

**NUCLEUS SOFTWARE
LIMITED**

Financial Statements for the year ended
March 31, 2016 and Independent
Auditor's report

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF NUCLEUS SOFTWARE LIMITED**

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Report on the Financial Statements

We have audited the accompanying financial statements of **NUCLEUS SOFTWARE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143 (11) of the Act.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner



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so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2016, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, as applicable.
 - (e) On the basis of the written representations received from the directors as on 31 March, 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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



SAMEER ROHATGI
Partner
(Membership No. 094039)

Noida,
4 May, 2016



ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

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

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **NUCLEUS SOFTWARE LIMITED** ("the Company") as of 31 March, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

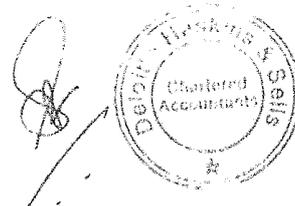
Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by the Institute of Chartered Accountants of India and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding



prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

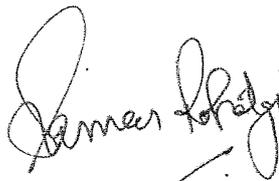
Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

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



SAMEER ROHATGI
Partner
(Membership No. 094039)

Noida,
4 May, 2016



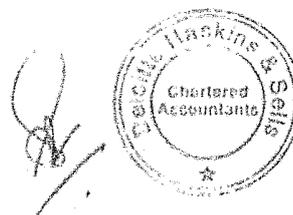
ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- i. In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us and the records examined by us, the Company does not have any immovable properties of land and buildings which are freehold. In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
- ii. The Company does not have any inventory and hence reporting under Clause 3 (ii) of the Order are not applicable to the Company.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
- iv. The Company has not granted any loans, made investments or provide guarantees and hence reporting under clause (iv) of the Order is not applicable.
- v. According to the information and explanations given to us, the Company has not accepted any deposit during the year. The Company does not have any unclaimed deposits and accordingly, the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 are not applicable to the Company.
- vi. According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, 2013 for the Company.
- vii. According to the information and explanations given to us in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Income tax, Service Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

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

- (b) There were no undisputed amounts payable in respect of Income-tax, Service Tax, Cess and other material statutory dues in arrears as at 31 March, 2016 for a period of more than six months from the date they became payable.
- (c) There are no dues of Income-tax, Sales Tax, Custom Duty, Excise Duty and Value Added Tax which have not been deposited as on 31 March, 2016 on account of disputes.



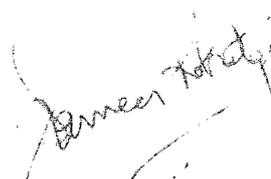
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- viii. According to the information and explanations given to us and the records examined by us, the Company has not taken any loans from financial institutions, banks and government nor has it issued any debentures. Accordingly, the provisions of clause 3(Viii) of the Order are not applicable to the Company.
- ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3(ix) of the Order is not applicable.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the Company has not paid / provided any managerial remuneration. Accordingly, the provisions of clause 3(xi) of the Order are not applicable to the Company.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
- xiii. In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- xiv. During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3(xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Noida,
4 May, 2016




SAMEER ROHATGI
Partner
(Membership No. 094039)

