

**NUCLEUS SOFTWARE JAPAN KABUSHIKI KAISHA**  
**BALANCE SHEET AS AT 31 MARCH 2022**

Particulars	Notes Ref.	As at	As at	As at	As at
		31 March 2022	31 March 2021	31 March 2022	31 March 2021
		(JPY)	(JPY)	(Rupees)	(Rupees)
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	2.1	351,770	378,861	218,625	250,503
Other intangible assets	2.1	-	2,839	-	1,877
Right to use assets	2.2	1,473,274	10,311,190	915,640	6,817,759
<b>Financial assets</b>					
Other financial assets	2.3	7,325,428	10,401,798	4,552,754	6,877,669
Deferred tax asset	2.4	180,000	180,000	111,870	119,016
Income tax assets (net)	2.5	3,278,900	-	2,037,837	-
		<b>12,609,372</b>	<b>21,274,688</b>	<b>7,836,726</b>	<b>14,066,824</b>
<b>Current Assets</b>					
Financial assets					
Trade receivables	2.6	37,574,391	26,058,370	23,352,484	17,229,794
Cash and cash equivalents	2.7	19,617,803	66,048,048	12,192,465	43,670,970
Other current assets	2.8	10,466,922	8,039,787	6,505,192	5,315,908
		<b>67,659,116</b>	<b>100,146,205</b>	<b>42,050,141</b>	<b>66,216,672</b>
<b>TOTAL ASSETS</b>		<b>80,268,488</b>	<b>121,420,893</b>	<b>49,886,867</b>	<b>80,283,496</b>
<b>EQUITY &amp; LIABILITIES</b>					
<b>EQUITY</b>					
Equity share capital	2.9	10,000,000	10,000,000	6,215,000	6,612,000
Other equity	2.10	58,688,295	69,649,822	36,474,774	46,052,463
		<b>68,688,295</b>	<b>79,649,822</b>	<b>42,689,774</b>	<b>52,664,463</b>
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
Financial liabilities					
Lease liability Payable	2.2	-	1,491,376	-	986,098
Provisions	2.11	500,000	500,000	310,750	330,600
<b>Current liabilities</b>					
Financial liabilities					
Trade payables	2.12	3,019,268	23,181,783	1,876,475	15,327,795
Lease liability payable	2.2	1,491,375	8,482,888	926,890	5,608,886
Other financial liabilities	2.13	2,650,964	1,265,558	1,647,574	836,787
Other current liabilities	2.14	3,918,586	5,589,709	2,435,404	3,695,916
Current tax liabilities (net)	2.15	-	1,259,757	-	832,951
		<b>11,080,193</b>	<b>39,779,695</b>	<b>6,886,343</b>	<b>26,302,335</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>80,268,488</b>	<b>121,420,893</b>	<b>49,886,867</b>	<b>80,283,496</b>

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

For and on behalf of the Board of Directors  
**NUCLEUS SOFTWARE JAPAN KABUSHIKI KAISHA**

