Virstra I-Technology Services Limited

Financial Statements for the period ended March 31, 2015 and Independent Auditor's report

Deloitte
Haskins & Sells

Chartered Accountants
7th Floor, Building 10, Tower B
DLF Cyber City Complex
DLF City Phase-II
Gurgaon - 122 002, Haryana
India

Tel : + 91 (124) 679 2000
Fax : + 91 (124) 679 2012

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF VIRSTRA I-TECHNOLOGY SERVICES LIMITED
Report on the Financial Statements

We have audited the accompanying financial statements of **VIRSTRA I-TECHNOLOGY SERVICES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 March, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Haskins & Sells
Chartered Accountants

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   (e) On the basis of the written representations received from the directors as on 31 March, 2015 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.

   (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company does not have any pending litigations which would impact its financial position;

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Deloitte Haskins & Sells Chartered Accountants

Sameer Rohatgi

SAMEER ROHATGI
Partner
(Membership No. 094039)

Noida,
7 May, 2015

ANNEXURE 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. In respect of its fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us no material discrepancies were noticed on such verification.

ii. The Company does not have any inventory. Accordingly, the provisions of Clause 3 (ii) of the Order are not applicable to the Company.

iii. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.

iv. In our opinion and according to the information and explanations given to us there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets. Having regard to the explanation that services rendered are for the specialised requirements of the buyers and suitable alternative sources are not available to obtain comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to sale of services. The Company's operations did not give rise to purchase of inventory and sale of goods during the current year. During the course of our audit, we have not observed any major weakness in such internal control system.

v. According to the information and explanations given to us, the Company has not accepted any deposit during the year. The Company does not have any unclaimed depoists and accordingly, the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 is not applicable to the Company.

vi. According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, 2013 for the Company.

vii. According to the information and explanations given to us in respect of statutory dues:

(a) The Company has been generally been regular in depositing undisputed statutory dues, including Provident Fund, Income-tax, Service Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Service Tax, Cess and other material statutory dues dues in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.

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

Deloitte Haskins & Sells
Chartered Accountants

(c) We are informed that there are no dues in respect of Income Tax, Service Tax and Cess which have not been deposited on account of any dispute

(d) There are no amounts that are due to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder.

viii. The Company does not have accumulated losses at the end of the financial year and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

ix. According to the information and explanations given to us and the records examined by us, the Company has not taken any loans from financial institutions and banks nor has it issued any debentures. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company.

x. According to the information and explanations given to us, the Company has not given guarantees for loans taken by others from banks and financial institutions.

xi. Based on the examination of the books of account and related records and according to the information and explanations provided to us, no term loans were obtained by the Company.

xii. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

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

Deloitte Haskins & Sells
Chartered Accountants

Sameer Rohatgi

SAMEER ROHATGI
Partner
(Membership No. 094039)

Noida,
7 May, 2015

VIRSTRA I-TECHNOLOGY SERVICES LIMITED
BALANCE SHEET AS AT 31 MARCH, 2015

	Notes Ref.	As at 31 March 2015 (Rupees)	As at 31 March 2014 (Rupees)
EQUITY AND LIABILITIES			
1. SHAREHOLDERS' FUNDS			
a. Share capital	2.1	10,000,000	10,000,000
b. Reserves and surplus	2.2	173,833,843	132,078,758
		183,833,843	**142,078,758**
2. NON-CURRENT LIABILITIES			
Long-term provisions	2.3	**2,748,422**	**9,395,584**
3. CURRENT LIABILITIES			
a. Trade payables	2.4	3,979,538	3,867,142
b. Other current liabilities	2.5	1,957,199	7,638,473
c. Short-term provisions	2.6	896,835	2,938,956
		6,833,572	**14,444,571**
		193,415,837	**165,918,913**
ASSETS			
1. NON-CURRENT ASSETS			
a. Fixed assets			
- Tangible assets	2.7	1,181,581	1,176,147
- Intangible assets	2.7	1,676,193	633,692
		2,857,774	1,809,839
c. Deferred tax assets	2.8	2,146,877	4,633,835
d. Long-term loans and advances	2.9	38,596,494	39,035,855
e. Other non-current assets	2.10	163,571	154,769
		43,764,716	**45,634,298**
2. CURRENT ASSETS			
a. Current investments	2.11	119,278,121	90,673,412
b. Trade receivables	2.12	14,546,973	15,584,731
c. Cash and cash equivalents	2.13	2,376,590	3,981,255
d. Short-term loans and advances	2.14	13,437,098	10,036,415
e. Other current assets	2.15	12,339	8,802
		149,651,121	**120,284,615**
		193,415,837	**165,918,913**

