

INDEPENDENT AUDITORS' REPORT

To the members of Nucleus Software Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **Nucleus Software Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, the Statement of Cash Flows for the year then ended, and a summary of material accounting policies and other explanatory information (herein after referred to as "the Financial Statements").

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 Companies Act, 2013, as amended (the "Act") in the manner 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 March 31, 2024, and its loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Information other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the Financial Statements and our auditor's report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.



In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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.

In preparing the Financial Statements, the management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has an adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management and Board of Directors.
- Conclude on the appropriateness of management's and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. 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 including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.

- (d) In our opinion, the aforesaid Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with the Companies (Accounting Standards) Rules, 2015 as amended.
- (e) On the basis of the written representations received from the directors as on March 31, 2024, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024, 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 with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.
- (g) In our opinion and according to the information and explanations given to us, no remuneration has been paid by the company to its directors during the current year. Accordingly, the provisions of Section 197 of the Act is not applicable. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) of the Act which are required to be commented upon by us.
- (h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, 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 on 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.
 - (iv)
 - (a) The management has represented that, to the best of its knowledge and belief, as disclosed in note 2.23 to the Financial Statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The management has represented that, to the best of its knowledge and belief, as disclosed in note 2.23 to the Financial Statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;



- (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement; and
- (v) The Company has neither declared nor paid any dividend during the year.
- (vi) Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account for the financial year ended March 31, 2024, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under clause (g) of Rule 11 of Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

For ASA & Associates LLP

Chartered Accountants

Firm Registration No. 009571N/N500006

Nitin

Nitin Gupta

Partner

Membership No. 122499



UDIN: 24122499BKJRR18307

Place: New Delhi

Date: May 22, 2024

Annexure A to the Independent Auditors' Report

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

- (i) (a) (A) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant, and equipment.

(B) According to the information and explanations given to us, the Company has maintained proper records showing full particulars of intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified every year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not have any immovable property (other than immovable properties where the Company is the lessee, and the lease agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.

(d) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment or intangible assets or both during the year.

(e) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) (a) The Company is a service company, primarily earning rental income from letting out building. Accordingly, it does not hold any physical inventories. Accordingly, clause 3(ii)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security, or granted any loan or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnership or any other parties during the year. Accordingly, clause 3(iii)(a) to 3(iii)(f) of the Order is not applicable.



- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has not given any loans, or provided guarantees or securities, as specified under section 185 of the Companies Act, 2013. Further, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in relation to investments made and loans given. The Company has not provided security and guarantees as specified under section 186 of the Companies Act, 2013.
- (v) According to information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for services provided by the Company. Accordingly, clause 3(vi) of the Order is not applicable.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have generally been regularly deposited with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no statutory dues of Goods and Service Tax, Provident Fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Value added tax, Cess or other statutory dues which have not been deposited by the Company on account of any dispute.
- (viii) According to the information provided and explanations given to us, and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessment under the Income Tax Act, 1961 as income during the year and accordingly reporting under clause 3(viii) of the Order is not applicable.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us, the Company has not been declared a willful defaulter by any bank or financial institution or any other lender till the date of our audit report.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not raised money by way of term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on a short-term basis have been used for long-term purposes by the Company.



- (e) The Company does not hold any investment in any subsidiary, associate or joint venture as defined under the Companies Act, 2013 during the year. Accordingly, reporting under clause 3(ix)(e) of the Order is not applicable.
- (f) The Company does not hold any investment in any subsidiary, associate or joint venture as defined under the Companies Act, 2013 during the year. Accordingly, reporting under clause 3(ix)(f) of the Order is not applicable.
- (x) (a) According to the information and explanations given to us, the Company has not raised any money by way of an initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.
- (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, report under section 143(12) of the Act, in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable.
- (c) As represented to us by the management, there are no whistle -blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the 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 Sections 177 and 188 of the Act, 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) (a) In our opinion and according to the information and explanations given to us and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the Internal Audit reports of the Company issued till date for the period under audit.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable.

- (xvi) (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable.
- (b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable.
- (c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) of the Order is not applicable.
- (d) As represented by the management, the Group does not have any Core Investment Company as part of the Group as per the definition of Group contained in the Core Investment Companies (Reserve Bank) Directions, 2016 and hence the reporting under Clause 3 (xvi)(d) of the Order is not applicable.
- (xvii) In our opinion and according to the information and explanations given to us, the Company has incurred cash losses amounting to Rs. 58 Lakh in the current financial year and Rs. 14 Lakh in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.
- (xx) In our opinion and according to the information and explanations given to us, The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For ASA & Associates LLP

Chartered Accountants

Firm Registration No. 009571N/N500006

Nitin

Nitin Gupta

Partner

Membership No. 122499

UDIN: 24122499BKJRR T8307

Place: New Delhi

Date: May 22, 2024



Annexure B to the Independent Auditors' Report

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

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **Nucleus Software Limited** ("the Company") as of March 31, 2024, 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 and Board of Directors are 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 the 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to the Financial Statements of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, 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 with reference to financial statements 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 with reference to Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Financial Statements included obtaining an understanding of internal financial controls with reference to Financial Statements, 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 with reference to Financial Statements.



Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to Financial Statements 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 with reference to financial statements 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 authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to Financial Statements, 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 with reference to Financial Statements to future periods are subject to the risk that the internal financial control with reference to Financial Statements 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 with reference to Financial Statements and such internal financial controls with reference to Financial Statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to Financial Statements 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 ASA & Associates LLP

Chartered Accountants

Firm Registration No. 009571N/N500006

Nitin

Nitin Gupta

Partner

Membership No. 122499



UDIN: 24122499BKJRR8307

Place: New Delhi

Date: May 22, 2024

NUCLEUS SOFTWARE LIMITED
BALANCE SHEET AS AT 31 MARCH 2024

Particulars	Notes	As at 31 March 2024 (Rupees)	As at 31 March 2023 (Rupees)
ASSETS			
Non-current assets			
Property, plant and equipment	2.1(a)	312,661	530,078
Capital work In Progress	2.1(b)	285,400	-
Investment property	2.2	130,039,883	132,999,025
Financial assets			
Investments	2.3	23,000	23,000
Other financial assets	2.4	644,600	644,600
Income tax asset	2.5	-	311,449
Total non-current assets		131,305,544	134,508,152
Current Assets			
Financial assets			
Investments	2.6	50,409,146	2,614,699
Cash and cash equivalents	2.7	1,835,400	1,136,173
Other current assets	2.8	979,282	961,160
Total current assets		53,223,828	4,712,032
TOTAL ASSETS		184,529,372	139,220,184
EQUITY & LIABILITIES			
EQUITY			
Equity share capital	2.9	150,000,000	100,000,000
Other equity	2.10	(15,457,309)	(6,446,662)
		134,542,691	93,553,338
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Deferred tax liabilities	2.11	-	-
Borrowings	2.12	49,212,088	45,110,225
Total non-current liabilities		49,212,088	45,110,225
Current liabilities			
Financial liabilities			
Trade payables	2.13	-	-
(i) Total outstanding dues of micro enterprises and small enterprises		-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		724,742	530,704
Other current liabilities	2.14	49,851	25,917
Total current liabilities		774,593	556,621
TOTAL EQUITY AND LIABILITIES		184,529,372	139,220,184

See accompanying notes forming part of the financial statements

1 & 2

In terms of our report attached

For ASA & Associates LLP
Chartered Accountants
Firm Registration Number : 009571N/N500006

Nitin
NITIN GUPTA
Partner
Membership number : 122499



For and on behalf of the Board of Directors
NUCLEUS SOFTWARE LIMITED
CIN : U74120DL2008PLG176975

Vishnu R Duse
VISHNU R DUSAD
Managing Director
DIN : 09008412

Ravi Pratap Singh
RAVI PRATAP SINGH
Director
DIN : 00008350

Poonam Bhasin
POONAM BHASIN
Company Secretary
Membership number : 10865

Ritika Duse
RITIKA DUSAD
Chief Financial Officer

Place : New Delhi
Date : 22 May 2024

Place : Noida
Date : 22 May 2024

NUCLEUS SOFTWARE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2024

	Notes	Year ended 31 March 2024 (Rupees)	Year ended 31 March 2023 (Rupees)
1. REVENUE FROM OPERATIONS			
Rental income	2.15	-	3,166,113
2. OTHER INCOME	2.16	478,361	426,223
3. TOTAL INCOME (1+2)		478,361	3,592,336
4. EXPENSES			
a. Operating and other expenses	2.17	6,155,583	4,732,928
b. Finance cost	2.18	103,668	122,476
c. Depreciation and amortisation expense	2.1 and 2.2	3,229,757	3,220,761
TOTAL EXPENSES		9,489,008	8,076,165
5. PROFIT/ (LOSS) BEFORE TAX (3-4)		(9,010,647)	(4,483,829)
6. TAX EXPENSE CREDIT/CHARGE			
a. Deferred tax credit		-	(690,667)
NET TAX EXPENSE		-	(690,667)
7. LOSS FOR THE YEAR (5-6)		(9,010,647)	(3,793,162)
8. OTHER COMPREHENSIVE INCOME		-	-
9. TOTAL COMPREHENSIVE INCOME (7+8)		(9,010,647)	(3,793,162)
10. EARNINGS PER EQUITY SHARE			
Equity shares of Rupees 10 each	2.19		
a. Basic		(0.84)	(0.38)
b. Diluted		(0.84)	(0.38)
Number of shares used in computing earnings per share			
a. Basic		10,683,060	10,000,000
b. Diluted		10,683,060	10,000,000
See accompanying notes forming part of the financial statements	1 & 2		

In terms of our report attached

For ASA & Associates LLP
Chartered Accountants
Firm Registration Number : 009571N/N580006

Nitin

NITIN GUPTA
Partner
Membership number : 122499



For and on behalf of the Board of Directors
NUCLEUS SOFTWARE LIMITED
CIN : U74120DL2008PLC176975

Vishnu R Dusat

VISHNU R DUSAD
Managing Director
DIN : 00008412

Ravi Pratap Singh

RAVI PRATAP SINGH
Director
DIN : 00008350

Poonam Bhasin

POONAM BHASIN
Company Secretary
Membership number : 10865

Ritika Dusad

RITIKA DUSAD
Chief Financial Officer

Place : New Delhi
Date : 22 May 2024

Place : Noida
Date : 22 May 2024

NUCLEUS SOFTWARE LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2024

A. Equity Share Capital

(Amount in Rupees)

Balance as of 1 April 2023	Changes in equity share capital during the year	Balance as on 31 March 2024
100,000,000	50,000,000	150,000,000

Balance as of 1 April 2022	Changes in equity share capital during the year	Balance as on 31 March 2023
100,000,000	-	100,000,000

B. Other Equity

(Amount in Rupees)