**VISHNU R DUSAD**  
Director

Place : Noida  
Date : 16 May 2022

**NUCLEUS SOFTWARE JAPAN KABUSHIKI KAISHA**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2022**

	Notes Ref.	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2022	Year ended 31 March 2021
		(JPY)	(JPY)	(Rupees)	(Rupees)
<b>1. REVENUE FROM OPERATIONS</b>					
Sales and services	2.16	245,198,661	261,953,383	162,393,055	184,044,508
<b>2. OTHER INCOME</b>	2.17	426,619	598,977	283,151	421,626
<b>3. TOTAL REVENUE (1+2)</b>		<b>245,625,280</b>	<b>262,552,360</b>	<b>162,676,206</b>	<b>184,466,134</b>
<b>4. EXPENSES</b>					
a. Employee benefits expenses	2.18	211,222,128	171,698,091	139,436,984	120,660,480
b. Operating and other expenses	2.19	27,889,240	56,217,593	18,684,863	39,467,458
c. Finance cost	2.20	1,214,484	1,668,923	848,396	1,173,470
d. Depreciation and amortisation expense	2.1	9,108,626	9,582,065	6,035,455	6,728,190
<b>TOTAL EXPENSES</b>		<b>249,434,478</b>	<b>239,166,672</b>	<b>165,005,698</b>	<b>168,029,598</b>
<b>5. PROFIT/(LOSS) BEFORE TAX (3-4)</b>		<b>(3,809,198)</b>	<b>23,385,688</b>	<b>(2,329,492)</b>	<b>16,436,536</b>
<b>6. TAX EXPENSE</b>		<b>7,152,329</b>	<b>7,487,326</b>	<b>4,724,338</b>	<b>5,250,346</b>
a. Current tax expense		(235,756)	7,487,326	(144,182)	5,250,346
b. Withholding taxes charged off		7,388,085	-	4,868,520	-
<b>NET CURRENT TAX EXPENSE</b>		<b>7,152,329</b>	<b>7,487,326</b>	<b>4,724,338</b>	<b>5,250,346</b>
<b>7. PROFIT/(LOSS) FOR THE YEAR (5-6)</b>		<b>(10,961,527)</b>	<b>15,898,362</b>	<b>(7,053,830)</b>	<b>11,186,190</b>
<b>8. EARNINGS PER EQUITY SHARE</b>					
Equity shares of JPY 50,000 each					
a. Basic		(54,808)	79,492	(35,269)	55,931
b. Diluted		(54,808)	79,492	(35,269)	55,931
Number of shares used in computing earnings per share					
a. Basic		200	200	200	200
b. Diluted		200	200	200	200

See accompanying notes forming part of the financial statements

For and on behalf of the Board of Directors  
**NUCLEUS SOFTWARE JAPAN KABUSHIKI KAISHA**

**VISHNU R DUSAD**  
Director

Place : Noida  
Date : 16 May 2022

**NUCLEUS SOFTWARE JAPAN KABUSHIKI KAISHA**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2022**

Notes Ref.	Year ended 31 March 2022 (JPY)	Year ended 31 March 2021 (JPY)	Year ended 31 March 2022 (Rupees)	Year ended 31 March 2021 (Rupees)
<b>A. Cash flow from operating activities</b>				
Net Profit / (loss) before tax	(3,809,198)	23,385,688	(2,329,492)	16,436,536
<i>Adjustments for:</i>				
Depreciation and amortisation expense	9,108,626	9,582,065	6,035,455	6,728,190
Interest income on deposits with banks	(64)	(79)	42	56
Exchange difference on translation of foreign currency accounts	(35,558)	68,693	(2,567,727)	(2,967,137)
Lease Assets Finance charges	568,963	1,064,774	378,652	749,111
<b>Operating Profit / (loss) before working capital changes</b>	<b>5,832,769</b>	<b>34,101,141</b>	<b>1,516,930</b>	<b>20,946,756</b>
Adjustment for (increase)/decrease in operating assets				
Trade receivables	(11,516,021)	12,835,234	(7,157,207)	8,486,657
Other Financial asset	3,076,370	263,698	1,911,964	174,357
Other assets	(2,427,135)	(5,576,989)	(1,508,464)	(3,687,505)
Adjustment for increase/ (decrease) in operating liabilities				
Trade payables	(20,162,515)	629,065	(12,531,003)	415,938
Other Financial liabilities	1,385,406	453,335	861,030	299,745
Other liabilities	(1,671,123)	3,316,586	(1,038,603)	2,192,927
	<b>(25,482,249)</b>	<b>46,022,070</b>	<b>(17,945,353)</b>	<b>28,828,875</b>
Taxes paid (net)	11,690,986	12,921,100	7,746,447	8,376,749
<b>Net cash from / (used in) operating activities (A)</b>	<b>(37,173,235)</b>	<b>33,100,970</b>	<b>(25,691,800)</b>	<b>20,452,126</b>
<b>B. Cash flow from investing activities</b>				
Purchase of fixed assets	(240,780)	(113,502)	(159,541)	(73,583)
Interest income on deposits with banks	64	79	42	51
<b>Net cash from / (used in) Investing activities (B)</b>	<b>(240,716)</b>	<b>(113,423)</b>	<b>(159,499)</b>	<b>(73,532)</b>
<b>C. Cash flow from financing activities</b>				
Principal repayment of lease liabilities	(8,482,889)	(7,987,078)	(5,272,116)	(5,281,056)
Interest paid on lease liabilities	(568,963)	(1,064,774)	(378,652)	(749,111)
<b>Net cash from / (used in) Financing activities (C)</b>	<b>(9,051,852)</b>	<b>(9,051,852)</b>	<b>(5,650,768)</b>	<b>(6,030,167)</b>
<b>Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(46,465,803)</b>	<b>23,935,695</b>	<b>(31,502,067)</b>	<b>14,348,427</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>66,048,048</b>	<b>42,106,348</b>	<b>43,670,970</b>	<b>29,318,650</b>
Exchange difference on translation of foreign currency accounts	35,558	6,005	23,562	3,893
<b>Cash and cash equivalents at the end of the year</b>	<b>19,617,803</b>	<b>66,048,048</b>	<b>12,192,465</b>	<b>43,670,970</b>

