

Nucleus Software Exports Ltd.

Schedules forming part of the consolidated financial statements

	As at 31 December 2007 (Rupees)	As at 31 December 2006 (Rupees)	As at 31 March 2007 (Rupees)
SCHEDULE 1:			
Share capital			
Authorised capital			
40,000,000 (20,000,000; 20,000,000) equity shares of Rs.10 each	40.00	20.00	20.00
Issued, subscribed and paid up			
Issued			
32,369,824 (16,119,112; 16,163,112) equity shares of Rs.10 each	32.37	16.12	16.11
Subscribed and paid up			
32,367,024 (16,104,812; 16,160,312) equity shares of Rs.10 each, fully paid up	32.37	16.12	16.16
Of the above:			
16,182,312 equity shares of Rs.10 each have been issued as bonus shares by capitalisation of securities premium account during the half year ended 30 September 2007			
8,045,406 equity shares of Rs.10 each have been issued as bonus shares by capitalisation of securities premium account during the year ended 31 March 2005			
2,637,050 equity shares of Rs.10 each have been issued as bonus shares by capitalisation of general reserve and securities premium account during the year ended 31 March 2002			
1,452,270 equity shares of Rs.10 each have been issued as bonus shares by capitalisation of general reserve during the year ended 31 March 1995			
Add: 2,800 (2,800; 2,800) forfeited equity shares pending for reissue	0.00	0.00	0.00
	32.37	16.12	16.16
SCHEDULE 2:			
Reserves and surplus			
General reserve			
Balance as at 1 April	53.01	44.15	44.15
Add: Transferred from Profit and Loss Account	0.00	0.00	10.00
Less:- Gratuity and leave encashment transitional liability (refer note 7, schedule 16)	0.00	1.00	1.14
	53.01	43.15	53.01
Securities premium account			
Balance as at 1 April	17.32	16.30	16.30
Add: Share premium received	0.52		
Add : On conversion of stock options issued to employees	0.39	0.10	1.02
Less: Amount utilised for issuance of 8,045,406 bonus shares of Rs 10 each	16.18	0.00	0.00
	2.05	16.40	17.32
Capital reserve account			
Balance as at 1 April	0.16	0.15	0.15
Add: Amount forfeited against employees stock option plan	0.02	0.00	0.01
	0.18	0.15	0.16
Employee stock options			
Balance as at 1 April	1.92	0.44	0.44
Add: Options granted during the year	0.00	1.99	1.99
Less: Reversal on forfeiture of stock options granted	0.01	0.05	0.18
Less: Transferred to securities premium on exercise of stock options	0.39	0.09	0.33
	1.52	2.30	1.92
Less: Deferred employee compensation	-0.72	-1.58	-1.20
	0.81	0.71	0.72
Foreign currency translation reserve			
Balance as at 1 April	0.94	0.43	0.43
Add: Addition during the year	-0.75	0.37	0.51
	0.19	0.81	0.94
Profit and Loss Account			
Balance as at 1 April	76.88	38.17	38.17
Add: Profit for the year	45.72	41.20	55.15
Less: Transferred to general reserve	0.00	0.00	10.00
Less: Final dividend	0.00	0.14	0.00
Less: Interim dividend	0.00		5.64
Less: Dividend tax	0.00	0.00	0.79
	122.61	79.22	76.88
	178.83	140.44	149.03