Particulars	Equity component of interest free loan	Reserves and Surplus	Total
		Retained earnings	
Balance as of 1 April 2023	19,440,188	(25,886,850)	(6,446,662)
Profit/(Loss) for the year	-	(9,010,647)	(9,010,647)
Balance as of 31 March 2024	19,440,188	(34,897,497)	(15,457,309)

(Amount in Rupees)

Particulars	Equity component of interest free loan	Reserves and Surplus	Total
		Retained earnings	
Balance as of 1 April 2022	19,440,188	(22,093,688)	(2,653,500)
Profit/(Loss) for the year	-	(3,793,162)	(3,793,162)
Balance as of 31 March 2023	19,440,188	(25,886,850)	(6,446,662)

See accompanying notes forming part of the financial statements

For ASA & Associates LLP

Chartered Accountants
Firm Registration Number : 009571N/NS00006

Nitin

NITIN GUPTA
Partner
Membership number : 122499



For and on behalf of the Board of Directors

NUCLEUS SOFTWARE LIMITED
CIN : U74120DL2008PLC176975

Vishnu R Dusat

VISHNU R DUSAD
Managing Director
DIN : 00008412

Ravi Pratap Singh

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Company Secretary
Membership number : 10865

Ritika Dusat

RITIKA DUSAD
Chief Financial Officer

Place : New Delhi
Date : 22 May 2024

Place : Noida
Date : 22 May 2024

NUCLEUS SOFTWARE LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2024

Notes	Year ended 31 March 2024 (Rupees)	Year ended 31 March 2023 (Rupees)
A. Cash flow from operating activities		
Net profit before tax	(9,010,647)	(4,483,829)
Adjustments for:		
Depreciation and amortisation expense	3,229,757	3,220,761
Unwinding of interest on security deposit	-	120,162
MTM (gain) on mutual funds	(449,078)	(315,014)
Interest expenses on Loan from Holding company	101,863	
Interest income on security deposit	-	(51,694)
Operating profit before working capital changes	(6,128,105)	(1,509,614)
Adjustment for (increase) / decrease in operating assets		
Other assets	(18,122)	89,417
Adjustment for increase / (decrease) in operating liabilities		
Other financial Liabilities	-	(2,958,628)
Trade Payable	194,038	225,386
Other current liabilities	23,934	(1,033,659)
	(5,928,255)	(5,187,098)
Income tax paid (net)	311,452	411,010
Net cash from operating activities (A)	(5,616,803)	(4,776,088)
B. Cash flow from investing activities		
Acquisition of Property, plant and equipment	(53,200)	-
Capital work in progress	(285,400)	-
(Purchase) / sale of current investments	(47,345,370)	4,778,999
Net cash from investing activities (B)	(47,683,970)	4,778,999
C. Cash flow from financing activities (C)		
Additional capital from Holding company	50,000,000	-
Borrowings from Holding Company	4,000,000	-
Net cash from/ (used in) financing activities (C)	54,000,000	-
Net increase / (decrease) in cash and cash equivalents (A+B+C)	699,227	2,911
Cash and cash equivalents at the beginning of the year	2.7 1,136,173	1,133,262
Cash and cash equivalents at the end of the year	2.7 1,835,400	1,136,173
See accompanying notes forming part of the financial Statements	1 & 2	

In terms of our report attached

For ASA & Associates LLP

Chartered Accountants

Firm Registration Number : 000573N/AE00006

Nitin

NITIN GUPTA

Partner

Membership number : 122499



For and on behalf of the Board of Directors

NUCLEUS SOFTWARE LIMITED

CIN : U74120DL2008PLC176975

Vishnu R Dusat

VISHNU R DUSAD

Managing Director

DIN : 88008412

RAVI PRATAP SINGH

Director

DIN : 00008350

POONAM BHASIN

Company Secretary

Membership number : 10865

RITIKA DUSAD

Chief Financial Officer

Place : New Delhi

Date : 22 May 2024

Place : Noida

Date : 22 May 2024

NUCLEUS SOFTWARE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 1:

1.1 Company Overview

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 8 June 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.

1.2. Material accounting policies

i. Basis of preparation of financial statements

a) Statement of compliance

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time.

The Financial statements were approved for issue by the Board of Directors on 22 May 2024.

b) Functional and Presentation currency

The financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency.

c) Current and non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- It is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is expected to be realized within 12 months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include current portion of the non-current financial assets.

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- It is expected to be settled in the company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is due to be settled within 12 months after the reporting date; or
- The company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of the non-current financial liabilities.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities (if any) are classified as non-current assets and liabilities.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Company has ascertained its operating cycle, being a period within 12 months for the purpose of classification of assets and liabilities as current and non-current.



NUCLEUS SOFTWARE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

d) Basis of measurement

The financial statements have been prepared on the historical basis except for the following items:

Items	Measurement Basis
Certain financial assets and liabilities (including derivative instruments)	Fair Value
Net defined benefit(asset)/liability	Fair value of plan assets less present value of defined benefit obligations

e) Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual result may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the subsequent period financial statements is included in the following notes:

- Estimation of deferred tax – Note 2.11
- Estimated useful life of property, plant and equipment and intangibles – Note 1.2 (iv) and (vi)
- Investment property - Note 2.2 (v)
- Impairment of property, plant and equipment – Note 1.2 (iv)

Measurement of fair values

The Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. This includes a treasury team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

The treasury team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

ii. Revenue Recognition

Rental income from investment property is recognised as part of revenue from operations in the financial statements on a straight-line basis over the term of the lease.