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

For and on behalf of the Board of Directors  
**NUCLEUS SOFTWARE JAPAN KABUSHIKI KAISHA**

**VISHNU R DUSAD**  
Director

Place : Noida  
Date : 16 May 2022

**NUCLEUS SOFTWARE JAPAN KABUSHIKI KAISHA**  
**STATEMENT OF CHANGES IN EQUITY**

**A. Equity Share Capital**

(Amount in JPY)

Balance as of 1 April 2021	Changes in equity share capital during the year	Balance as on 31 March 2022
10,000,000	-	10,000,000

(Amount in JPY)

Balance as of 1 April 2020	Changes in equity share capital during the year	Balance as on 31 March 2021
10,000,000	-	10,000,000

(Amount in Rupees)

Balance as of 1 April 2021	Changes in equity share capital during the year	Balance as on 31 March 2022 (refer note below)
6,612,000	-	6,215,000

(Amount in Rupees)

Balance as of 1 April 2020	Changes in equity share capital during the year	Balance as on 31 March 2021 (refer note below)
6,963,000	-	6,612,000

Note: There has been no change in equity share capital during the year but closing balances have been restated due to translation from JPY to Rupees

**B. Other Equity**

(Amount in JPY)

	Reserves and Surplus		Total
	Retained earnings		
<b>Balance as of 1 April 2021</b>	<b>69,649,822</b>		<b>69,649,822</b>
Profit for the year	(10,961,527)		(10,961,527)
Interim Dividend	-		-
<b>Balance as of 31 March 2022</b>	<b>58,688,295</b>		<b>58,688,295</b>

(Amount in JPY)

	Reserves and Surplus		Total
	Retained earnings		
<b>Balance as of 1 April 2020</b>	53,751,460		53,751,460
Profit for the year	15,898,362		15,898,362
<b>Balance as of 31 March 2021</b>	<b>69,649,822</b>		<b>69,649,822</b>

(Amount in Rupees)

	Reserves and Surplus		Items of OCI	Total
	Retained earnings	Currency Translation reserve		
<b>Balance as of 1 April 2021</b>	<b>42,026,919</b>	<b>4,025,544</b>		<b>46,052,463</b>
Profit for the year	(7,053,830)	(2,523,859)		(9,577,689)
<b>Balance as of 31 March 2022</b>	<b>34,973,089</b>	<b>1,501,685</b>		<b>36,474,774</b>

(Amount in Rupees)

	Reserves and Surplus		Items of OCI	Total
	Retained earnings	Currency Translation reserve (Note 1)		
<b>Balance as of 1 April 2020</b>	30,840,729	6,586,413		37,427,142
Profit for the year	11,186,190	(2,560,869)		8,625,321
<b>Balance as of 31 March 2021</b>	<b>42,026,919</b>	<b>4,025,544</b>		<b>46,052,463</b>

See accompanying notes forming part of the financial statements

For and on behalf of the Board of Directors  
**NUCLEUS SOFTWARE JAPAN KABUSHIKI KAISHA**

**VISHNU R DUSAD**  
Director

Place : Noida  
Date : 16 May 2022

**NUCLEUS SOFTWARE JAPAN KABUSHIKI KAISHA**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

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**Note 1:**

**1.1 Company Overview**

Nucleus Software Japan Kabushiki Kaisha ('the Company') was incorporated on 2 November 2001 in Japan. The Company's entire share capital is held by Nucleus Software Exports Ltd., India ('the Holding Company'). The principal activities of the Company consists of developing, producing and dealing in software systems and providing support and technical advisory and consultancy services, which are executed through a service level agreement with the Holding Company.