See accompanying notes forming part of the financial statements — 1 & 2

In terms of our report attached

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

Deloitte Haskins & Sells Chartered Accountants

SAMEER ROHATGI
Partner

Place : Noida
Date : 7 May 2015

For and on behalf of the Board of Directors

VISHNU R DUSAD
Director

Place : Noida
Date : 7 May 2015

RAVI PRATAP SINGH
Director

VIRSTRA I-TECHNOLOGY SERVICES LIMITED
STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED 31 MARCH, 2015

		Notes Ref.	Year Ended 31 March 2015 (Rupees)	Year Ended 31 March 2014 (Rupees)
1.	**REVENUE FROM OPERATIONS**			
	Sale of services		173,041,627	195,551,747
2.	**OTHER INCOME**	2.16	7,178,116	5,171,462
3.	**TOTAL REVENUE (1+2)**		**180,219,743**	**200,723,209**
4.	**EXPENSES**			
	a. Employee benefits expense	2.17	91,355,716	103,386,287
	b. Operating and other expenses	2.18	28,927,306	34,606,469
	c. Finance cost	2.19	438,864	628,638
	d. Depreciation and amortisation expense	2.7	1,499,373	1,546,647
	TOTAL EXPENSES		**122,221,259**	**140,168,041**
5.	**PROFIT BEFORE TAX (3-4)**		**57,998,484**	**60,555,168**
6.	**TAX EXPENSE**			
	a. Current tax expense		14,199,041	18,347,002
	b. Deferred tax charge	2.8	2,486,958	622,656
	NET TAX EXPENSE		**16,685,999**	**18,969,658**
7.	**PROFIT FOR THE YEAR (5-6)**		**41,312,485**	**41,585,510**
8.	**EARNINGS PER SHARE**			
	Equity shares of Rs. 10 each			
	Basic and Diluted	2.27	41.31	41.59
	Number of shares used in computing earnings per share			
	Basic and Diluted		1,000,000	1,000,000

See accompanying notes forming part of the financial statements — 1 & 2

In terms of our report attached

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

Deloitte Haskins & Sells Chartered Accountants

SAMEER ROHATGI
Partner

Place : Noida
Date : 7 May 2015

For and on behalf of the Board of Directors

VISHNU R DUSAD
Director

RAVI PRATAP SINGH
Director

Place : Noida
Date : 7 May 2015

VIRSTRA I-TECHNOLOGY SERVICES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2015

	Notes Ref.	Year ended 31 March 2015 (Rupees)	Year ended 31 March 2014 (Rupees)
A. Cash flow from operating activities			
Net profit before tax		57,998,484	60,555,168
Adjustment for:			
Depreciation and amortisation expense		1,499,373	1,546,647
Exchange difference on translation of foreign currency accounts		(295,184)	(1,004,214)
Dividend received from non trade investments		(5,877,816)	(4,140,737)
Interest income		(26,898)	(26,511)
Provisions no longer required written back		(359,815)	-
Operating profit before working capital changes		52,938,144	56,930,353
Adjustment for (increase)/decrease in operating assets			
Long-term loans and advances		-	527,710
Trade receivable		1,169,772	2,260,711
Short-term loans and advances		(5,956,846)	919,279
Other non-current assets		-	(154,769)
Adjustment for Increase/ (decrease) in operating liabilities			
Long-term provisions		(6,647,162)	(13,115)
Trade payables		473,287	(3,099,442)
Short- term provisions		(2,042,121)	4,166
Other current liabilities		(5,681,274)	5,747,092
		34,253,800	63,121,985
Income tax paid (net)		(10,759,680)	(11,599,421)
Net cash flow from/ (used in) operating activities (A)		**23,494,120**	**51,522,564**
B. Cash flow from investing activities			
Purchase of fixed assets/capital work in progress		(2,547,308)	(682,811)
Purchase of current investments		(128,077,816)	(144,440,737)
Proceeds on sale of current investments		99,473,127	90,400,000
Interest income		14,559	46,438
Dividend received from investments		5,877,816	4,140,737
Bank balance not considered as cash and cash equivalents - matured		(13,099)	126,695
Net cash flow from /(used in) investing activities (B)		**(25,272,721)**	**(50,409,678)**
Net cash flow from /(used in) financing activities (C)		-	-
Net (decrease) / increase in cash and cash equivalents (A+B+C)		**(1,778,601)**	**1,112,886**
Cash and cash equivalents at the beginning of the year	2.13	3,770,994	2,664,480
Exchange difference on translation of foreign currency accounts		160,837	(6,372)
Cash and cash equivalents at the end of the year	2.13	**2,153,230**	**3,770,994**

See accompanying notes forming part of the financial statements 1 & 2

In terms of our report attached

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

Deloitte Haskins & Sells Chartered Accountants

SAMEER ROHATGI
Partner

Place : Noida
Date :

For and on behalf of the Board of Directors

VISHNU R DUSAD
Director

RAVI PRATAP SINGH
Director

Place : Noida
Date :

Note 1:

1.1 Company Background

VirStra *i*-Technology Services Limited ('Virstra' or 'the Company') was incorporated in May 2004 in India. Virstra is a wholly owned subsidiary company of Nucleus Software Exports Ltd. The Company's business broadly consists of offshore and onsite software support services to other group companies.