NUCLEUS SOFTWARE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

iii. Other income

Dividend income is recognised in profit or loss on the date on which the Company's right to receive payment is established.

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset ; or
- the amortised cost of the financial liability

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

iv. Property, Plant and equipment

Property, Plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any. Cost of an item of property, plant and equipment includes its purchase price, any directly attributable expenditure on making the asset ready for its intended use. Property, plant and equipment under construction and cost of assets not ready to use before the year end, are disclosed as capital work-in-progress.

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

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow the Company.

Asset category	Management estimate of useful life (in years)	Useful life as per Schedule II(in years)
Tangible asset		
Plant and machinery (including office equipment)*	5	15
Computers- end user devices such laptops, desktops etc.*	3	3
Furniture and fixtures*	5	10

*Based on technical evaluation, the useful lives as given above represent the period over which the management believes to use these assets; hence these lives are different from the useful lives prescribed under Part C of schedule II of the Companies Act, 2013.



NUCLEUS SOFTWARE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

v. Investment Property

Investment property is a property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Property under construction or development for future use as an investment property is classified as investment property under construction.

Depreciation on investment property, except leasehold land, 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.

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

Category of investment property	Estimated useful life (in years)
Building	30
Temporary structure *	10

* Based on technical evaluation, the useful lives as given above represent the period over which the management believes to use these assets; hence these lives are different from the useful lives prescribed under Part C of schedule II of the Companies Act, 2013.

Any gain or loss on disposal of an investment property is recognized in the statement of profit or loss.

The fair value of investment property is disclosed in the notes. Fair value is determined by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

vi. 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.

The management's estimates of the useful lives of the Software are 3 years.

vii. Financial instruments

a) Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provision of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

b) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- Fair value through other comprehensive income (FVOCI)-equity investment; or
- FVTPL



NUCLEUS SOFTWARE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Financial asset are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely for payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI-equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivatives financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirement to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.



NUCLEUS SOFTWARE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

c) Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

d) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

viii. Impairment

a) Impairment of financial instruments

The Company recognises loss allowances for expected credit losses on:

- financial assets measured at amortised cost;

At each reporting date, the Company assesses whether financial assets carried at amortised cost. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.



NUCLEUS SOFTWARE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

b) Impairment of non-financial assets

The Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

ix. Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost. Expected future operating losses are not provided for.

Onerous contracts

A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognises any impairment loss on the assets associated with that contract.



NUCLEUS SOFTWARE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

x. Earnings per share

Basic earnings per share is computed using the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year-end, except where the results would be anti-dilutive.

xi. Taxation

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

a) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date. Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

b) Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is not recognized for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized. Deferred tax assets – unrecognized or recognized, are reviewed at each reporting date and are recognized/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realized.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be real.

Minimum Alternative Tax ('MAT') expense under the provisions of the Income-tax Act, 1961 is recognised as an asset when it is probable that future economic benefit associated with it in the form of adjustment of future income tax liability, will flow to the Company and the asset can be measured reliably. MAT credit entitlement is set off to the extent allowed in the year in which the Company becomes liable to pay income taxes at the enacted tax rates. MAT credit entitlement is reviewed at each reporting date and is written down to reflect the amount that is reasonably certain to be set off in future years against the future income tax liability. MAT Credit Entitlement has been presented as Deferred Tax in Balance Sheet.

xii. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non –cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.



NUCLEUS SOFTWARE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

xiii. Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

Company as a lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Company applies Ind AS 115 Revenue from contracts with customers to allocate the consideration in the contract.

xiv. Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.



2.1(a) Property, plant and equipment and Intangible assets

PARTICULARS	GROSS CARRYING AMOUNT			ACCUMULATED DEPRECIATION / AMORTISATION			NET CARRYING AMOUNT	
	As at 01 April 2023	Additions	Deductions / adjustments	As at 31 March 2024	As at 1 April 2023	Depreciation for the year	As at 31 March 2024	As at 31 March 2023
Tangible assets								
Plant and equipment	2,397,729 (2,397,729)	53,200	-	2,450,929 (2,397,729)	1,867,651 (1,606,222)	270,616 (261,429)	2,138,268 (1,867,651)	530,078 (791,507)
Furniture and fixtures	323,239 (323,239)	-	-	323,239 (323,239)	323,239 (323,239)	-	323,239 (323,239)	-
Total	2,720,968 (2,720,968)	53,200 -	- -	2,774,168 (2,720,968)	2,190,890 (1,929,461)	270,616 (261,429)	2,461,507 (2,190,890)	530,078 (791,507)
Intangible assets								
Softwares	2,410 (2,410)	-	-	2,410 (2,410)	2,410 (2,410)	-	2,410 (2,410)	-
Total	2,723,378 (2,723,378)	53,200 -	- -	2,776,578 (2,723,378)	2,193,300 (1,931,871)	270,616 (261,429)	2,463,917 (2,193,500)	530,078 (791,507)

2.1(b) Capital work in progress

	As at 1 April 2023	Additions	Capitalisation / adjustments	As at 31 March 2024
Capital work in progress (see note below)	-	285,400	-	285,400
Total	-	285,400	-	285,400

Note:

Capital work in progress	Amount in capital work in progress			
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years
Projects in progress	285,400	-	-	-
Total	285,400	-	-	-

Note 1: Figures in brackets pertain to the relevant previous year.