NUCLEUS SOFTWARE LIMITED
BALANCE SHEET AS AT 31 MARCH 2016

	Notes Ref.	As at 31 March 2016	As at 31 March 2015
		(Rupees)	(Rupees)
<u>EQUITY AND LIABILITIES</u>			
1. SHAREHOLDERS' FUNDS			
a. Share capital	2.1	100,000,000	100,000,000
b. Reserves and surplus	2.2	(14,871,048)	(13,675,326)
		85,128,952	86,324,674
2. NON-CURRENT LIABILITIES			
a. Long-term borrowings	2.3	80,110,221	80,110,221
b. Long-term provisions	2.4	-	81,917
c. Deferred tax liabilities (net)	2.5	782,217	-
		80,892,438	80,192,138
3. CURRENT LIABILITIES			
a. Trade payables	2.6		
i) Total outstanding dues of micro enterprises and small enterprises		-	-
ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		501,881	859,164
b. Other current liabilities	2.7	32,718	147,503
		534,599	1,006,667
		166,555,989	167,523,479
<u>ASSETS</u>			
1. NON-CURRENT ASSETS			
a. Fixed assets			
- Tangible assets	2.8	150,427,608	157,014,264
- Intangible assets	2.8	2,410	39,606
		150,430,018	157,053,870
b. Non-current investments	2.9	23,000	23,000
c. Long-term loans and advances	2.10	1,408,207	2,684,584
		151,861,225	159,761,454
2. CURRENT ASSETS			
a. Current investments	2.11	13,699,983	5,229,471
b. Trade receivables	2.12	-	2,123,067
c. Cash and cash equivalents	2.13	396,691	307,975
d. Short-term loans and advances	2.14	598,090	101,512
		14,694,764	7,762,025
		166,555,989	167,523,479

See accompanying notes forming part of the Financial Statements

1 & 2

In terms of our report attached

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

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

SAMEER ROHATGI
Partner

VISHNU R DUSAD
Managing Director

RAVI PRATAP SINGH
Director

POONAM BHASIN
Company Secretary

ASHISH NANDA
Chief Financial Officer

Place : Noida
Date : 04 May 2016



Place : Noida
Date : 04 May 2016

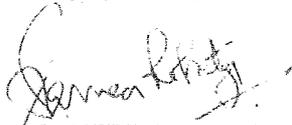
NUCLEUS SOFTWARE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2016

	Notes Ref.	Year ended 31 March 2016 (Rupees)	Year ended 31 March 2015 (Rupees)
1. REVENUE FROM OPERATIONS			
Rent Income	2.15	9,496,296	10,237,273
2. OTHER INCOME	2.16	694,888	442,591
3. TOTAL REVENUE (1+2)		10,191,184	10,679,864
4. EXPENSES			
a. Employee benefits expense	2.17	601,827	1,613,976
b. Operating and other expenses	2.18	3,288,781	3,013,627
c. Finance cost - bank charges	2.19	552	468
d. Depreciation and amortisation expense	2.8	6,663,178	7,376,301
TOTAL EXPENSES		10,554,338	12,004,372
5. LOSS BEFORE TAX (3-4)		(363,154)	(1,324,508)
6. TAX EXPENSE			
a. Current tax expense		62,859	12,508
b. Tax expense relating to prior years		(12,508)	-
c. Deferred tax charge	2.5	782,217	-
NET TAX EXPENSE		832,568	12,508
7. LOSS FOR THE YEAR (5-6)		(1,195,722)	(1,337,016)
8. EARNINGS PER SHARE			
Equity shares of Rupees 10 each			
Basic and diluted	2.20	(0.12)	(0.13)
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

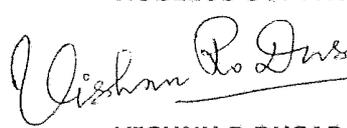
For **DELOITTE HASKINS & SELLS**
Chartered Accountants