1.2 Significant accounting policies

i. Basis of preparation

The financial statements have been prepared under the historical cost convention, on the accrual basis of accounting and in accordance with the Generally Accepted Accounting Principles ('GAAP') in India and comply with the accounting standards specified under section 133 of the act , read with Rule 7 of the Companies (Accounts) Rules, 2014, as adopted consistently by the Company.

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

ii. Use of estimates

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

iii. Cash flow statement

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

iv. Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

v. Revenue recognition

Revenue from software services comprises income from time and material contracts, which is recognised as the services are rendered.

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vi. Other income

Interest is accounted for on accrual basis.

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

vii. Fixed assets

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

viii. Depreciation

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

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

Particulars	Useful life (in years)
Tangible assets	
Office and other equipment	5
Computers	3
Vehicles	5
Furniture and fixtures	5
Intangible assets	
Software	3

With effect from 1 April, 2014, the Company has revised the useful life in respect of computers and data processing units (end use devices such as laptops, desktops etc.) from 4 years to 3 years. (also see note 2.7 (iii))

ix. Investments

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

x. Foreign exchange transactions

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

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The Company uses foreign exchange forward contracts and options to hedge its exposure for movement in foreign exchange rates. The use of these foreign exchange forward contracts and options reduces the risk or cost to the Company and the Company does not use the foreign exchange forward contracts or options for trading or speculation purposes.

The Company follows Accounting Standard (AS) 30 – "Financial Instruments: Recognition and Measurement" to the extent that the adoption does not conflict with existing mandatory accounting standards and other authoritative pronouncements, Company law and other regulatory requirements.

xi. Employee benefits

Employee benefits include provident fund, gratuity and compensated absences.

Defined contribution plans

The Company's contribution to provident fund is considered as defined contribution plans and is charged as an expense as they fall due based on the amount of contribution required to be made.

Defined benefit plans

For defined benefit plans in the form of gratuity, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each year end. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the year in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the year in which the employee renders the related service. The cost of such compensated absences is accounted as under :

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the year in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date.

xii. Operating leases

Lease payments under operating lease are recognised as an expense in the profit and loss account on a straight line basis over the lease term.

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xiii. Earning per share

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

xiv. Taxes on Income

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

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

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

xv. Impairment of assets

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

xvi. Provisions and Contingencies

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

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

xvii. Hedge accounting

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to highly probable forecast transactions. The Company designates such forward contracts in a cash flow hedging relationship by applying the hedge accounting principles set out in "Accounting Standard 30 Financial Instruments: Recognition and Measurement". These forward contracts are stated at fair value at each reporting date. Changes in the fair value of these forward contracts that are designated and effective as hedges of future cash flows are recognised directly in "Hedging reserve account" under Reserves and surplus, net of applicable deferred income taxes and the ineffective portion is recognised immediately in the Statement of Profit and Loss. Amounts accumulated in the "Hedging reserve account" are reclassified to the Statement of Profit and Loss in the same periods during which the forecasted transaction affects profit and loss. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. For forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in "Hedging reserve account" is retained until the forecasted transaction occurs. If the forecasted transaction is no longer expected to occur, the net cumulative gain or loss recognised in "Hedging reserve account" is immediately transferred to the Statement of Profit and Loss.

xviii. Derivative contracts

The Company enters into derivative contracts in the nature of forward contracts with an intention to hedge its existing assets and liabilities, firm commitments and highly probable transactions. Derivative contracts which are closely linked to the existing assets and liabilities are accounted as per the policy stated for Foreign Currency Transactions and Translations.

Derivative contracts designated as a hedging instrument for highly probable forecast transactions are accounted as per the policy stated for Hedge Accounting.