Schedules forming part of the consolidated financial statements

	As at 31 December 2007 (Rupees)	As at 31 December 2006 (Rupees)	As at 31 March 2007 (Rupees)
SCHEDULE 4:			
Investments			
Long term investments			
Equity shares - Non trade and unquoted			
10,040,000 (10,040,000) equity shares of Rs 10 each, fully paid up, in GMAC Financial Services India Limited [Of the above, 80,000 (80,000) equity shares are held by nominees on behalf of the Company]	13.69	13.69	13.69
25,000 (25,000) equity shares of Rs 10 each, fully paid up, in Ujjivan Financial Services Private Limited	0.25	0.25	0.25
	13.94	13.94	13.94
Current investments			
Investments in bonds and mutual funds - Non trade and unquoted			
Nil (500,000; 500,000) units of face value of Rs. 10 each of UTI Fixed Maturity Plan-YFMP 06/06-Growth	0.00	0.50	0.50
Nil (2,000,000; 2,000,000) units of face value of Rs. 10 each of Prudential ICICI FMP Series 5-Institutional-Growth	0.00	2.00	2.00
2,500,000 (Nil; 2,500,000) units of face value of Rs. 10 each of ICICI Prudential FMP Series 34-One Year Plan B Institutional Growth	2.50	0.00	2.50
1,000,000 (Nil; Nil) units of face value of Rs. 10 each of ICICI Prudential Interval Fund II Quarterly Interval Plan-C -Dividend	1.00	0.00	0.00
2,000,000 (Nil; Nil) units of face value of Rs. 10 each of ING Fixed Maturity -34-Institutional -Dividend	2.00	0.00	0.00
Nil (17,571; Nil) units of face value of Rs. 1000 each of UTI Liquid Cash Plan Institutional-Growth	0.00	4.27	0.00
1,006,515 (Nil; Nil) units of face value of Rs. 10 each of Birla Interval Income Fund -Quarterly series- 3-Dividend	1.01	0.00	0.00
Nil (800,000; 800,000) units of face value of Rs. 10 each of Grindlays Fixed Maturity-16th Plan A-Growth	0.00	0.80	0.80
Nil (900,000; 900,000) units of face value of Rs. 10 each of Grindlays Fixed Maturity-20th Plan -Growth	0.00	0.90	0.90
Nil (4,080,824; Nil) units of face value of Rs. 10 each of LICMF Liquid Fund-Dividend	0.00	4.09	0.00
Nil (4,522,623; 2,297,827) units of face value of Rs. 10 each of Birla Cash Plus-Institutional Premium-Growth	0.00	2.57	2.57
Nil (2,000,000; 2,000,000) units of face value of Rs. 10 each of Chola FMP-14 Months-Cumulative	0.00	2.00	2.00
Nil (1,000,000; 1,000,000) units of face value of Rs. 10 each of ABN Amro FTP Series 2 Thirteen Month Plan-Growth	0.00	1.00	1.00
2,500,000 (Nil; 2,500,000) units of face value of Rs. 10 each of ABN AMRO FTPS 14 Mths Plan Inst Growth	2.50	0.00	2.50
2,500,000 (Nil; Nil) units of face value of Rs. 10 each of ABN AMRO Fixed Term Plan-Ser-8-Yly Plan A-Inst.Growth	2.50	0.00	0.00
Nil (1,000,000; 1,000,000) units of face value of Rs. 10 each of HSBC Fixed term Series-4-Growth	0.00	1.00	1.00
Nil (2,000,000; 2,000,000) units of face value of Rs. 10 each of HSBC Fixed term Series-9-Growth	0.00	2.00	2.00
1,500,000 (Nil; 1,500,000) units of face value of Rs. 10 each of HSBC Fixed Term Series-27 Inst. Growth	1.50	0.00	1.50
1,000,000 (Nil; Nil) units of face value of Rs. 10 each of HSBC Fixed Term Series-28 Inst. Growth	1.00	0.00	0.00