SAMEER ROHATGI
Partner



Place : Noida
Date : 04 May 2016

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


VISHNU R DUSAD
Managing Director


POONAM BHASIN
Company Secretary

Place : Noida
Date : 04 May 2016


RAVI PRATAP SINGH
Director


ASHISH NANDA
Chief Financial Officer

NUCLEUS SOFTWARE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

	Notes Ref.	Year ended 31 March 2016 (Rupees)	Year ended 31 March 2015 (Rupees)
A. Cash flow from operating activities			
Net profit / (loss) before tax		(363,154)	(1,324,508)
Adjustments for:			
Depreciation and amortisation expense		6,663,178	7,376,301
Dividend income from current investments		(498,580)	(404,039)
Operating Profit / (loss) before working capital changes		<u>5,801,444</u>	<u>5,647,754</u>
Adjustment for (increase)/decrease in operating assets			
Long-term loans and advances		1,276,377	375,706
Trade receivable		2,123,067	(2,018,124)
Short-term loans and advances		(496,578)	1,100,088
Other current assets		-	43,591
Adjustment for increase/ (decrease) in operating liabilities			
Long-term provisions		(81,917)	(243,472)
Trade payable and other current liabilities		(472,068)	(4,290,154)
		<u>8,150,325</u>	<u>615,389</u>
Income tax paid (net)		50,351	398,840
Net cash from / (used in) operating activities (A)		8,099,974	216,549
B. Cash flow from investing activities			
Purchase of fixed assets/capital work in progress		(39,326)	(4,085,669)
Purchase of Current investments		(12,748,579)	(4,504,039)
Proceeds from sale of current investments		4,278,067	11,011,712
Dividend income from current investments		498,580	404,039
Net cash from / (used in) investing activities (B)		(8,011,258)	2,826,043
C. Cash flow from financing activities			
Repayment of long-term borrowings to Holding Company		-	(5,840,413)
Net cash from/ (used in) financing activities (C)		-	(5,840,413)
Net increase / (decrease) in cash and cash equivalents		88,716	(2,797,821)
Cash and cash equivalents at the beginning of the year	2.13	307,975	3,105,796
Cash and cash equivalents at the end of the year	2.13	<u>396,691</u>	<u>307,975</u>
See accompanying notes forming part of the financial	1 & 2		

In terms of our report attached

For **DELOITTE HASKINS & SELLS**
Chartered Accountants


SAMEER ROHATGI
Partner



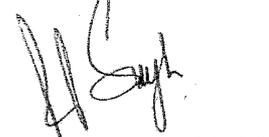
Place : Noida
Date : 04 May 2016

For and on behalf of the Board of Directors


VISHNU R DUSAD
Managing Director


POONAM BHASIN
Company Secretary

Place : Noida
Date : 04 May 2016


RAVI PRATAP SINGH
Director


ASHISH NANDA
Chief Financial Officer

NUCLEUS SOFTWARE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 1:

1.1 Company Background

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

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

1.2 Significant accounting policies

(i) Basis of preparation

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

All income and expenditure having a material bearing on the financial statements are recognised on accrual basis. Accounting policies have been consistently applied except where a newly issued accounting standard if initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. Management evaluates all recently issued or revised accounting standards on an ongoing basis.

(ii) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Examples of such estimates include estimated useful life of fixed assets. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/materialise.

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

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



NUCLEUS SOFTWARE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(iv) Cash flow statement

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

(v) Depreciation

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

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

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

(vi) Revenue Recognition

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

(vii) Other income

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

(viii) Tangible assets and capital work in progress

Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. Fixed assets are stated at the cost of acquisition including any directly attributable expenditure on making the asset ready for its intended use. Fixed assets under construction and cost of assets not ready to use before the year end, are disclosed as capital work-in-progress.

(ix) Intangible Assets

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the tax authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.



NUCLEUS SOFTWARE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(x) Foreign exchange transactions

Foreign exchange transactions are recorded at the exchange rates prevailing at the date of transaction. Realised gains and losses on foreign exchange transactions during the period are recognised in the Statement of Profit and Loss. Monetary assets and monetary liabilities that are determined in foreign currency are restated at the exchange rate prevalent at the date of Balance Sheet. The resulting difference is recorded in the Statement of Profit and Loss.

(xi) Investments

Investments are classified into long term and current investments based on the intent of management at the time of acquisition. Long-term investments are stated at cost and provision is made to recognise any decline, other than temporary, in the value of such investments. Current investments are stated at the lower of cost and the fair value.

(xii) Earnings per share

Basic earnings per share are computed by dividing the Profit / Loss after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the Profit / Loss after Tax by the weighted average number of equity and dilutive equivalent shares outstanding during the year, except where results are anti-dilutive.

(xiii) Employee benefits

Short-Term Employee Benefits

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

Long-Term Employee Benefits

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

(xiv) Taxes on Income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise such assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.



NUCLEUS SOFTWARE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(xv) Impairment of assets

Management periodically assesses using, external and internal sources whether there is an indication that an asset may be impaired. An impairment occurs where the carrying value exceeds the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. The impairment loss to be expensed is determined as the excess of the carrying amount over the higher of the asset's net sales price or present value as determined above. An impairment loss is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortization, if no impairment loss had been recognized.