All other derivative contracts are marked-to-market and losses are recognised in the Statement of Profit and Loss. Gains arising on the same are not recognised, until realised, on grounds of prudence.

xix. Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilising the credits.

xx. Operating cycle

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

Deloitte Haskins & Sells
Chartered Accountants

	Particulars	As at 31 March 2015 (Rupees)	As at 31 March 2014 (Rupees)
2.1	**SHARE CAPITAL**		
	a. Authorised		
	Equity shares		
	1,000,000 (Previous year : 1,000,000) equity shares of Rs. 10 each	10,000,000	10,000,000
	b. Issued, subscribed and fully paid-Up		
	1,000,000 (Previous year : 1,000,000) equity shares of Rs. 10 each	10,000,000	10,000,000

Refer notes (i) to (iii) below

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

As at the beginning of the year		
- Number of Shares	1,000,000	1,000,000
- Amount	10,000,000	10,000,000
Shares issues/ (bought back) during the year		
- Number of Shares	-	-
- Amount	-	-
As at the end of the year		
- Number of Shares	1,000,000	1,000,000
- Amount	10,000,000	10,000,000

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

The Company has one class of equity shares having a par value of Rs. 10 each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. 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 Nucleus Software Exports Limited, the Holding Company**

- Number of Shares (see note below)	1,000,000	1,000,000
- Percentage	100%	100%
- Amount	10,000,000	10,000,000

Note : Out of the above, 6 (Previous year 6) equity shares of Rs. 10 each are held by nominees on behalf of the Holding Company.

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	Particulars	As at 31 March 2015 (Rupees)	As at 31 March 2014 (Rupees)
2.2	**RESERVES AND SURPLUS**		
	a. General reserve		
	Opening balance	66,067,678	66,067,678
	Add: Transferred from surplus in statement of Profit and Loss	-	-
	Closing balance	**66,067,678**	**66,067,678**
	b. Hedging reserve (see note 2.30)		
	Opening balance	16,063	1,026,649
	Add: Movement during the year	442,600	(1,010,586)
	Closing balance	**458,663**	**16,063**
	c. Surplus in the Statement of Profit and Loss		
	Opening balance	65,995,017	24,409,507
	Add: Profit for the year	41,312,485	41,585,510
	Closing balance	**107,307,502**	**65,995,017**
		173,833,843	**132,078,758**
2.3	**LONG-TERM PROVISIONS**		
	Provision for employee benefits		
	a. Provision for compensated absences	2,748,422	3,094,976
	b. Provision for gratuity (see note 2.29)	-	6,300,608
		2,748,422	**9,395,584**
2.4	**TRADE PAYABLES**		
	Trade Payables		
	- Micro and Small enterprises (See note below)	-	-
	- Others	3,979,538	3,867,142
		3,979,538	**3,867,142**

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

	Particulars	As at 31 March 2015 (Rupees)	As at 31 March 2014 (Rupees)
2.5	**OTHER CURRENT LIABILITIES**		
	a. Other payables - statutory liabilities	1,676,838	2,444,851
	b. Payable to Holding Company	176,133	45,630
	c. Other employee payables	-	5,000,000
	d. Book overdraft	-	147,992
	e. Provision for gratuity (net) (see note 2.29)	104,228	-
		1,957,199	**7,638,473**
2.6	**SHORT-TERM PROVISIONS**		
	Provision for employee benefits		
	a. Provision for compensated absences	896,835	1,138,586
	b. Provision for gratuity (see note 2.29)	-	1,800,370
		896,835	**2,938,956**

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2.7 Fixed Assets (At Cost)

(Amount in Rupees)

PARTICULARS	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	As at 1 April 2014	Additions	Deductions / adjustments	As at 31 March, 2015	As at 1 April 2014	Depreciation for the year	Deductions / adjustments	As at 31 March, 2015	As at 31 March, 2015	As at 31 March, 2014
Tangible assets										
- Computers	25,247,613	1,081,679	-	26,329,292	24,071,466	1,076,245	-	25,147,711	1,181,581	1,176,147
	(25,233,543)	(14,070)	(-)	(25,247,613)	(23,339,402)	(732,064)	(-)	(24,071,466)	(1,176,147)	(1,894,141)
- Office equipment	13,439,947	-	-	13,439,947	13,439,947	-	-	13,439,947	-	-
	(13,439,947)	(-)	(-)	(13,439,947)	(12,864,599)	(575,348)	(-)	(13,439,947)	(-)	(575,348)
- Furniture and fixtures	713,380	-	-	713,380	713,380	-	-	713,380	-	-
	(713,380)	(-)	-	(713,380)	(517,400)	(195,980)	(-)	(713,380)	(-)	(195,980)
	39,400,940	**1,081,679**	**-**	**40,482,619**	**38,224,793**	**1,076,245**	-	**39,301,038**	**1,181,581**	**1,176,147**
	(39,386,870)	**(14,070)**	(-)	**(39,400,940)**	**(36,721,401)**	**(1,503,392)**	(-)	**(38,224,793)**	**(1,176,147)**	**(2,665,469)**
Intangible assets										
- Softwares	**2,498,295**	**1,465,629**	**-**	**3,963,924**	**1,864,603**	**423,128**	**-**	**2,287,731**	**1,676,193**	**633,692**
(Refer Note ii below)	**(11,280,600)**	**(668,741)**	**(9,451,046)**	**(2,498,295)**	**(11,272,393)**	**(43,255)**	**(9,451,046)**	**(1,864,603)**	**(633,692)**	**(8,207)**
Total	**41,899,235**	**2,547,308**	**-**	**44,446,543**	**40,089,396**	**1,499,373**	**-**	**41,588,769**	**2,857,774**	**1,809,839**
	(50,667,470)	**(682,811)**	**(9,451,046)**	**(41,899,235)**	**(47,993,794)**	**(1,546,647)**	**(9,451,046)**	**(40,089,396)**	**(1,809,839)**	

