOUNTING POLICIES

1.1 Company Background

Nucleus Software Limited ('the Company') was incorporated in 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. SEZs are eligible for a host of fiscal benefits, incentives and concessions both from the State and Union Government. 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 will develop an area of 2.87 acres for leasing it out to the Holding Company.

The Company commenced commercial operations on 16 August 2011, on which date the office complex was ready to be put to use. The company has let out the developed office complex at Jaipur to the Holding Company.

1.2 Significant accounting policies

(i) Basis of preparation

The financial statements are prepared under the historical cost convention on the accrual basis, in accordance with the Generally Accepted Accounting Principles in India ("Indian GAAP") and mandatory accounting standards as specified in the Companies (Accounting Standards) Rules, 2006 and the provisions of the Companies Act, 1956. 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. Actual results could differ from these estimates. Any changes in estimates are adjusted prospectively.

(iii) Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

(iv) Fixed assets and capital work in progress

Tangible Assets

Fixed assets are stated at the cost of acquisition including incidental costs related to acquisition and installation less accumulated depreciation and impairment losses, if any. Indirect expenditure which is related or incidental to the construction work is capitalised as part of the cost of the project assets.



NUCLEUS SOFTWARE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Capital Work-in Progress

Fixed assets under construction, advances paid towards acquisition of fixed assets and cost of assets not put to use before the period end, are disclosed as capital work-in-progress.

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 taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates.

(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. 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. Assets costing Rupees 5,000 or less are fully depreciated in the period / year of purchase.

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

Particulars	Useful life (in years)
<u>Tangible Assets :</u>	
- Building	30
- Computers	4
- Plant and equipment	5
- Furniture and Fixtures	5
<u>Intangible Assets :</u>	
- Software	3

Such rates are higher than the rates specified in Schedule XIV of the Companies Act, 1956.

(vi) Revenue Recognition

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

(vii) 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.

(viii) 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.



(ix) 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.

(x) Taxes on Income

Income taxes are computed using the tax effect accounting method, where taxes are accrued in the same period the related revenue and expenses arise. A provision is made for income tax annually based on the tax liability computed after considering tax allowances and exemptions. Provisions are recorded when it is estimated that a liability due to disallowance or other matters is probable.

The differences that result between the profit considered for income taxes and the profit as per the financial statements are identified and thereafter a deferred tax asset or deferred tax liability is recorded for 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 are unabsorbed depreciation or carry forward losses, deferred tax assets are recognised only to the extent there is virtual certainty of realisation of such assets. In other situations, deferred tax assets are recognised only to the extent there is reasonable certainty of realisation in future. Such assets are reviewed at each Balance Sheet date and written down or written up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realized. Deferred tax assets or liabilities arising due to timing differences, originating during the tax holiday period and reversing after the tax holiday period are recognised in the period in which the timing difference originate.

(xi) 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.

(xii) 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.



NUCLEUS SOFTWARE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2.1 SHARE CAPITAL

Particulars	As at 31 March 2012 (Rupees)	As at 31 March 2011 (Rupees)
a. Authorized 10,000,000 (10,000,000) equity shares of Rs.10 each	<u>100,000,000</u>	<u>100,000,000</u>
b. Issued, Subscribed and Paid-Up 10,000,000 (10,000,000) equity shares of Rs.10 each fully paid up	<u>100,000,000</u>	<u>100,000,000</u>

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.

2.2 RESERVES AND SURPLUS

Surplus/ (Deficit) in Statement of Profit and Loss

Opening Balance	(9,758,940)	(5,310,297)
Add: profit / (loss) for the year	(5,125,009)	(4,448,643)
Closing balance	<u>Total (14,883,949)</u>	<u>(9,758,940)</u>

2.3 LONG-TERM BORROWINGS

Unsecured loans

Loan from holding company	<u>90,946,898</u>	<u>49,160,356</u>
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Note: The above loan is repayable on demand after three years from 1 April 2012.

