

Nucleus Software Exports Ltd.

Consolidated Balance Sheet as at 30 September 2006

	Schedule	As at 30 September 2006 (Rupees Crore)	As at 30 September 2005 (Rupees Crore)	As at 31 March 2006 (Rupees Crore)
<b>Sources of funds</b>				
<b>Shareholders' funds</b>				
Share capital	1	16.12	16.09	16.11
Share application money pending allotment		0.21	0.11	0.08
Reserves and surplus	2	126.40	85.49	99.41
		-	-	-
		<b>142.73</b>	<b>101.69</b>	<b>115.59</b>
<b>Application of funds</b>				
		-	-	-
		-	-	-
<b>Fixed assets</b>				
		-	-	-
		-	-	-
Gross block	3	59.71	46.84	50.14
Less: Accumulated depreciation		(22.93)	(18.27)	(20.19)
Net block		36.78	28.57	29.95
Add: Capital work in progress (including capital advances)		4.25	0.27	3.75
		<b>41.03</b>	<b>28.84</b>	<b>33.70</b>
		-	-	-
<b>Investments</b>	4	<b>65.20</b>	<b>56.92</b>	<b>61.37</b>
		-	-	-
<b>Deferred tax asset</b> (refer note 2, schedule 16)		<b>0.00</b>	<b>0.13</b>	<b>0.02</b>
		-	-	-
<b>Current assets, loans and advances</b>				
		-	-	-
		-	-	-
Sundry debtors	5	47.35	23.29	23.83
Cash and bank balances	6	10.35	18.36	30.05
Loans and advances	7	7.56	4.17	3.78
Other current assets	8	11.70	6.50	7.64
		<b>76.96</b>	<b>52.32</b>	<b>65.30</b>
<b>Less: Current liabilities and provisions</b>				
		-	-	-
		-	-	-
Current liabilities	9	(34.91)	33.33	(35.40)
Provisions	10	(5.56)	3.19	(9.40)
		<b>(40.46)</b>	<b>36.52</b>	<b>(44.80)</b>
		-	-	-
<b>Net current assets</b>		<b>36.49</b>	<b>15.80</b>	<b>20.50</b>
		-	-	-
		<b>142.73</b>	<b>101.69</b>	<b>115.59</b>

Nucleus Software Exports Ltd.

Schedules forming part of the consolidated financial statements

Consolidated Balance Sheet as at 31 December 2004

	As at 30 September 2006 (Rupees Crore)	As at 30 September 2005 (Rupees Crore)	As at 31 March 2006 (Rupees Crore)
<b>SCHEDULE 1:</b>			
<b>Share capital</b>			
<b>Authorised capital</b>			
20,000,000 (20,000,000) equity shares of Rs.10 each	<b>20.00</b>	<b>20.00</b>	<b>20.00</b>
<b>Issued, subscribed and paid up</b>			
<b>Issued</b>			
16,107,612 (16,093,612) equity shares of Rs.10 each, fully paid up	<b>16.11</b>	<b>16.09</b>	<b>16.11</b>
	-	-	-

	-	-	-
	-	-	-
<b>Subscribed and paid up</b>	-	-	-
16,104,812 (16,090,812) equity shares of Rs.10 each	16.12	16.09	16.10
Of the above:	-	-	-
8,045,406 equity shares of Rs.10 each have been issued as bonus shares by capitalisation of securities premium account in the year ended 31 March 2005	-	-	-
2,637,050 equity shares of Rs.10 each have been issued as bonus shares by capitalisation of general reserve and securities premium account in the year ended 31 March 2002	-	-	-
1,452,270 equity shares of Rs.10 each have been issued as bonus shares by capitalisation of general reserve in the year ended 31 March 1995	-	-	-
Add: 2,800 (2,800) forfeited equity shares pending for reissue	0.00	0.00	0.00
	-	-	-
	<b>16.12</b>	<b>16.09</b>	<b>16.11</b>

## SCHEDULE 2:

### Reserves and surplus

#### General reserve

Balance as at 1 April	44.15	34.15	34.15
Add: Transferred from Profit and Loss Account	-	-	10.00
Less:- Gratuity and leave encashment transitional liability (refer note 8)	1.00	-	-
	-	-	-
	<b>43.15</b>	<b>34.15</b>	<b>44.15</b>

#### Securities premium account

Balance as at 1 April	16.30	16.17	16.17
Add : On conversion of stock options issued to employees	0.10	0.02	0.13
Less: Amount utilised for issuance of 8,045,406 bonus shares of Rs 10 each	-	-	-
	-	-	-
	<b>16.40</b>	<b>16.19</b>	<b>16.30</b>

#### Capital reserve account

Balance as at 1 April	0.15	0.15	0.15
Add: Amount forfeited against employees stock option plan	-	0.00	0.00
	-	-	-
	<b>0.15</b>	<b>0.15</b>	<b>0.15</b>