Notes :

i. Figures in brackets denote amounts pertaining to the previous year.
ii. The Company has written off software with a gross block of Rs. Nil (previous year Rs. 9,451,046), and accumulated depreciation of Rs. Nil (previous year Rs. 9,451,046) since same were not in use.
iii. Pursuant to the Companies Act, 2013, ("The Act"), being effective from April 1, 2014, the Company has revised depreciation rates in respect of computers and data processing units (end user devices such as desktop, laptops etc.) as per useful life specified in Part "C" of Schedule II of the Act. As a result of this change, the depreciation charge for the year ended March 31, 2015 is higher by Rs. 354,552.

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2.8 DEFERRED TAX ASSET

Particulars	As at 1 April 2014	Charge/ (Credited) During the year	As at 31 March 2015
	(Rupees)	(Rupees)	(Rupees)
Provision for compensated absences and gratuity	3,836,731	2,620,210	1,216,521
On difference between book balance and tax balance of fixed assets	797,104	(133,252)	930,356
Deferred tax asset	**4,633,835**	**2,486,958**	**2,146,877**

Particulars	As at 31 March 2015	As at 31 March 2014
	(Rupees)	(Rupees)
2.9 LONG-TERM LOANS AND ADVANCES		
(Unsecured, considered good)		
a. Security deposits	5,579,420	5,579,420
b. MAT Credit Entitlement (see note 2.22)	31,136,062	31,929,365
c. Advance tax [net of provision for tax Rs. 67,086,680 (previous year Rs. 52,945,859)] (see note 2.22)	1,881,012	1,527,070
	38,596,494	**39,035,855**
2.10 OTHER NON CURRENT ASSETS		
a. Long term bank deposits	150,000	150,000
b. Interest accrued but not due on bank deposits	13,571	4,769
	163,571	**154,769**

Note:-
Balances with scheduled banks- in deposit accounts represents deposits under lien with bank and are restricted from being settled for more than 12 months from the Balance Sheet date.

2.11 CURRENT INVESTMENTS (at lower of cost or fair value)

	As at 31 March 2015	As at 31 March 2014
Non Trade (Quoted)		
- 1,192,108 units (Previous year 898,532) of ICICI Prudential Liquid Direct Plan Daily Dividend	119,278,121	89,901,914
- Nil units (Previous year 7,711) of ICICI Prudential Liquid Regular Plan Daily Dividend	-	771,498
Aggregate amount of current investments	**119,278,121**	**90,673,412**
Market value of quoted investments	119,278,121	90,673,412

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	Particulars	As at 31 March 2015 (Rupees)	As at 31 March 2014 (Rupees)
2.12	**TRADE RECEIVABLES**		
	(Unsecured, Considered good)		
	Trade receivables outstanding for a period less than six months from the date they were due for payment	**14,546,973**	**15,584,731**
2.13	**CASH AND CASH EQUIVALENTS**		
	A. Cash and cash equivalents (as per AS 3 Cash Flow Statements)		
	a. Cash on hand	7,322	15,897
	b. Balances with scheduled banks:		
	- in current accounts	789,738	1,365,573
	- in EEFC accounts	1,356,170	2,389,524
	Total - Cash and cash equivalents (as per AS 3 Cash Flow Statements) (A)	**2,153,230**	**3,770,994**
	B. Other bank balances		
	a. Balances with scheduled banks:		
	- in fixed deposit accounts (with original maturity of more than one year)	**223,360**	**210,261**
	Total - Other bank balances (B)	**223,360**	**210,261**
	Total Cash and cash equivalents (A+B)	**2,376,590**	**3,981,255**
	Details of balances as on balance sheet dates with scheduled banks in current accounts		
	- HDFC Bank Ltd	757,609	1,365,573
	- Citi Bank	32,128	-
	- Citi Bank *	1,356,171	2,389,524
		2,145,908	**3,755,097**
	* EEFC account		
	Details of fixed deposit under lien		
	- Citi Bank	223,360	210,261
		223,360	**210,261**