NUCLEUS SOFTWARE LIMITED

2.2 Investment Property

PARTICULARS	GROSS CARRYING AMOUNT			ACCUMULATED DEPRECIATION / AMORTISATION		NET CARRYING AMOUNT	
	As at 1 April 2023	Additions	Deductions / adjustments	As at 31 March 2024	As at 1 April 2023	As at 31 March 2024	As at 31 March 2023
Tangible assets							
Leasehold land	111,756,053 (111,756,053)	-	-	111,756,053 (111,756,053)	8,764,242 (7,512,207)	10,016,277 (8,764,242)	102,991,811 (104,243,846)
Building	41,020,878 (41,020,878)	-	-	41,020,878 (41,020,878)	11,013,664 (9,306,367)	12,720,770 (11,013,664)	30,007,214 (31,714,511)
Total	152,776,931 (152,776,931)	-	-	152,776,931 (152,776,931)	19,777,906 (16,818,574)	22,737,047 (19,777,906)	132,999,025 (135,958,357)

Note

Property, plant and equipment	Gross carrying amount	Title deed held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Held since
Leasehold land	111,756,053	Nucleus Software Ltd.	Title deed held in company name.	30 June 2008
Total	111,756,053			
Buildings	41,020,878	Nucleus Software Exports Ltd	Title deed held in company name.	1 April 2010
	41,020,878			

Measurement of fair values

Particulars	Leasehold Land	Building	Total
At 31 March 2024	493,360,000	38,211,000	531,571,000
At 31 March 2023	427,880,000	38,801,000	466,681,000

There is no impairment as the fair value is greater than the carrying amount of Investment property as at 31 March 2024.

(i) Fair Value Hierarchy

(i) Fair Value Hierarchy The fair value of investment property has been determined by external, independent property valuers, having appropriate recognised professional qualifications and requisite experience of the location and of the category of property being valued. The fair value measurement for all of the investment property has been categorised as a Level 3 fair value based on the inputs to the valuation technique used. There is no impairment as the fair value is greater than the carrying amount of the investment property.

(ii) Valuation Techniques

(ii) **Valuation Techniques** The method of valuation adopted, in the subject instance is Land and Building method under Cost Approach. In this approach value of the land is arrived by taking a survey of the micro market for transactions of similar land parcels in the vicinity. Whereas, value of the building is arrived by analyzing the cost of construction for similar structures. Necessary discounting is considered on building to account for loss in economic value due to depreciation. The value of land and building so arrived is summed to obtain value of the property.

summed to obtain value of the property. The lease contains an initial non-cancellable period of 3 years. Subsequent renewals are negotiated with the lessee. No contingent rents are charged.

(iii) Amount recognised in the Statement of Profit and Loss :

Revenue from operation amounting to Rs. Nil (Previous year Rs 3,166,113) is on account of rental income from investment property during the year 31 March 2024 (see note 2.15).



NUCLEUS SOFTWARE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	As at 31 March 2024 (Rupees)	As at 31 March 2023 (Rupees)
2.3 NON CURRENT INVESTMENTS (at amortised cost)		
Non Trade (unquoted)		
Investment in government securities	23,000	23,000
	23,000	23,000
2.4 OTHER NON-CURRENT FINANCIAL ASSETS (Unsecured considered good unless otherwise stated)		
Security deposit	644,600	644,600
	644,600	644,600
2.5 INCOME TAX ASSETS		
Advance Income tax	-	311,449
	-	311,449
2.6 CURRENT INVESTMENTS		
Investment in Mutual Funds (Unquoted)		
Mutual funds at fair value through profit or loss (FVTPL)		
a. Nil units (31 March 2023: 682.985) Kotak Money Market Scheme - Direct Plan - Growth Option	-	2,614,699
b. 10,3371.781 units (31 March 2023: Nil Units) Kotak Liquid Fund-Direct Plan- Growth Option	50,409,146	-
	50,409,146	2,614,699
Aggregate value of unquoted Investments	50,409,146	2,614,699
2.7 CASH AND CASH EQUIVALENTS		
Cash on hand	-	-
Balances with scheduled banks: - in current accounts	1,835,400	1,136,173
	1,835,400	1,136,173



NUCLEUS SOFTWARE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	As at 31 March 2024 (Rupees)	As at 31 March 2023 (Rupees)
2.8 OTHER CURRENT ASSETS (Unsecured considered good unless otherwise stated)		
Prepaid expenses	34,991	33,150
Balance with government authorities	844,566	799,499
Advance to suppliers	99,725	128,511
	979,282	961,160

2.9 SHARE CAPITAL

Particulars	As at 31 March 2024 (Rupees)	As at 31 March 2023 (Rupees)
a. Authorized 15,000,000 (Previous Year 10,000,000) equity shares of Rupees 10 each	150,000,000	100,000,000
b. Issued, Subscribed and Fully Paid-Up 15,000,000 (Previous Year 10,000,000) equity shares of Rupees 10 each.	150,000,000	100,000,000
	150,000,000	100,000,000

Refer note (I) to (II) 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	5,000,000	-
- Amount	50,000,000	-
As at the end of the year		
- Number of shares	15,000,000	10,000,000
- Amount	150,000,000	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 and promoters of the Company

Nucleus Software Exports Limited

- Number of shares*	15,000,000	10,000,000
- Percentage	100%	100%
- Amount	150,000,000	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.