(xvi) Provisions and Contingencies

The Company recognises a provision when there is a present obligation as a result of a past event and it is probable that it would involve an outflow of resources and a reliable estimate can be made of the amount of such obligation. Such provisions are not discounted to their present value and are determined based on the management's estimation of the obligation required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect management's current estimates.

A disclosure for a contingent liability is made where it is more likely than not that a present obligation or possible obligation may result in or involve an outflow of resources. When no present or possible obligation exists and the possibility of an outflow of resources is remote, no disclosure is made.

(xvii) Operating Cycle

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



NUCLEUS SOFTWARE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2.1 SHARE CAPITAL

Particulars	As at 31 March 2016 (Rupees)	As at 31 March 2015 (Rupees)
a. Authorized 10,000,000 (Previous Year 10,000,000) equity shares of Rupees 10 each	100,000,000	100,000,000
b. Issued, Subscribed and Fully Paid-Up 10,000,000 (Previous Year 10,000,000) equity shares of Rupees 10 each.	100,000,000	100,000,000

Refer note (i) to (iii) below

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

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

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

The Company has one class of equity shares having a par value of Rupees 10 each. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(iii) Details of shares held by the Holding Company

Nucleus Software Exports Limited

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

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

NUCLEUS SOFTWARE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	As at 31 March 2016 (Rupees)	As at 31 March 2015 (Rupees)
2.2 RESERVES AND SURPLUS		
Surplus/ (Deficit) in Statement of Profit and Loss		
Opening Balance	(13,675,326)	(12,338,310)
Add: Profit / (loss) for the year	(1,195,722)	(1,337,016)
Closing balance	<u>(14,871,048)</u>	<u>(13,675,326)</u>

2.3 LONG-TERM BORROWINGS

Unsecured loans

Loan from holding company	<u>80,110,221</u>	<u>80,110,221</u>
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Note : The above loan is repayable on demand after five years from 1 April 2013 and is interest free. During the year ended 31 March, 2016, the Company has repaid Rupees Nil (Previous year Rupees 5,840,413)

2.4 LONG-TERM PROVISIONS

Provision for employee benefits

- Compensated absences	-	81,917
- Gratuity	-	-
	<u>-</u>	<u>81,917</u>

2.5 DEFERRED TAX LIABILITIES

Particulars	As at 1 April 2015	Charge/ (Credited) During the period	As at 31 March 2016
On difference between book balance and tax balance of fixed assets	-	782,217	782,217
	<u>-</u>	<u>782,217</u>	<u>782,217</u>

2.6 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	352,454	834,065
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b. Due to holding company (refer note 2.21)

	149,427	25,099
	<u>501,881</u>	<u>859,164</u>

Note: The Company has no amounts payable to Micro, and Small enterprises as defined in section 7(1) of the Micro, Small and Medium Enterprises Development Act, 2006, to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditor.

2.7 OTHER CURRENT LIABILITIES

a. Other payables - statutory liabilities

b. Provision for gratuity (net)

	32,718	63,746
	-	83,757
	<u>32,718</u>	<u>1,47,503</u>



NUCLEUS SOFTWARE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2.8 FIXED ASSETS (at Cost)