	Particulars	As at 31 March 2015 (Rupees)	As at 31 March 2014 (Rupees)
2.14	**SHORT-TERM LOANS AND ADVANCES**		
	(Unsecured, considered good)		
	a. Prepaid expenses	69,417	1,589,413
	b. Supplier advance	1,119,090	185,001
	c. Employee advances	144,461	236,228
	d. Staff loans	-	241,362
	e. Mark-to-market gain on forward contracts (see note 2.30)	480,286	32,126
	f. MAT Credit Entitlement (see note 2.22)	4,000,000	7,000,000
	g. Advances against investment	6,700,000	-
	h. Balances with government authorities - Service Tax credit receivable	923,844	752,285
		13,437,098	**10,036,415**
2.15	**OTHER CURRENT ASSETS**		
	(Unsecured, considered good)		
	Interest accrued but not due on fixed deposit with bank	**12,339**	**8,802**

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	Particulars	Year ended 31 March 2015 (Rupees)	Year ended 31 March 2014 (Rupees)
2.16	**OTHER INCOME**		
	a. Interest income on fixed deposits with banks	26,898	26,511
	b. Dividend income from non-trade current investments	5,877,816	4,140,737
	c. Net gain on foreign currency transactions and translation	891,964	988,151
	d. Net gain on ineffective hedges (see note 2.30)	21,623	16,063
	e. Provisions no longer required written back	359,815	-
		7,178,116	**5,171,462**
2.17	**EMPLOYEE BENEFITS EXPENSE**		
	a. Salaries and wages	83,138,574	94,132,934
	b. Contribution to provident and other funds	4,291,190	4,907,169
	c. Gratuity expense (see note 2.29)	1,612,222	1,881,388
	d. Staff welfare expenses	2,313,730	2,464,796
		91,355,716	**103,386,287**
2.18	**OPERATING AND OTHER EXPENSES**		
	a. Rent and hire charges (see note 2.20)	5,808,360	6,120,552
	b. Repair and maintenance		
	- Buildings	819,291	804,862
	- Others	788,355	849,621
	c. Insurance	35,053	28,287
	d. Rates & taxes	-	56,060
	e. Travelling		
	- Foreign	10,149,415	13,404,913
	- Domestic	908,636	724,861
	f. Legal and professional (see note 2.23)	2,065,772	2,895,852
	g. Conveyance	2,237,775	2,408,072
	h. Communication	1,932,938	2,182,260
	i. Investments written off	-	5,569,256
	j. Provision for Investments written back	-	(5,569,256)
	k. Training and recruitment	203,443	445,078
	l. Power and Fuel	2,554,857	2,378,115
	m. Accounting charges	-	898,880
	n. Advertisement and business promotion	32,461	-
	o. Miscellaneous expenses	1,390,950	1,409,056
		28,927,306	**34,606,469**
2.19	**FINANCE COST**		
	Bank charges	**438,864**	**628,638**

2.20 Operating Lease

Obligations on long-term, non-cancelable operating leases

The company leases office space and other assets under operating lease. The Lease rental expense recognised in the statement of profit and loss for the year in respect of such lease is Rs. 5,808,360 (previous year Rs. 6,120,552). The future minimum lease payment in respect of such lease is as follows:

Particulars	As at 31 March 2015 (Rupees)	As at 31 March 2014 (Rupees)
Lease obligations payable		
a. Not later than 1 year	5,169,420	5,169,420
b. Later than 1 year but not later than 5 years	861,570	6,030,990
	6,030,990	**11,200,410**

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2.21 Tax Expense

During earlier years, the Company had calculated its tax liability under Minimum Alternative Tax (MAT) as its liability under MAT was higher than normal tax liability. The excess of tax payable under MAT over normal tax payable (MAT Credit entitlement) was carried forward to be set off against the future tax liabilities. During the year ended 31 March, 2015, the Company is liable to Normal Tax as its normal tax is higher than MAT tax liability. The Company has utilised MAT Credit Entitlement of Rs. 3,686,108 (previous year Rs. 6,468,855) to set off its liability for payment of Income Tax.

2.22 Advance Tax (net of provision) and MAT Credit Entitlement

a. Advance Tax (Net of provision) aggregating to Rs. 1,881,012 (Previous year Rs. 1,527,070) has been classified as Long-term loans and advances as the same represents income tax recoverable from Income Tax Department after the completion of Income Tax assessments.

b. MAT Credit Entitlement balance aggregating to Rs. 4,000,000 (Previous year Rs. 7,000,000) which the Company expects to set off against Income Tax payable for the year ended 31 March, 2015 has been considered to be Short-term loans and advances. The remaining balance MAT Credit Entitlement aggregating to Rs. 31,136,062 (Previous Year Rs. 31,929,365) has been classified as Long-term loans and advances.