Particulars	As at 31 March 2024 (Rupees)	As at 31 March 2023 (Rupees)
2.10 OTHER EQUITY		
a. Retained earnings	(34,897,497)	(25,886,850)
b. Equity component of Interest free loan	19,440,188	19,440,188
	(15,457,309)	(6,446,662)

Particulars	Year ended 31 March 2024 (Rupees)	Year ended 31 March 2023 (Rupees)
a. Retained earnings		
Opening Balance	(25,886,850)	(22,093,688)
Add: Profit/(Loss) for the year	(9,010,647)	(3,793,162)
Closing balance	(34,897,497)	(25,886,850)
b. Equity component of Interest free loan (Unsecured Loan from holding company)		
Opening balance	19,440,188	19,440,188
Closing balance (refer Note 2.20)	19,440,188	19,440,188
Total	(15,457,309)	(6,446,662)



2.11 DEFERRED TAX LIABILITIES (NET)

A. Amounts recognised in profit or loss

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
	(Rupees)	(Rupees)
Deferred tax expense		
Attributable to -		
Origination and reversal of temporary differences	-	(2,019,059)
MAT credit (entitlement)	-	1,328,392
Net tax expense	-	(690,667)

B. Reconciliation of effective tax rate

A reconciliation of the Income tax provision to the amount computed by applying the statutory Income tax rate to the income before taxes is summarised below:

Particulars	Percentage	Year ended 31 March 2024	Percentage	Year ended 31 March 2023
Profit/(Loss) before tax		(9,010,647)		(4,483,829)
Domestic tax rate	26%	(2,342,768)	26%	(1,165,796)
Origination and reversal of temporary differences	-26%	2,342,768	-26%	1,165,796



NUCLEUS SOFTWARE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	Year ended 31 March 2024 (Rupees)	Year ended 31 March 2023 (Rupees)
2.12 LONG TERM BORROWINGS		
Unsecured loans		
Loan from holding company (refer Note 2.20)	49,110,225	45,110,225
Interest accrued on loan	101,863	-
	49,212,088	45,110,225

Movement in borrowings

Particulars	As at 31 March 2024 (Rupees)	As at 31 March 2023 (Rupees)
Borrowings at the beginning of the year	45,110,225	45,110,225
Addition In borrowings during the year	4,000,000	-
Movement due to non-cash transactions - Interest expense	101,863	-
Borrowings at the end of the year	49,212,088	45,110,225

Note 1:

Type of borrower	Amount of loan / advance in the nature of loan outstanding including interest accrued as at 31 March 2024	Percentage to the total Loans and Advances in the nature of loans
Promoter	-	-
Directors	-	-
KMP's	-	-
Related parties	49,212,088	100%
	49,212,088	100%

Particulars	As at 31 March 2024 (Rupees)	As at 31 March 2023 (Rupees)
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2.13 TRADE PAYABLES

Trade Payable due for payments

-Total outstanding dues of micro enterprises and small enterprises

-Total outstanding dues of creditors other than micro enterprises and small enterprises (see note 1 below)

Accrued expenses

	5,005	5,005
	719,737	525,699
	724,742	530,704

Note

Outstanding for following period from due date	No due	Trade Payable due for payments				
		As at 31 March 2024				
		Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
(i) MSME		-	-	-	-	-
(ii) Others (Inter company)		-	-	-	-	-
(iii) Others	5,005	-	-	-	-	5,005
(iv) Disputed dues MSME		-	-	-	-	-
(v) Disputed dues others		-	-	-	-	-
	5,005	-	-	-	-	5,005
Accrued expense						719,737
	5,005	-	-	-	-	724,742

Outstanding for following period from due date	No due	Trade Payable due for payments				
		As at 31 March 2023				
		Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
(i) MSME		-	-	-	-	-
(ii) Others (Inter company)		-	-	-	-	-
(iii) Others	5,005	-	-	-	-	5,005
(iv) Disputed dues MSME		-	-	-	-	-
(v) Disputed dues others		-	-	-	-	-
	5,005	-	-	-	-	5,005
Accrued expense						525,699
	5,005	-	-	-	-	530,704

Particulars	As at 31 March 2024 (Rupees)	As at 31 March 2023 (Rupees)
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2.14 OTHER CURRENT FINANCIALS LIABILITIES

Statutory liabilities

	49,851	25,917
	49,851	25,917



NUCLEUS SOFTWARE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	Year ended 31 March 2024 (Rupees)	Year ended 31 March 2023 (Rupees)
2.15 INCOME FROM RENTAL SERVICES		
Rental income	-	3,166,113
	<u>-</u>	<u>3,166,113</u>
2.16 OTHER INCOME		
MTM gain or (loss) on mutual funds	449,078	315,014
Miscellaneous income	9,190	-
Profit on Sale of Investment	7,633	21,101
Interest on Income tax refund	12,460	38,414
Deferred lease income on security deposit received	-	51,694
	<u>478,361</u>	<u>426,223</u>
2.17 OPERATING AND OTHER EXPENSES		
Power and fuel	651,658	441,320
Repair and maintenance		
- Buildings	2,555,715	2,411,147
- Others	1,242,113	979,435
Insurance	43,290	53,686
Rates and taxes	541,629	248,735
Legal and professional (refer note below)	797,400	292,687
Directors' sitting fees	320,000	280,000
Miscellaneous expenses	3,778	25,918
	<u>6,155,583</u>	<u>4,732,928</u>
Note:		
Legal and professional expenses Includes audit fee (excluding taxes):		
As auditors - statutory audit	<u>350,000</u>	<u>100,000</u>
	<u>350,000</u>	<u>100,000</u>
2.18 FINANCE COST		
Bank charges	1,805	2,314
Interest on Loan from Holding company	101,863	-
Unwinding of interest on security deposit	-	120,162
	<u>103,668</u>	<u>122,476</u>
2.19 EARNINGS PER SHARE		
Profit/(Loss) after taxation available to equity shareholders (Rupees)	(9,010,647)	(3,793,162)
Weighted average number of equity shares used in calculating earnings per share - Basic and Diluted	10,683,060	10,000,000
Basic and Diluted earnings per share (Rupees)	(0.84)	(0.38)