#### Employee stock options

Balance as at 1 April	0.44	0.23	0.23
Add: Options granted during the period / year	0.79	0.33	0.33
Less: Reversal on forfeiture of stock options granted	0.02	0.01	0.01
Less: Transferred to securities premium on exercise of stock options	0.09	0.02	0.11
	-	-	-
	<b>1.13</b>	<b>0.53</b>	<b>0.44</b>
Less: Deferred employee compensation	(0.64)	(0.33)	(0.23)
	-	-	-
	<b>0.48</b>	<b>0.20</b>	<b>0.21</b>

#### Foreign currency translation reserve

Balance as at 1 April	0.43	0.05	0.05
Add: Addition during the year	0.50	(0.13)	0.38
	<b>0.94</b>	<b>(0.08)</b>	<b>0.43</b>

#### Profit and Loss Account

Balance as at 1 April	38.17	17.51	17.51
Add: Profit for the year	27.26	17.36	37.08

Less: Transfer to general reserve	-	-	10.00
Less:- Gratuity and leave encashment transitional liability (refer note 8)	0.14	-	-
Less: Final dividend	-	-	5.64
Less: Dividend tax	-	-	0.79
	-	-	-
	<b>65.29</b>	<b>34.88</b>	<b>38.17</b>
	-	-	-
	<b>126.40</b>	<b>85.49</b>	<b>99.41</b>

#### Schedules forming part of the consolidated financial statements

	As at 30 September 2006 (Rupees Crore)	As at 30 September 2005 (Rupees Crore)	As at 31 March 2006 (Rupees Crore)
<b>SCHEDULE 4:</b>			
<b>Investments</b>			
<b>Long term investments</b>			
<b>Equity shares - Non trade and unquoted</b>			
10,040,000 (Nil) equity shares of Rs 10 each, fully paid up, in GMAC Financial Services India Limited	13.69	13.69	13.69
[Of the above, 80,000 (80,000) equity shares are held by nominees on behalf of the Company]	-	-	-
25,000 (Nil) equity shares of Rs 10 each, fully paid up, in Ujjivan Financial Services Pvt. Ltd.	0.25	0.25	0.25
	<b>13.94</b>	<b>13.94</b>	<b>13.94</b>
<b>Current investments</b>			
<b>Investments in bonds and mutual funds - Non trade and unquoted</b>			
Nil (4,322,224; 3,659,812) units of face value of Rs. 10 each of HDFC Cash management Fund-Saving Plan-Growth	-	5.97	5.07
Nil (1,202,390; Nil) units of face value of Rs. 10 each of Kotak Liquid-Institutional Plan -Growth	-	1.58	-
Nil (3,605,681; Nil) units of face value of Rs. 10 each of J M High Liquidity Fund -Institutional Plan-Growth	-	3.90	-
Nil (254,087; Nil) units of face value of Rs. 10 each of Birla Cash Plus-Institutional Plan-Growth	-	0.45	-
Nil (3,635,141; Nil) units of face value of Rs. 10 each of HSBC Cash Fund - Institutional Plan - Growth	-	4.00	-
Nil (5,874,919; 62,196) units of face value of Rs. 10 each of Deutsche Insta Cash Plus Fund-Institutional Plan-Growth	-	6.00	0.07
Nil (500,000; Nil) units of face value of Rs. 10 each of UTI Fixed Maturity Plan-YFMP 11/2004-Growth	-	0.50	-
Nil (1,000,000; 1,000,000) units of face value of Rs. 10 each of UTI Fixed Maturity Plan-YFMP 07/05-Growth	-	1.00	1.00
2,000,000 (Nil; 2,000,000) units of face value of Rs. 10 each of UTI Fixed Maturity Plan-YFMP 09/05-Growth	2.00	-	2.00
500,000 (Nil; Nil) units of face value of Rs. 10 each of UTI Fixed Maturity Plan-YFMP 06/06-Growth	0.50	-	-
2,000,000 (2,000,000; 2,000,000) units of face value of Rs. 10 each of Prudential ICICI FMP Series 5-Institutional-Growth	2.00	2.00	2.00