	Particulars	Year ended 31 March 2015 (Rupees)	Year ended 31 March 2014 (Rupees)
2.23	**Legal and professional include :**		
	a. As auditors - statutory audit*	600,000	600,000
	b. Other services	40,000	280,000
		640,000	**880,000**
	*excluding service tax		
2.24	**CIF value of imports**		
	Capital goods	**894,837**	**-**
2.25	**Earnings in foreign currency**		
	Sales of services	**173,041,627**	**195,551,747**
2.26	**Expenditure in foreign currency**		
	a. Travelling	9,155,502	11,926,258
	b. Others	-	128,069
		9,155,502	**12,054,327**
2.27	**Earnings per share**		
	a. Profit after taxation available to equity shareholders (Rupees)	41,312,485	41,585,510
	b. Weighted average number of equity shares used in calculating basic earnings per share	1,000,000	1,000,000
	c. Effect of dilutive issue of shares	-	-
	d. Weighted average number of equity shares used in calculating diluted earnings per share	1,000,000	1,000,000
	e. Basic earnings per share (Rupees)	41.31	41.59
	f. Diluted earnings per share (Rupees)	41.31	41.59

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2.28 RELATED PARTY TRANSACTIONS

List of related parties – where control exists

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

b. **Fellow Subsidiary:**
- Nucleus Software Solution Pte. Ltd., Singapore

Particulars	Year ended 31 March 2015 (Rupees)	Year ended 31 March 2014 (Rupees)
Transactions with related parties		
i. Sale of services		
- Nucleus Software Solution Pte. Ltd., Singapore	173,041,627	195,551,747
ii. Reimbursement of expenses		
From related parties		
- Nucleus Software Solution Pte. Ltd., Singapore	62,060	178,322
- Nucleus Software Exports Limited	-	5,110,415
To related parties		
- Nucleus Software Exports Limited	16,396	153,114
- Nucleus Software Solution Pte. Ltd., Singapore	-	128,069

Outstanding balances as at year end

Particulars	As at 31 March 2015 (Rupees)	As at 31 March 2014 (Rupees)
i Trade receivables		
- Nucleus Software Solution Pte. Ltd., Singapore	14,546,973	15,584,731
ii Trade payable		
- Nucleus Software Exports Limited	177,020	45,630
iii Share Capital		
- Nucleus Software Exports Limited (see note below)	10,000,000	10,000,000

Note : Out of the above, 6 (Previous year 6) equity shares of Rs. 10 each are held by nominees on behalf of the Holding Company.

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2.29 Employee Benefit Obligations

Defined contribution plans

An amount of Rs. 4,291,190 (previous year Rs. 4,907,169) has been recognized as an expense in respect of Company's contribution for Provident Fund deposited with the government authorities.

Defined benefit plans

The Gratuity scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days basic salary payable for each completed year of service or part thereof in excess of 6 months subject to a maximum limit of Rs 1,000,000 in terms of the provisions of the Payment of Gratuity Act, 1972. Vesting occurs upon completion of 5 years of service.

Provision in respect of gratuity and leave encashment has been determined using the Projected Unit Credit method, with actuarial valuations being carried out at the balance sheet date.

During the year, the Company has made contributions to Nucleus Software Export Limited Employees Group Gratuity Assurance Scheme, which has made further contributions to Employees Group Gratuity Scheme of Life Insurance Corporation of India.

Reconciliation of opening and closing balances of the present value of the defined benefit obligation as on 31 March, 2015 :

	Particulars	As at 31 March 2015 (Rupees)	As at 31 March 2014 (Rupees)
a.	**Change in defined benefit obligations (DBO) during**		
	Obligation at beginning of the year	8,100,978	7,376,983
	Current service cost	1,247,526	1,408,028
	Interest cost	751,900	628,321
	Actuarial losses/(gains)	(118,757)	(232,286)
	Benefits paid	(1,330,208)	(1,080,068)
	Obligation at year end	**8,651,439**	**8,100,978**
b.	**Change in fair value of Plan Assets during the year**		
	Plan assets at year beginning, at fair value	-	-
	Contributions by employer	9,608,972	1,080,068
	Actuarial (losses)/gains	268,447	-
	Benefits paid	(1,330,208)	(1,080,068)
	Plan assets at year end, at fair value	**8,547,211**	-
c.	**Net asset / (liability) recognised in the Balance Sheet**		
	Present value of defined benefit obligation	8,651,439	8,100,978
	Fair value of plan assets	8,547,211	-
	Funded status -Deficit	104,228	8,100,978
	Net liability recognised in the Balance Sheet	104,228	8,100,978
d.	Expected employer's contribution next year	1,000,000	1,800,370

e. **Gratuity cost for the year:**

Particulars	Year ended 31 March 2015 (Rupees)	Year ended 31 March 2014 (Rupees)
Current service cost	1,247,526	1,408,028
Interest cost	751,900	628,321
Actuarial losses/(gains)	(387,204)	(232,286)
Net gratuity cost	**1,612,222**	**1,804,063**