PARTICULARS	GROSS BLOCK			ACCUMULATED DEPRECIATION/ AMORTISATION			NET BLOCK	
	As at	Additions	As at	As at	As at	As at	As at	
	1 April 2015	during the Year	31 March 2016	1 April 2015	31 March 2016	31 March 2016	31 March 2015	
Tangible assets								
Leasehold land	121,447,361 (121,447,361)	-	121,447,361 (121,447,361)	8,439,273 (7,187,238)	1,252,035 (1,252,035)	9,691,308 (8,439,273)	111,756,053 (113,008,088)	113,008,088 (114,260,123)
Building	43,527,666 (39,441,997)	39,326 (4,085,669)	43,566,992 (43,527,666)	4,866,712 (3,504,965)	1,451,821 (1,361,747)	6,318,533 (4,866,712)	37,248,459 (38,660,954)	38,660,954 (35,937,032)
Plant and equipment	13,622,471 (13,622,471)	-	13,622,471 (13,622,471)	9,906,118 (7,289,624)	2,616,496 (2,616,494)	12,522,614 (9,906,118)	1,099,857 (3,715,353)	3,716,353 (6,332,847)
Computers	5,054,935 (5,054,935)	-	5,054,935 (5,054,935)	4,547,566 (3,283,832)	507,369 (1,263,734)	5,054,935 (4,547,566)	507,369 (507,369)	507,369 (1,771,103)
Furniture and fixtures	5,317,562 (5,317,562)	-	5,317,562 (5,317,562)	4,196,062 (3,397,801)	798,261 (798,261)	4,994,323 (4,196,062)	323,239 (1,121,500)	1,121,500 (1,919,761)
Total	188,969,995 (184,884,326)	39,326 (4,085,669)	189,009,321 (188,969,995)	31,955,731 (24,663,460)	6,625,982 (7,292,271)	38,581,713 (31,955,731)	150,427,608 (157,014,264)	157,014,264
Intangible assets								
Softwares	402,328 (402,328)	-	402,328 (402,328)	362,722 (278,692)	37,196 (84,030)	399,918 (362,722)	2,410 (39,606)	39,606 (123,636)
Total	189,372,323 (185,286,654)	39,326 (4,085,669)	189,411,649 (189,372,323)	32,318,453 (24,942,152)	6,663,178 (7,376,301)	38,981,631 (32,318,453)	150,430,018 (157,053,870)	157,053,870

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



NUCLEUS SOFTWARE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	As at 31 March 2016 (Rupees)	As at 31 March 2015 (Rupees)
2.9 NON CURRENT INVESTMENTS (at cost)		
Non Trade (unquoted)		
Investment in government securities	<u>23,000</u>	<u>23,000</u>
Note: The above is provided as security to government authorities		
2.10 LONG-TERM LOANS AND ADVANCES		
(Unsecured, considered good)		
a. Security deposit	599,600	599,600
b. Prepaid expenses	17,713	9,184
c. Advance income tax [net of provision Rupees 559,073 (previous year Rupees 508,722)]	294,680	1,592,094
d. MAT credit entitlement	496,214	483,706
	<u>1,408,207</u>	<u>2,684,584</u>
2.11 CURRENT INVESTMENTS (at the lower of cost and fair value)		
Investments in Liquid Schemes of Mutual Funds (Quoted, Non trade)		
a. 13,542.62 Units (Previous year 5169.40) in Kotak Floater Short Term Fund- Direct Plan-Daily Dividend-Reinvestment Option	13,699,983	5,229,471
	<u>13,699,983</u>	<u>5,229,471</u>
Market value of quoted investments	13,699,983	5,229,471
2.12 TRADE RECEIVABLES		
(Unsecured, considered good)		
a. Trade Receivables outstanding for a period less than six months from the date they were due for payment	-	2,123,067
	<u>-</u>	<u>2,123,067</u>
2.13 CASH AND CASH EQUIVALENTS		
a. Cash on hand	28	28
b. Balances with scheduled banks: - in current accounts	396,663	307,947
	<u>396,691</u>	<u>307,975</u>
Details of balances as on balance sheet dates with scheduled banks in current accounts:-		
- Citi Bank	233,456	201,049
- HDFC Bank	163,207	106,898
	<u>396,663</u>	<u>307,947</u>

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



NUCLEUS SOFTWARE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	As at 31 March 2016 (Rupees)	As at 31 March 2015 (Rupees)
2.14 SHORT-TERM LOANS AND ADVANCES		
Unsecured, considered good		
a. Prepaid Expenses	-	34,881
b. Balance with Government authorities- Service Tax credit receivable	48,090	-
c. Application money for Mutual fund (considered good)	550,000	-
d. Others - Advance to suppliers		
- considered good	-	66,631
- considered doubtful	-	244,734
	-	311,365
Less : Provision for doubtful advances	-	(244,734)
	-	66,631
	598,090	101,512