Nil (1,000,000; 1,000,000 units of face value of Rs. 10 each of Reliance Fixed Maturity Fund-SeriesII-Annual Paln-I-Growth	-	1.00	1.00
	-	-	-
1,185,642 (1,228,350; 2,413,992) units of face value of Rs. 10 each of DSP Merrill Lynch Liquidity Fund- Growth	2.00	2.00	4.00
	-	-	-
Nil (2,985,857; 2,985,857) units of face value of Rs. 10 each of SBI Magnum Institutional Income Fund-Saving-Growth	-	3.20	3.20
	-	-	-
Nil (1,229,594; 1,229,594) units of face value of Rs. 10 each of Reliance Liquid Fund-Treasury Plan-Institutional -Growth	-	2.00	2.00
	-	-	-
Nil (1,975,869; 2,972,613) units of face value of Rs. 10 each of ABN Amro Cash Fund-Institutional-Growth	-	3.10	3.10
	-	-	-
467,666 (951,565; 1,419,231) units of face value of Rs. 10 each of ING Vysya Liquid Fund Institutional-Growth	0.50	1.00	1.50
	-	-	-
17,571 (8,973; 26,544) units of face value of Rs. 1000 each of UTI Liquid Cash Plan Institutional-Growth	1.99	1.00	2.99
	-	-	-
9,817 (32,225; Nil) units of face value of Rs. 1000 each of UTI Liquid Cash Plan Institutional-Dividend	1.00	3.27	-
	-	-	-
1,187,620 (Nil; 1,187,620) units of face value of Rs. 10 each of Prudential ICICI Institutional Liquid Plan-Growth	2.00	-	2.00
	-	-	-
Nil (849,193; Nil) units of face value of Rs. 10 each of Prudential ICICI Institutional Liquid Plan-Dividend	-	1.01	-
	-	-	-
881,780 (Nil; 881,780) units of face value of Rs. 10 each of Birla Sun Life Cash manager-Institutional Plan-Growth	1.00	-	1.00
	-	-	-
750,000 (Nil; 750,000) units of face value of Rs. 10 each of Magnum Debt Fund Serires-13 Months (Oct 05)-Growth	0.75	-	0.75
	-	-	-
800,000 (Nil; 800,000) units of face value of Rs. 10 each of Grindlays Fixed Maturity-16th Plan A-Growth	0.80	-	0.80
	-	-	-
900,000 (Nil; 900,000) units of face value of Rs. 10 each of Grindlays Fixed Maturity-20th Plan -Growth	0.90	-	0.90
	-	-	-
6,675,166 (Nil; 5,136,964) units of face value of Rs. 10 each of LICMF Liquid Fund-Dividend	7.32	-	5.62
	-	-	-
4,522,623 (Nil; 2,224,796) units of face value of Rs. 10 each of Birla Cash Plus-Institutional Premium-Growth	5.00	-	2.43
	-	-	-
2,000,000 (Nil; 2,000,000) units of face value of Rs. 10 each of Chola FMP-14 Months-Cumulative	2.00	-	2.00
	-	-	-
1,000,000 (Nil; 1,000,000) units of face value of Rs. 10 each of ABN Amro FTP Series 2 Thirteen Month Plan-Growth	1.00	-	1.00
	-	-	-
1,000,000 (Nil; 1,000,000) units of face value of Rs. 10 each of HSBC Fixed term Series-4-Growth	1.00	-	1.00
	-	-	-
2,000,000 (Nil; Nil) units of face value of Rs. 10 each of HSBC Fixed term Series-9-Growth	2.00	-	-
	-	-	-
1,000,000 (Nil; 1,000,000) units of face value of Rs. 10 each of Principal Pnb Fixed Maturity Plan-385 Days-Series I Institutional-Growth	1.00	-	1.00
	-	-	-
1,000,000 (Nil; 1,000,000) units of face value of Rs. 10 each of HDFC FMP 13M March 2006(1)- Institutional Plan-Growth	1.00	-	1.00
	-	-	-
1,000,000 (Nil; Nil) units of face value of Rs. 10 each of HDFC FMP 13M June 2006(1)- Institutional Plan-Growth	1.00	-	-
	-	-	-
1,250,000 (Nil; Nil) units of face value of Rs. 10 each of HDFC FMP 13M July 2006(1)- Institutional Plan-Growth	1.25	-	-

3,117,013 (Nil; Nil) units of face value of Rs. 10 each of LICMF Liquid Fund-Growth	4.00	-	-
4,826,534 (Nil; Nil) units of face value of Rs. 10 each of Prudential ICICI Super Institutional Plan-Growth	5.00	-	-
1,398,093 (Nil; Nil) units of face value of Rs. 10 each of Kotak Liquid-Institutional Plus Plan -Growth	2.00	-	-
1,250,000 (Nil; Nil) units of face value of Rs. 10 each of Kotak FMP series -Growth	1.25	-	-
1,000,000 (Nil; Nil) units of face value of Rs. 10 each of ABN Amro FTP Series3 quarterly plan A Dividend	1.00	-	-
	-	-	-
	<b>51.26</b>	<b>42.98</b>	<b>47.43</b>
	-	-	-
	<b>65.20</b>	<b>56.92</b>	<b>61.37</b>