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	Particulars	Year ended 31 March 2015 (Rupees)	Year ended 31 March 2014 (Rupees)
f.	Assumptions :-		
	Discount rate	7.90%	8.90%
	Salary escalation rate	8.00%	7.00%
	Expected Rate of Return on Plan Assets	8.00%	-

Discount rate:
The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

Salary escalation rate:
The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

Expected Rate of Return on Plan Assets:
This is based on our expectation of the average long term rate of return expected on investments of the Fund during the estimated term of the obligations.

g.	**Demographic assumptions**		
	Retirement age	58 years	58 years
	Mortality table	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
	Withdrawal rates	Ages Withdrawal 21-50 years - 20% 51-54 years - 2% 55-57 years -1%	Ages Withdrawal 21-50 years - 20% 51-54 years - 2% 55-57 years -1%
h.	**Category of Assets**		
	Insurer managed funds	8,547,211	-

i. **Experience Adjustments**

	Year Ended 31 March 2015 (Rupees)	31 March 2014 (Rupees)	31 March 2013 (Rupees)
Defined Benefit Obligation	8,651,439	8,100,978	7,376,983
Surplus/ Deficit	104,228	(8,100,978)	(7,376,983)
Experience Adjustments on plan liabilities	(520,099)	(184,053)	352,724
Experience Adjustments on plan Assets	268,447	-	-
Plus Assets	8,547,211	-	-

	Year ended 31 March 2012 (Rupees)	31 March 2011 (Rupees)
Defined Benefit Obligation	5,633,489	4,487,241
Surplus/ Deficit	(5,633,489)	(4,487,241)
Experience Adjustments on plan liabilities	195,805	(597,423)
Experience Adjustments on plan Assets	-	-
Plus Assets	-	-

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2.30 Forward contract and option in foreign currency

	Particulars	As at 31 March 2015 (Rupees)	As at 31 March 2014 (Rupees)
a.	**Forward contract outstanding**		
	In USD	1,050,000	250,000
	Equivalent amount in Rupees	65,625,000	14,970,000

b. Short term loans and advances include net marked to market gain of Rs. 480,286 (Previous year ended 31 March, 2014 : Rs. 32,126) relating to forward contracts which are outstanding as at year end. The gain on such forward contract which are designated as effective, aggregating to Rs. 458,663 (Previous year ended 31 March 2014 : gain of Rs. 16,063) have been credited to Hedging Reserve. The gain on ineffective contracts aggregating to Rs. 21,623 (Previous year ended 31 March 2014 : gain of Rs. 16,063) has been credited to Statement of Profit and Loss.

c. The Company's exposure in respect of foreign currency denominated assets not hedged as on 31 March, 2015 by derivative instruments is as follows:

Particulars	As at 31 March 2015	As at 31 March 2014
Current Assets in USD	165,000	211,011
Current Assets in Rupees	10,312,500	12,635,327
Current Assets in JPY	8,130,240	5,041,717
Current Assets in Rupees	4,234,473	2,949,404

2.31 Segment reporting

Based on the guiding principles stated in Accounting Standard-17 on "Segment Reporting" with the accounting standards specified under section 133 of the act , read with Rule 7 of the Companies (Accounts) Rules, 2014, as applicable, the Company has identified its business of providing software support services in single country as one reportable segment only. Accordingly, no additional disclosure for segment reporting has been made in the financial statements.

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2.32 FUNCTION WISE CLASSIFICATION OF STATEMENT OF PROFIT AND LOSS (Unaudited)

Particulars	Year ended 31 March 2015 (Rupees)	Year ended 31 March 2014 (Rupees)
Sales of services	173,041,627	195,551,747
Software support expenses	117,723,372	137,093,876
Gross Profit	**55,318,255**	**58,457,871**
General and administration expenses	2,998,514	1,527,518
Operating profit before depreciation	**52,319,741**	**56,930,353**
Depreciation	1,499,373	1,546,647
Operating profit after depreciation	**50,820,368**	**55,383,706**
Other income	7,178,116	5,171,462
Profit before taxation	**57,998,484**	**60,555,168**
Tax expense:		
- Current tax	14,199,041	18,347,002
- Deferred tax charge / (credit)	2,486,958	622,656
Profit after taxation	**41,312,485**	**41,585,510**

2.33 The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under sections 92-92F of the Income Tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation for the international transactions entered into with associated enterprises during the period/year and expects such records to be in existence latest by the due date of filing of the return of income, as required under law. The management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

2.34 Previous year figures have been regrouped/ reclassified wherever necessary to make them comparable with the current year figures.

For and on behalf of the Board of Directors

Deloitte Haskins & Sells Chartered Accountants

Vishnu R. Dusad

VISHNU R DUSAD
Director

RAVI PRATAP SINGH
Director

Place : Noida
Date : 7 May 2015