3,500,000 (Nil; Nil) units of face value of Rs. 10 each of HSBC Interval Fund-Plan 2 - Inst. Dividend	3.50	0.00	0.00
Nil (1,000,000; 1,000,000) units of face value of Rs. 10 each of Principal Pnb Fixed Maturity Plan-385 Days-Series I Institutional-Growth	0.00	1.00	1.00
2,500,000 (Nil; 2,500,000) units of face value of Rs. 10 each of Principal Pnb Fixed Maturity Plan-(FMP-37) 385 Days-Series IV-Mar 07 Institutional Growth Plan	2.50	0.00	2.50
Nil (1,000,000; 1,000,000) units of face value of Rs. 10 each of HDFC FMP 13M March 2006(1)- Institutional Plan-Growth	0.00	1.00	1.00
Nil (1,000,000; 1,000,000) units of face value of Rs. 10 each of HDFC FMP 13M June 2006(1)- Institutional Plan-Growth	0.00	1.00	1.00
Nil (1,250,000; 1,250,000) units of face value of Rs. 10 each of HDFC FMP 13M July 2006(1)- Institutional Plan-Growth	0.00	1.25	1.25
1,091,130 (Nil; Nil) units of face value of Rs. 10 each of HDFC FMP 367D April 2007 (5)-Wholesale Plan Growth	1.09	0.00	0.00
Nil (3,117,013 ; 3,117,013) units of face value of Rs. 10 each of LICMF Liquid Fund-Growth	0.00	4.00	4.00
3,012,865 (Nil; Nil) units of face value of Rs. 10 each of LICMF Liquid Plus Fund-Dividend	9.51	0.00	0.00
Nil (4,826,534; 4,826,534) units of face value of Rs. 10 each of Prudential ICICI Super Institutional Plan-Growth	0.00	5.00	5.00
Nil (1,398,093; 1,398,093) units of face value of Rs. 10 each of Kotak Liquid- Institutional Plus Plan -Growth	0.00	2.00	2.00
2,014,997 (Nil; Nil) units of face value of Rs. 10 each of Kotak FMP 3M Series -26-Dividend	2.02	0.00	0.00
Nil (Nil; 1,500,000) units of face value of Rs 10 each of Reliance Fixed Horizon QFMP Series V-Dividend	0.00	0.00	1.50
1,500,000 (Nil; 1,500,000) units of face value of Rs 10 each of Reliance Fixed Horizon Fund III-Annual Plan Series I-Institutional Growth Plan	1.50	0.00	1.50
1,500,000 (Nil; 1,500,000) units of face value of Rs 10 each of Reliance Fixed Horizon Fund III-Annual Plan Series IV-Institutional Growth Plan	1.50	0.00	1.50
1,000,000 (Nil; Nil) units of face value of Rs 10 each of Reliance Fixed Horizon Fund VI -Series I-Institutional -Dividend	1.00	0.00	0.00
2,500,000 (Nil; 2,500,000) units of face value of Rs. 10 each of Kotak FMP 13M Series 2 Institutional-Growth	2.50	0.00	2.50
Nil (1,250,000; 1,250,000) units of face value of Rs 10 each of Kotak FMP Series 26-Growth	0.00	1.25	1.25
2,500,000 (Nil; 2,500,000) units of face value of Rs 10 each of DWS Fixed Term Fund Series 24-Institutional Plan-Growth Option	2.50	0.00	2.50
2,000,000 (Nil; Nil) units of face value of Rs 10 each of DWS Fixed Term Fund Series 33-Institutional Growth	2.00	0.00	0.00
Nil (4,000,000; Nil) units of face value of Rs. 10 each of ABN Amro FTP Series 4 -Quarterly Plan A -Dividend	0.00	4.00	0.00
Nil (2,500,000; Nil) units of face value of Rs. 10 each of ABN Amro FTP Series3 quarterly plan G Dividend	0.00	2.50	0.00
Nil (2,000,000; Nil) units of face value of Rs. 10 each of ABN Amro FTP Series4 quarterly plan B Dividend on Maturity	0.00	2.00	0.00