**1.2. Significant 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 16 May, 2022.

**b) Functional and Presentation currency**

The financial statements are presented in JPY, which is also the Company's functional currency and financials are also translated from JPY to Rupees .

**c) Basis of measurement**

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

<b>Items</b>	<b>Measurement Basis</b>
Certain financial assets and liabilities (including derivative instruments)	Fair Value

**d) 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.

**Judgments**

Information about judgments made in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Lease classification – Note 2.2

**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:

- Estimated useful life of property, plant and equipment – Note 1.2
- Impairment of trade receivables- Note 2.6

**e) 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.

**NUCLEUS SOFTWARE JAPAN KABUSHIKI KAISHA**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

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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**

Revenue from software development services comprises income from time and materials and fixed price contracts.

Revenue from time and materials contracts is recognised as the services are rendered.

Revenue from fixed price contracts and sale of license and related customisation and implementation is recognised in accordance with the percentage completion method calculated based on output method. Provision for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become certain based on the current estimates.

Revenue from annual technical service contracts is recognised on a pro rata basis over the period in which such services are rendered.

Revenue from service income for sale and marketing fee from Holding Company is recognised on rendering of services and in accordance with the terms of the contract.

Service income accrued but not due represents revenue recognised on contracts to be billed in the subsequent period, in accordance with the terms of the contract.

## **iii. Other income**

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, except leasehold land and leasehold improvements, 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 leasehold improvements are amortised over the remaining period of

**NUCLEUS SOFTWARE JAPAN KABUSHIKI KAISHA**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

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lease or the useful lives of assets, whichever is shorter. 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 to the Company.

The management's estimates of the useful lives of the various property, plant and equipment are as follows:

<b>Asset category</b>	<b>Management estimate of useful life (in years)</b>	<b>Useful life as per Schedule II(in years)</b>
<b>Tangible asset</b>		
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.

#### **v. 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.

#### **vi. 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.

**NUCLEUS SOFTWARE JAPAN KABUSHIKI KAISHA**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**2.1 Property, plant and equipment**

(Amount in JPY)

PARTICULARS	GROSS CARRYING AMOUNT				ACCUMULATED DEPRECIATION/ AMORTISATION				NET CARRYING AMOUNT		
	As at	Additions	Deductions /	Currency	As at	As at	For the	Currency	As at	As at	
	1 April 2021		adjustments	Translation	31 March 2022	1 April 2021	Year	Translation	31 March 2022	31 March 2022	
<b>Tangible assets</b>											
Office equipment	24,114 (24,114)	- -	- -	- -	24,114 (24,114)	24,114 (24,114)	- -	- -	24,114 (24,114)	- -	- -
Computers	1,150,159 (1,036,657)	240,780 (113,502)	- -	- -	1,390,939 (1,150,159)	771,298 (579,024)	267,871 (192,274)	- -	1,039,169 (771,298)	351,770 (378,861)	378,861 (457,633)
Furniture and fixtures	92,947 (92,947)	- -	- -	- -	92,947 (92,947)	92,947 (92,947)	- -	- -	92,947 (92,947)	- -	- -
Lease Hold Improvements	2,215,620 (2,215,620)	- -	- -	- -	2,215,620 (2,215,620)	2,215,620 (2,215,620)	- -	- -	2,215,620 (2,215,620)	- -	- -
	<b>3,482,840</b> (3,369,338)	<b>240,780</b> -	- -	- -	<b>3,723,620</b> (3,482,840)	<b>3,103,979</b> -	<b>267,871</b> (3,103,979)	- -	<b>3,371,850</b> (3,103,979)	<b>351,770</b> (378,861)	<b>378,861</b> (3,369,338)
<b>Intangible assets</b>											
Software	<b>78,196</b> (78,196)	- -	- -	- -	<b>78,196</b> (78,196)	<b>75,357</b> (75,357)	<b>2,839</b> -	- -	<b>78,196</b> (75,357)	- (2,839)	<b>2,839</b> (2,839)
<b>Total</b>	<b>3,561,036</b> (3,447,534)	<b>240,780</b> -	- -	- -	<b>3,801,816</b> (3,561,036)	<b>3,179,336</b> (75,357)	<b>270,710</b> (3,103,979)	- -	<b>3,450,046</b> (3,179,336)	<b>351,770</b> (381,700)	<b>381,700</b> (3,372,177)