2.4 OTHER LONG-TERM LIABILITIES

Retention money	<u>-</u>	<u>997,636</u>
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2.5 LONG-TERM PROVISIONS

Provision for Employee Benefits	<u>198,796</u>	<u>-</u>
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2.6 TRADE PAYABLES

Trade Payables	-	-
- Micro and small enterprises (refer note below)	280,041	221,495
- Others	-	-
Total	<u>280,041</u>	<u>221,495</u>

Note: The Company has no amounts payable to micro, small and medium enterprises as defined in section 7(1) of the Micro, Small and Medium Enterprises Development Act, 2006, to the extent such parties have been identified from the available information.

2.7 OTHER CURRENT LIABILITIES

a. Payable for purchase of fixed assets	-	8,108,313
b. Retention money	2,534,414	-
c. Other payables - statutory dues	65,904	223,839
Total	<u>2,600,318</u>	<u>8,332,152</u>



NUCLEUS SOFTWARE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2.8 Fixed Assets

PARTICULARS	GROSS BLOCK				ACCUMULATED DEPRECIATION/AMORTISATION			NET BLOCK	
	As at 1 April 2011	Additions during the year	Deductions / adjustments	As at 31 March 2012	As at 1 April 2011	Depreciation for the year	As at 31 March 2012	As at 31 March 2012	As at 31 March 2011
	(Amount in Rupees)								
Tangible assets									
Leasehold land	121,447,361	-	-	121,447,361	3,437,586	1,249,884	4,687,470	116,759,891	118,009,775
Building	1,152,955	37,922,025	-	39,074,960	38,432	826,197	864,629	38,210,331	1,114,523
Plant and Equipment	-	13,376,090	-	13,376,090	-	2,148,942	2,148,942	11,227,148	-
Computers	-	6,146,203	1,434,011	4,712,192	-	695,743	695,743	4,016,449	-
Furniture and fixtures	-	4,918,967	-	4,918,967	-	1,766,157	1,766,157	3,152,810	-
Intangible assets									
Software	-	290,728	-	290,728	-	30,799	30,799	259,929	-
Total	122,600,316	62,654,013	1,434,011	183,820,298	3,476,018	6,717,722	10,193,740	173,626,558	119,124,298
Previous Year	121,447,361	1,152,955	-	122,600,316	2,187,702	1,288,316	3,476,018	119,124,298	

Vishan P. Insaad *Char*



NUCLEUS SOFTWARE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	As at 31 March 2012 (Rupees)	As at 31 March 2011 (Rupees)
2.9 NON CURRENT INVESTMENTS (at cost)		
Non Trade (unquoted)		
Investment in government securities	23,000	23,000
Note: The above is provided as security to government authorities		
2.10 LONG-TERM LOANS AND ADVANCES (Unsecured, considered good)		
a. Capital advances	155,926	2,902,708
b. Security deposit	599,600	433,225
c. Advance Income tax	619,325	-
Total	1,374,851	3,335,933
2.11 CASH AND CASH EQUIVALENTS		
a. Cash on hand	-	-
b. Balances with scheduled banks: - in current accounts	2,540,442	993,419
Total	2,540,442	993,419
Details of balances as on balance sheet dates with scheduled banks in current accounts:-		
- Citi Bank	2,229,208	-
- HDFC Bank	311,234	993,419
Total	2,540,442	993,419
Note : All the above balances meet the definition of Cash and Cash Equivalents as per AS -3 Cash Flow Statements		
2.12 SHORT-TERM LOANS AND ADVANCES Unsecured, considered good		
a. Advance to Supplier	125,309	201,381
b. Advance to Employees	-	3,441
Total	125,309	204,822
2.13 OTHER CURRENT ASSETS		
Receivable from Holding Company	1,451,944	-