Nil (2,500,000; Nil) units of face value of Rs 10 each of UTI Fixed maturity plan quarterly series QFMP/1106/1 Dividend plan-Reinvestment	0.00	2.50	0.00
Nil (1,500,000; Nil) units of face value of Rs 10 each of UTI Fixed maturity plan halfyearly series HFMP/1206/1 Dividend plan-Reinvestment	0.00	1.50	0.00
Nil (2,500,000; Nil) units of face value of Rs. 10 each of Sundaram BNP Paribas Fixed Term Plan Series XVII (90 days)-Dividend	0.00	2.50	0.00
2,500,000 (2,500,000; Nil) units of face value of Rs. 10 each of DWS Fixed Term Plan Series 22-Dividend	0.00	2.50	0.00
Nil (4,000,000; Nil) units of face value of Rs 10 each of Standard Chartered Fixed maturity plan quarterly series 2- Dividend	0.00	5.30	0.00
Nil (2,000,000; Nil) units of face value of Rs 10 each of Principal PNB Fixed maturity plan (FMP-32) 91 days series VI-Dec06 Dividend	0.00	2.00	0.00
999,960 (Nil; Nil) units of face value of Rs. 10.0004 each of UTI Fixed Income Interval Fund-Quarterly Interval Plan-Dividend	1.00	0.00	0.00
10,072 (Nil; Nil) units of face value of Rs. 1000 each of UTI Liquid Plus Fund Institutional- Dividend	1.01	0.00	0.00
Nil (Nil; 1,527,025) units of face value of Rs 10 each of UTI Fixed maturity plan halfyearly series HFMP/1206/1 Dividend plan-Reinvestment	0.00	0.00	1.53
750,000 (Nil; Nil) units of face value of Rs 10 each of Standard Chartered Fixed Maturity Plan - Yearly Series 11-Plan B- Growth	0.75	0.00	0.00
2,541,864 (Nil; Nil) units of face value of Rs 10 each of DSP Merrill Lynch Fixed Term Plan 3M Series 2-Institutional -Dividend	2.54	0.00	0.00
20,076 (Nil; Nil) units of face value of Rs 1000 each of DSP Merrill Lynch Cash Plus-Retail -Dividend	6.50	0.00	0.00
4,000,000 (Nil; Nil) units of face value of Rs 10 each of Templeton Fixed Horizon Fund Series II-Plan B-Institutional -Growth	4.00	0.00	0.00
1,525,148 (Nil; Nil) units of face value of Rs. 10 each of ABN AMRO Flexible Short Term Plan Ser. C -Qly Div-Ren	1.53	0.00	0.00
2,042,311 (Nil; Nil) units of face value of Rs 10.0004 each of Reliance Quarterly Interval Fund-Series III-Institutional Dividend Plan	2.04	0.00	0.00
999,960 (Nil; Nil) units of face value of Rs 10.0004 each of Reliance Interval Fund-Quarterly Plan-Series II-Institutional Dividend Plan	1.00	0.00	0.00
1,524,887 (Nil; Nil) units of face value of Rs 10 each of Sundaram BNP Paribas Interval Fund Qty-Plan-A-Inst Div	1.52	0.00	0.00
10,000 (Nil; Nil) units of face value of Rs 1000 each of DSP Merrill Lynch Fixed Term Plan Series 3D-Institutional -Growth	1.00	0.00	0.00
2,500,000 (Nil; Nil) units of face value of Rs 10 each of Lotus India FMP 375 Days Series II Inst. Growth	2.50	0.00	0.00
1,000,000 (Nil; Nil) units of face value of Rs 10 each of Lotus India FMP 3 Months Series XIX-Dividend	1.00	0.00	0.00
1,000,000 (Nil; Nil) units of face value of Rs 10 each of Lotus India Quarterly Interval Fund- Plan B-Dividend	1.00	0.00	0.00
4,224,449 (Nil; Nil) units of face value of Rs 10 each of DWS Credit Opportunity Cash Fund-Dividend	4.27	0.00	0.00
ING-Virstra	1.85	0.00	0.00
UTI Liquid-Virstra	0.00	0.00	5.78
	77.14	62.43	55.07
	91.08	76.37	69.01