NUCLEUS SOFTWARE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	Year ended 31 March 2016 (Rupees)	Year ended 31 March 2015 (Rupees)
2.15 INCOME FROM RENTAL SERVICES		
a. Rental Income	<u>9,496,296</u>	<u>10,237,273</u>
2.16 OTHER INCOME		
a. Dividend income from current investments	498,580	404,039
b. Interest on income tax refund	74,680	38,552
c. Miscellaneous Income	121,628	
	<u>694,888</u>	<u>442,591</u>
2.17 EMPLOYEE BENEFITS EXPENSE		
a. Salaries and wages	531,758	1,535,135
b. Gratuity expenses	65,669	65,641
c. Staff welfare expenses	4,400	13,200
	<u>601,827</u>	<u>1,613,976</u>
2.18 OPERATING AND OTHER EXPENSES		
a. Power and fuel	178,980	126,445
b. Repair and maintenance	1,916,365	1,748,280
c. Insurance	48,578	3,951
d. Rates and Taxes	12,000	4,266
e. Communication	5,701	83,356
f. Travelling		
- Domestic	1,450	15,561
g. Legal and professional (refer note below)	385,879	359,338
h. Directors' sitting fees	727,776	426,968
i. Miscellaneous expenses	12,052	245,462
	<u>3,288,781</u>	<u>3,013,627</u>
Legal and Professional expenses include:		
Payment to Statutory Auditors		
- Audit Fees (excluding service tax)	200,000	200,000
	<u>200,000</u>	<u>200,000</u>
2.19 FINANCE COST		
a. Bank Charges	<u>552</u>	<u>468</u>
2.20 Earnings per share		
a. Loss after taxation available to equity shareholders (Rupees)	(1,195,722)	(1,337,016)
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)	(0.12)	(0.13)



NUCLEUS SOFTWARE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2.21 RELATED PARTY TRANSACTIONS

List of related parties- where control exists

- a. Holding Company**
- Nucleus Software Exports Limited
- b. Key Management Personnel**
- Mr. Vishnu R. Dusad, Managing Director

Particulars	Year ended 31 March 2016 (Rupees)	Year ended 31 March 2015 (Rupees)
Transactions with related parties		
a. Rent Income - Nucleus Software Exports Limited	9,496,296	9,496,296
b. Repayment of loan - Nucleus Software Exports Limited	-	5,840,413
c. Reimburshment of expenses to - Nucleus Software Exports Limited	162,321	600
d. Reimburshment of expenses from - Nucleus Software Exports Limited	6,387	-

Outstanding balances as at year end

Particulars	As at 31 March 2016 (Rupees)	As at 31 March 2015 (Rupees)
a. Unsecured Loans	80,110,221	80,110,221
b. Other Payables	149,427	25,099
c. Trade Receivables	-	2,123,067

2.22 Segment Reporting

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

NUCLEUS SOFTWARE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

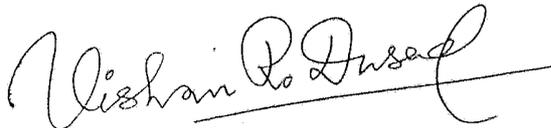
Particulars	Year ended 31 March 2016 (Rupees)	Year ended 31 March 2015 (Rupees)
Income from rental services	9,496,296	10,237,273
Gross Profit	9,496,296	10,237,273
General and administration expenses	3,891,160	4,628,071
Operating profit before depreciation	5,605,136	5,609,202
Depreciation	6,663,178	7,376,301
Operating profit/(Loss) after depreciation	(1,058,042)	(1,767,099)
Other income	694,888	442,591
Profit/(Loss) before taxation	(363,154)	(1,324,508)
Tax Expense:		
Net current tax expense	50,351	12,508
Deferred tax charge	782,217	-
Profit/(loss) after taxation	(1,195,722)	(1,337,016)

2.24 Transfer Pricing

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

2.25 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board of Directors



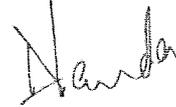
VISHNU R DUSAD
Managing Director



RAVI PRATAP SINGH
Director



POONAM BHASIN
Company Secretary



ASHISH NANDA
Chief Financial Officer

Place : Noida
Date : 04 May 2016