NUCLEUS SOFTWARE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2.20 RELATED PARTY TRANSACTIONS

List of related parties

- a. **Holding Company - where control exists**
- Nucleus Software Exports Limited
- b. **Key Management Personnel**
- Vishnu R Dusat, Managing Director
- c. - Ritika Dusat, Chief Financial Officer
(Relative of KMP)

Particulars	Year ended 31 March 2024 (Rupees)	Year ended 31 March 2023 (Rupees)
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Transactions with related parties

a. Reimbursement of expenses to - Nucleus Software Exports Limited	460,368	11,993
b. Interest expenses to - Nucleus Software Exports Limited	101,863	-
c. Additional Capital from - Nucleus Software Exports Limited	50,000,000	-
d. Additional Loan from - Nucleus Software Exports Limited	4,000,000	-

Outstanding balances as at year end

Particulars	As at 31 March 2024 (Rupees)	As at 31 March 2023 (Rupees)
a. Borrowings - Nucleus Software Exports Limited	49,212,088	45,110,225
b. Other Payables - Interest accrued - Nucleus Software Exports Limited	101,863	-

2.21 RATIOS

	Ratios as per table below	As at 31 March 2024	As at 31 March 2023	Numerator and denominator for computing the above	Remarks
a.	Current Ratio (in times)	68.71	8.47	Current assets/Current liabilities	Investment of Rs. 5 cr during the year
b.	Debt-Equity Ratio (in times)	0.37	0.48	-	Loan is classified as non-current liabilities
c.	Debt Service Coverage Ratio (in times)	-	-	-	-
d.	Inventory turnover ratio	-	-	-	Not applicable
e.	Trade Receivables turnover ratio (Days)	N/A	N/A	Trade receivables *(365)/Income from software product and services	Due to NIL trade receivables.
f.	Trade payables turnover ratio (Days)	28	24	Trade payables*(365)/Total expenses	-
g.	Net capital turnover ratio (in times)	0%	76%	Income from investment in property / working capital (CA-CL)	Loan is taken as current liabilities
h.	Return on Equity Ratio (in %)	-8%	-4%	Profit after tax/Average total equity	due to loss during the year.
i.	Net profit ratio (in %)	N/A	-120%	Profit after tax/Income from investment in property	due to loss during the year.
j.	Return on Capital employed (in %)	-7%	-5%	Profit before tax / Capital employed (Tangible net worth + deferred tax liabilities)	due to loss during the year.
k.	Return on investment (in %)	1.72%	6.90%	Income generated from investments/Time weighted average investments	Investment made in Feb 2024, so lower returns



NUCLEUS SOFTWARE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2.22 Financial Instruments

a) Financial Instruments by category

The carrying value and fair value of financial instruments by categories of 31 March 2024 were as follows:

Particulars	Amortised cost	Financial assets/liabilities at fair value through profit or loss	Financial assets/liabilities at value through OCI	Total carrying value	Total fair value	Level 1	Level 2	Level 3
Assets:								
Cash and cash equivalents (2.7)	1,835,400	-	-	1,835,400	1,835,400			
Investments (2.3 and 2.6)	-	50,409,146	-	50,409,146	50,409,146			
Mutual funds	23,000	-	-	23,000	23,000			
Government securities	644,600	-	-	644,600	644,600			
Other financial assets (2.4)	2,503,000	50,409,146	-	52,912,146	52,912,146	50,409,146		
Liabilities:								
Trade payables (2.13)	724,742	-	-	724,742	724,742			
Borrowings (2.12)	49,212,088	-	-	49,212,088	49,212,088			
	49,936,830	-	-	49,936,830	49,936,830	-		

The carrying value and fair value of financial instruments by categories of 31 March 2023 were as follows:

Particulars	Amortised cost	Financial assets/liabilities at fair value through profit or loss	Financial assets/liabilities at value through OCI	Total carrying value	Total fair value	Level 1	Level 2	Level 3
Assets:								
Cash and cash equivalents (2.7)	1,136,173	-	-	1,136,173	1,136,173			
Investments (2.3 and 2.6)	-	2,614,699	-	2,614,699	2,614,699	2,614,699		
Mutual funds	23,000	-	-	23,000	23,000			
Government securities	644,600	-	-	644,600	644,600			
Other financial assets (2.4)	1,803,773	2,614,699	-	4,418,472	4,418,472	2,614,699		
Liabilities:								
Trade payables (2.13)	530,704	-	-	530,704	530,704			
Borrowings (2.12)	45,110,225	-	-	45,110,225	45,110,225			
	45,640,929	-	-	45,640,929	45,640,929	-		

The carrying amount of current trade receivables, trade payables, other current financial asset and cash and cash equivalent are considered to be same as their fair values, due to their short-term nature. The fair value of Non-current security deposit and borrowings were calculated based on cashflows discounted using a transition date lending rate as there is no material change in the lending rate.

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments.
- for forward exchange contracts, the fair value is determined using quoted forward exchange rates at the reporting date.
- the fair value of remaining financial instruments is determined using discounted cash flows method.