**Notes:**

1. Net asset value (NAV) of current investments Rs. 487,926,419 (Rs 355,639,033) as at 31 March 2006.

2. Refer note 6, schedule 16 for details of investments purchased and sold during the year ended 31 March 2006.

Schedules forming part of the consolidated financial statements

	As at 30 September 2006 (Rupees Crore)	As at 30 September 2005 (Rupees Crore)	As at 31 March 2006 (Rupees Crore)
<b>SCHEDULE 5:</b>			
<b>Sundry debtors</b> (Unsecured)			
Debts outstanding for a period exceeding six months			
- Considered good	0.53	0.44	0.66
- Considered doubtful	2.23	1.82	1.89
	<b>2.76</b>	<b>2.27</b>	<b>2.55</b>
	-	-	-
Less: Provision for doubtful debts	(2.23)	(1.82)	(1.89)
	<b>0.53</b>	<b>0.44</b>	<b>0.66</b>
	-	-	-
Other debts (considered good)	46.83	22.84	23.17
	-	-	-
	<b>47.35</b>	<b>23.29</b>	<b>23.83</b>

**SCHEDULE 6:**

**Cash and bank balances**

Cash in hand [including cheques in hand Rs 1,989,242 (Rs 3,267,878)]	0.04	0.03	0.24
Balances with scheduled banks:	-	-	-
- in current accounts	9.03	8.81	2.58
- in fixed deposit accounts	0.97	9.52	18.46
Balance with non scheduled bank*:	-	-	-
- in current account	-	-	-
Citibank-U.K.	-	-	0.07
Citibank-Singapore	-	-	3.01
PNC Bank-USA	-	-	0.92
Bank of Tokyo Mitshubishi -Japan	-	-	0.79
Shinsei Bank - Japan	-	-	2.55
Citibank -Hong Kong	-	-	0.01
ANZ Bank - Australia	-	-	0.23
Citibank -Singapore	-	-	0.27
Citibank -Netherlands	-	-	0.51
- in fixed deposit accounts	-	-	-
ANZ Bank - Australia	-	-	0.00
Remittance in transit	0.32	-	0.40
	-	-	-

	10.35	18.36	30.05
*Maximum amount outstanding during the year	-	-	-
- in current accounts	-	-	-
Citibank-U.K	-	-	0.11
Citibank-Singapore	-	-	18.46
Korea Exchange Bank	-	-	0.08
PNC Bank-USA	-	-	1.01
Bank of Tokyo Mitsubishi -Japan	-	-	2.30
Shinsei Bank - Japan	-	-	7.43
Citibank -Hong Kong	-	-	0.02
ANZ Bank - Australia	-	-	0.37
Citibank -Netherlands	-	-	0.54
- in fixed deposit accounts	-	-	-
ANZ Bank - Australia	-	-	0.00
<b>SCHEDULE 7:</b>	-	-	-
<b>Loans and advances</b>	-	-	-
<b>(Unsecured, considered good)</b>	-	-	-
Advances recoverable in cash or in kind or for value to be received	3.04	1.94	1.57
Security deposits	1.72	1.28	1.20
Advance tax [net of provision Rs 45,598,865 (Nil)]	-	-	-
Prepaid expenses	2.79	0.95	1.01
	-	-	-
	<b>7.56</b>	<b>4.17</b>	<b>3.78</b>

**SCHEDULE 8:**

**Other current assets**

Service income accrued but not due	11.59	5.89	7.32
Interest accrued but not due	0.10	0.62	0.32
	-	-	-
	<b>11.70</b>	<b>6.50</b>	<b>7.64</b>

**Schedules forming part of the consolidated financial statements**

As at 30 September 2006 (Rupees Crore)	As at 30 September 2005 (Rupees Crore)	As at 31 March 2006 (Rupees Crore)
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**SCHEDULE 9:**

**Current liabilities**

Sundry creditors*	13.45	9.74	11.24
Withholding tax	1.72	0.73	0.80
Advances from customers	16.08	21.20	20.93
Unclaimed dividend	0.07	0.09	0.07
Other liabilities	3.59	1.57	2.21
Book overdraft	-	-	0.14
	-	-	-
	<b>34.91</b>	<b>33.33</b>	<b>35.40</b>

\* There are no amounts payable to small scale industrial undertakings as defined under section 3(j) of the Industries (Development and Regulation) Act, 1951.

**SCHEDULE 10:**

**Provisions**

Gratuity	2.01	0.96	1.19
Leave encashment	3.19	0.85	0.97
Taxation [Net of advance tax Rs 33,740,974 (Rs 19,131,991)]	0.20	1.27	0.80

Fringe benefit tax	0.16	0.11	0.02
Dividend	-	-	5.64
Dividend tax	-	-	0.79
	-	-	-
	<b>5.56</b>	<b>3.19</b>	<b>9.40</b>