(Amount in Rupees)

PARTICULARS	GROSS BLOCK				ACCUMULATED DEPRECIATION/ AMORTISATION				NET BLOCK		
	As at	Additions	Deductions /	Currency	As at	As at	For the	Currency	As at	As at	
	1 April 2021		adjustments	Translation	31 March 2022	1 April 2021	year	Translation	31 March 2022	31 March 2022	
<b>Tangible assets</b>											
Office equipment	15,944 (16,791)	- -	- -	(957) 847	14,987 (15,944)	15,944 (16,791)	- -	(957) 847	14,987 (15,944)	- -	- -
Computers	760,485 (721,824)	159,204 (79,031)	- -	(55,220) 40,371	864,469 (760,485)	509,982 (403,174)	177,491 (133,150)	(41,629) 26,342	645,844 (509,982)	218,625 (250,503)	250,503 (318,650)
Furniture and fixtures	61,457 (64,719)	- -	- -	(3,690) 3,262	57,767 (61,457)	61,457 (64,719)	- -	(3,690) 3,262	57,767 (61,457)	- -	- -
Lease Hold Improvements	1,464,968 (1,542,736)	- -	- -	(87,960) 77,768	1,377,008 (1,464,968)	1,464,968 (1,542,736)	- -	(87,960) 77,768	1,377,008 (1,464,968)	- -	- -
	<b>2,302,854</b> (2,346,070)	<b>159,204</b> (79,031)	- -	(147,827) <b>122,246</b>	<b>2,314,231</b> (2,302,854)	<b>2,052,351</b> (2,027,420)	<b>177,491</b> (133,150)	<b>(134,236)</b> <b>108,219</b>	<b>2,095,606</b> (2,052,351)	<b>218,625</b> (250,503)	<b>250,503</b> (318,650)
<b>Intangible assets</b>											
Software	<b>51,703</b> (54,448)	- -	- -	(3,104) 2,745	<b>48,599</b> (51,703)	<b>49,826</b> (52,471)	<b>1,881</b> -	(3,109) 2,646	<b>48,599</b> (49,826)	- (1,877)	<b>1,877</b> (1,977)
<b>Total</b>	<b>2,354,557</b> (2,400,518)	<b>159,204</b> (79,031)	- -	(150,931) <b>124,991</b>	<b>2,362,830</b> (2,354,557)	<b>2,102,177</b> (2,079,891)	<b>179,372</b> (133,150)	(137,345) <b>110,865</b>	<b>2,144,205</b> (2,102,177)	<b>218,625</b> (252,380)	<b>252,380</b> (320,627)

Note :

(i) Figures in bracket pertains to previous year.

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**2.2 Changes in right of use assets / lease liabilities**

Following are the changes in the carrying value of right of use assets for the year ended 31 March 2022:

<b>Particulars</b>	<b>(Amount in JPY)</b>
	<b>As at 31 March 2022</b>
Balance as at 1 April 2021	10,311,190
Additions	-
Amortization	8,837,916
<b>Balance as at 31 March 2022</b>	<b>1,473,274</b>

The aggregate depreciation expense on right of use assets is included under depreciation and amortization expense in the statement of standalone interim Profit and Loss Account.

The following is the break-up of current and non-current lease liabilities as at 31 March 2022

<b>Particulars</b>	<b>(Amount in JPY)</b>
	<b>As at 31 March 2022</b>
Current lease liabilities	1,491,375
Non-current lease liabilities	-
<b>Total</b>	<b>1,491,375</b>

The following is the movement in lease liabilities during the year ended 31 March 2022:

<b>Particulars</b>	<b>(Amount in JPY)</b>
	<b>As at 31 March 2022</b>
Balance as of 1 April 2021	9,974,264
Additions	-
Finance cost accrued during the period	568,963
Payment of lease liabilities	9,051,852
<b>Balance as at 31 March 2022</b>	<b>1,491,375</b>

The table below provides details regarding future lease payments as at 31 March 2022 on an undiscounted basis:

<b>Particulars</b>	<b>(Amount in JPY)</b>
	<b>As at 31 March 2022</b>
Not later than 1 year	1,508,642
Later than 1 year but not later than 5 years	-
More than 5 year	-
<b>Total</b>	<b>1,508,642</b>