NUCLEUS SOFTWARE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	Year ended 31 March 2012 (Rupees)	Year ended 31 March 2011 (Rupees)
2.14 INCOME FROM RENTAL SERVICES		
Rental Income	<u>6,193,242</u>	<u>-</u>
2.15 OTHER INCOME		
Profit on sale of fixed assets	<u>17,933</u>	<u>-</u>
2.16 EMPLOYEE BENEFIT EXPENSES		
a. Salaries and Bonus (see note 2.19)	998,114	688,045
b. Contribution to Gratuity fund	106,498	-
c. Staff welfare expenses	<u>13,817</u>	<u>12,487</u>
Total	<u>1,118,429</u>	<u>700,532</u>
2.17 OPERATING AND OTHER EXPENSES		
a. Power and fuel	228,395	-
b. Repair and maintenance	1,834,965	1,566,900
- Others	34,409	-
c. Insurance		
d. Travelling	69,065	137,889
- Domestic	987,610	222,206
e. Legal and professional (see note 2.18)	240,000	280,000
f. Directors' sitting fees	-	203,690
g. Inaugural day expenses	<u>103,360</u>	<u>19,212</u>
h. Miscellaneous expenses	<u>3,497,804</u>	<u>2,429,897</u>
Total		
2.18 Legal and Professional expenses include:		
Audit fees	<u>200,000</u>	<u>200,000</u>
2.19 Salaries and Bonus include:		
Provision for Compensated Absences	<u>92,298</u>	<u>-</u>
2.20 Earnings per share		
a. Loss after taxation available to equity shareholders (Rupees)	(5,125,009)	(4,448,643)
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)	(0.51)	(0.44)



NUCLEUS SOFTWARE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2.21 RELATED PARTY TRANSACTIONS

List of related parties

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

Particulars	Year ended 31 March 2012 (Rupees)	Year ended 31 March 2011 (Rupees)
Transactions with related parties		
a. Income from rental services - Nucleus Software Exports Limited	6,193,242	-
b. Unsecured Loans - Nucleus Software Exports Limited	41,786,542	19,845,507
c. Sale of Computers - Nucleus Software Exports Limited	1,434,011	-

Outstanding balances as at year end

Particulars	As at 31 March 2012 (Rupees)	As at 31 March 2011 (Rupees)
a. Unsecured Loans - Nucleus Software Exports Limited	(90,946,898)	(49,160,356)
b. Other Current Assets - Nucleus Software Exports Limited	1,451,944	-
c. Share Capital - Nucleus Software Exports Limited	(99,999,940)	(99,999,940)

2.22 Capital commitments and contingent liabilities

Estimated amount of contracts remaining to be executed on capital account and not provided for in the books of account (net of advances)	-	24,868,095
Bank Guarantee issued in favour of Jaipur, Nagar Nigam, for getting NOC from Fire Department.	-	2,000,000

2.23 Incidental Expenditure Pending Allocation / Capitalisation

a. Professional and consultancy charges	-	5,824,914
b. Rates and taxes	-	66,550
	<u>-</u>	<u>5,891,464</u>



NUCLEUS SOFTWARE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2.24 Segment Reporting

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

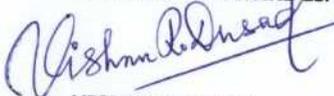
2.25 No provision for tax has been made in view of the losses in the current year. As at 31 March 2012, the Company has unabsorbed losses. In view of absence of virtual certainty of realisation of unabsorbed tax losses, no deferred tax asset has been recognised by the Company as at 31 March, 2012.

2.26 Function wise classification of the Statement of Profit and Loss

Particulars	Year ended 31 March 2012 (Rupees)	Year ended 31 March 2011 (Rupees)
Income from rental services	6,193,242	-
Gross Profit	6,193,242	-
General and administration expenses	4,618,462	3,160,327
Operating profit before depreciation	1,574,780	(3,160,327)
Depreciation	6,717,722	1,288,316
Operating profit after depreciation	(5,142,942)	(4,448,643)
Other income	17,933	-
Profit before taxation	(5,125,009)	(4,448,643)
Tax expense	-	-
Profit after taxation	(5,125,009)	(4,448,643)

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

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


VISHNU R DUSAD

Managing Director



PRITHVI HALDEA
Director



MEENAKSHI SHARMA
Company Secretary

New Delhi
Date : 29 April, 2012