NUCLEUS SOFTWARE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

b) Financial risk management

The Company's activities expose it to a variety of financial risks arising from financial instruments

- Market risk,
- Credit risk and
- Liquidity risk

i) Market risk

The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Company operates locally and the entire business is transacted in INR and consequently the Company is not exposed to foreign exchange risk.

(i) Price risk

(a) Exposure

The Company's exposure to price risk arises from investments in mutual funds held by the Company and classified in the balance sheet at fair value through profit or loss.

(b) Sensitivity

The sensitivity of profit or loss in respect of investments in mutual funds at the end of the reporting period for +/- 2% change in price and net asset value is presented below:

	Impact on profit before tax	
	31 March 2024	31 March 2023
Increase 2% Mutual funds	1,008,183	52,294
Decrease 2% Mutual funds	(1,008,183)	(52,294)

ii) Credit risk

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information.

In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 30 days past due.

A default on a financial asset is when the counter party fails to make contractual payments within 90 days of when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to Rs. Nil and Rs. Nil as of 31 March 2024 and 31 March 2023 respectively. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The Company has nil expected credit loss allowance.

Credit risk exposure

The company generates revenue by way of rental income which is received in advance. Therefore, at any point of time there are no long outstanding receivables. Hence the company has no exposure to credit risk in respect of trade receivables.

Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in mutual fund units.



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NOTES FORMING PART OF THE FINANCIAL STATEMENTS

a) Expected credit loss for loans, security deposits and Investments

As at 31 March 2024

As at 31 March 2024		(Amount in Rupees)				
Particulars		Asset group	Estimated gross carrying amount at default	Expected probability of default	Expected credit loss	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit loss	Financial assets for which credit risk has not increased significantly since initial recognition	Security deposits	667,600	0%	-	667,600
Loss allowance measured at life-time expected credit loss	Financial assets for which credit risk has increased significantly and not credit-impaired	NA	NA	NA	NA	NA
	Financial assets for which credit risk has increased significantly and credit-impaired	NA	NA	NA	NA	NA

As at 31 March 2023

As at 31 March 2023						
Particulars		Asset group	Estimated gross carrying amount at default	Expected probability of default	Expected credit loss	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit loss	Financial assets for which credit risk has not increased significantly since initial recognition	Security deposits	667,600	0%	-	667,600
	Financial assets for which credit risk has increased significantly and not credit-impaired	NA	NA	NA	NA	NA
Loss allowance measured at life-time expected credit loss	Financial assets for which credit risk has increased significantly and credit-impaired	NA	NA	NA	NA	NA



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iii) Liquidity risk

The company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The company has outstanding borrowings from holding companies which is repayable on demand after 31 March 2018. The Company believes that the working capital is sufficient to meet its current requirements.

As at 31 March, 2024, the Company has a working capital of Rs. 52,449,235 including cash and cash equivalent of Rs. 1,835,400 and current investment of Rs. 50,409,146 (As at 31 March 2023, working capital of Rs. 4,155,411 including cash and cash equivalent of Rs. 1,136,173 and current investment of Rs. 2,614,699).

The table below provides details regarding the contractual maturities of significant financial liabilities as of 31 March 2024:

Particulars	(Amount In Rupees)			
	Less than 1 year	1-2 years	2-5 years	Total
Trade payables	724,742	-	-	724,742
Other financial liabilities	-	-	-	-
Borrowings	49,212,088	-	-	49,212,088

The table below provides details regarding the contractual maturities of significant financial liabilities as of 31 March 2023:

Particulars	(Amount In Rupees)			
	Less than 1 year	1-2 years	2-5 years	Total
Trade payables	530,704	-	-	530,704
Other financial liabilities	-	-	-	-
Borrowings	45,110,225	-	-	45,110,225

c) Capital Management

The Company's objectives when managing capital are to:

- safeguard its ability to continue as a going concern, so that it can continue to provide returns to shareholders and benefit other stakeholders and
- maintain an appropriate capital structure

The Board of Directors has the primary responsibility to maintain a strong capital base and reduce the cost of capital through prudent management in deployment of funds so as to sustain future development of the business. The Board of Directors monitors the return on capital, which the Company defines as result from operating activities divided by total shareholders' equity.

The Company monitors capital, using a medium term view of three to five years, on the basis of a number of financial ratios generally used by industry and by the rating agencies. The Company is not subject to externally imposed capital requirements.

(f) Risk management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders, raise debts or issue new shares.



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2.23 No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

2.24 SEGMENT REPORTING

Based on the guiding principles stated in Ind AS 108 on "Segment Reporting" with the accounting standards specified under section 133 of the Act, as applicable, the Chief Operating Decision Maker (CODM) has identified its business of earning rental income from its investment property as the only reportable operating segment. Accordingly, no additional disclosure for segment reporting have been made in these financial statements.

For ASA & Associates LLP
Chartered Accountants
Firm Registration Number : 009571N/N500006


NITIN GUPTA
Partner
Membership number : 122499



For and on behalf of the Board of Directors
NUCLEUS SOFTWARE LIMITED
CIN : U74120DL2008PLC176975


VISHNU R DUSAD
Managing Director
DIN : 00008412


RAVI PRATAP SINGH
Director
DIN : 00008350


POONAM BHASIN
Company Secretary
Membership number : 10865


RITIKA DUSAD
Chief Financial Officer

Place : New Delhi
Date : 22 May 2024

Place : Noida
Date : 22 May 2024