Notes:

1. Net asset value (NAV) of current investments Rs. 570,440,447 (Rs 487,926,419) as at 31 March 2007.
2. Refer note 6, schedule 16 for details of investments purchased and sold during the year ended 31 March 2007.

Nucleus Software Exports Ltd.

Schedules forming part of the consolidated financial statements

	As at 31 December 2007 (Rupees)	As at 31 December 2006 (Rupees)	As at 31 March 2007 (Rupees)
SCHEDULE 5:			
Sundry debtors			
(Unsecured)			
Debts outstanding for a period exceeding six months			
- Considered good	3.60	1.06	1.33
- Considered doubtful	1.54	1.28	1.21
	5.13	2.33	2.54
Less: Provision for doubtful debts	-1.54	-1.28	-1.21
	3.60	1.06	1.33
Other debts (considered good)	45.19	36.13	53.94
	48.78	37.19	55.26

SCHEDULE 6:

Cash and bank balances

Cash in hand (including cheques in hand Rs. 708,663 (Rs. 1,989,242))	0.02	0.79	0.12
Balances with scheduled banks:			
- in current accounts	23.82	20.28	12.75
- in fixed deposit accounts	0.94	0.80	1.00
Balance with non scheduled bank**:			
- in current account			
Citibank-U.K.		0.00	0.08
Citibank-Singapore		0.00	0.51
Korea Exchange Bank			0.10
PNC Bank-USA		0.00	2.95
Bank of Tokyo Mitsubishi -Japan		0.00	7.00
Shinsei Bank - Japan		0.00	0.66
Citibank -Hong Kong		0.00	0.00
ANZ Bank - Australia		0.00	0.04
Citibank -Singapore			0.33
Citibank -Netherlands			0.46
- in fixed deposit accounts			-
ANZ Bank - Australia		0.00	0.00
Remittance in transit	0.00	0.00	0.84
	24.78	21.86	26.83

*Maximum amount outstanding during the year

- in current accounts			
Citibank-U.K.			0.11
Citibank-Singapore			10.78
Korea Exchange Bank			0.25
PNC Bank-USA			6.03
Bank of Tokyo Mitsubishi -Japan			24.21
Shinsei Bank - Japan			7.68
Citibank -Hong Kong			0.01
ANZ Bank - Australia			0.32
Citibank -Netherlands			0.56
- in fixed deposit accounts			-
ANZ Bank - Australia			0.00

**include fixed deposits amounting to Rs. 9,954,311 (Rs. 9,149,266) under lien with bank on account of guarantees issued on behalf of the Company

SCHEDULE 7:

Loans and advances

Advances recoverable in cash or in kind or for value to be received	5.69	3.48	3.63
Security deposits	2.85	1.99	2.60
Advance income tax [net of provision Rs 33,872,189 (Nil)]	1.41	0.61	0.59
Advance fringe benefit tax [net of provision Rs 11,995,604 (Rs Nil; Rs Nil)]	0.47	0.00	-
MAT credit entitlement (refer note 8, schedule16)	3.45	0.00	-
Prepaid expenses	2.94	2.52	2.64
	16.80	8.60	9.46

SCHEDULE 8:

Other current assets

Service income accrued but not due	31.08	14.85	18.04
Interest accrued but not due	0.10	0.06	0.11
	31.18	14.91	18.16

Nucleus Software Exports Ltd.

Schedules forming part of the consolidated financial statements

	As at 31 December 2007 (Rupees)	As at 31 December 2006 (Rupees)	As at 31 March 2007 (Rupees)
SCHEDULE 9:			
Current liabilities			
Sundry creditors*	27.96	14.05	18.99
Withholding tax	1.92	2.07	1.45
Advances from customers	16.67	21.40	37.93
Unclaimed dividend	0.11	0.09	0.34
Other liabilities	5.57	3.29	3.80
Book overdraft	0.00	0.00	0.00
	52.22	40.90	62.51

* 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	2.89	2.29	2.15
Leave encashment	3.60	3.58	2.92
Taxation [Net of advance tax Rs Nil (Rs 33,740,974)]	0.00	0.00	0.00
Fringe benefit tax [Net of advance fringe benefit tax Rs 10,325,604 (Rs 4,101,391)]	0.00	0.21	0.01
Dividend	0.00	0.00	0.00
Corporate dividend tax	0.00	0.00	0.00
	6.49	6.08	5.08