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

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Particulars	As at 31 March 2022 (JPY)	As at 31 March 2021 (JPY)	As at 31 March 2022 (Rupees)	As at 31 March 2021 (Rupees)
<b>2.3 OTHER FINANCIAL ASSETS</b> (Unsecured, considered good)				
a. Security deposits	7,325,428	10,401,798	4,552,754	6,877,669
	<b>7,325,428</b>	<b>10,401,798</b>	<b>4,552,754</b>	<b>6,877,669</b>
<b>2.4 DEFERRED TAX</b> (Unsecured, considered good)				
a. Deferred Tax asset on Asset retirement obligation	180,000	180,000	111,870	119,016
	<b>180,000</b>	<b>180,000</b>	<b>111,870</b>	<b>119,016</b>
<b>2.5 INCOME TAX ASSETS</b>				
a. Income Tax Assets (net)	3,278,900	-	2,037,837	-
	<b>3,278,900</b>	<b>-</b>	<b>2,037,837</b>	<b>-</b>
<b>2.6 TRADE RECEIVABLES</b> (Unsecured, considered good)				
a. Considered good	37,574,391	26,058,370	23,352,484	17,229,794
	<b>37,574,391</b>	<b>26,058,370</b>	<b>23,352,484</b>	<b>17,229,794</b>
<b>2.7 CASH AND CASH EQUIVALENTS</b>				
a. Balances with non scheduled banks in current accounts :				
- Bank of Tokyo Mitsubishi	8,188,025	4,648,139	5,088,858	3,073,350
- Shinsei Bank	47,756	46,366	29,680	30,657
- Citibank	11,382,022	61,353,543	7,073,927	40,566,963
	<b>19,617,803</b>	<b>66,048,048</b>	<b>12,192,465</b>	<b>43,670,970</b>
<b>2.8 OTHER CURRENT ASSETS</b> (Unsecured)				
a. Prepaid expenses	911,211	996,567	566,318	658,930
b. Loans and advances to employee	-	1,802,900	-	1,192,078
c. Balance with government authorities				
- considered good	2,534,979	-	1,575,489	-
- considered doubtful	-	-	-	-
	2,534,979	-	1,575,489	-
d. Service income accrued but not due				
- considered good	7,020,732	5,240,320	4,363,385	3,464,900
- considered doubtful	-	-	-	-
	7,020,732	5,240,320	4,363,385	3,464,900
Less : Provision for service income accrued but not due	-	-	-	-
	7,020,732	5,240,320	4,363,385	3,464,900
	<b>10,466,922</b>	<b>8,039,787</b>	<b>6,505,192</b>	<b>5,315,908</b>

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Particulars	As at		As at	
	31 March 2022 (JPY)	31 March 2021 (JPY)	31 March 2022 (Rupees)	31 March 2021 (Rupees)
<b>2.9 SHARE CAPITAL</b>				
a. <b>Authorised</b>				
200 (previous year 200) equity shares of JPY 50,000 each	<b>10,000,000</b>	<b>10,000,000</b>	<b>6,215,000</b>	<b>6,612,000</b>
b. <b>Issued, subscribed and fully paid-up</b>				
200 (previous year 200) equity shares of JPY 50,000 each, held by Nucleus Software Exports Limited (The Holding Company)	<b>10,000,000</b>	<b>10,000,000</b>	<b>6,215,000</b>	<b>6,612,000</b>

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	200	200	200	200
- Amount	10,000,000	10,000,000	6,612,000	6,963,000
Shares issues/ (bought back) during the year				
- Number of Shares	-	-	-	-
- Amount	-	-	-	-
As at the end of the year				
- Number of Shares	200	200	200	200
- Amount	10,000,000	10,000,000	6,215,000	6,612,000

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

The company has one class of equity shares having par value of JPY 50,000 each. Each shareholder is eligible for one vote per

**(iii) Details of shares held by the Holding Company**

Nucleus Software Exports Limited				
- Number of Shares	200	200	200	200
- Percentage	100%	100%	100%	100%
- Amount	10,000,000	10,000,000	6,215,000	6,612,000

**2.10 OTHER EQUITY**

Retained Earnings	58,688,295	69,649,822	34,973,089	42,026,919
Other Comprehensive Income-Currency translation reserve	-	-	1,501,685	4,025,544
	<b>58,688,295</b>	<b>69,649,822</b>	<b>36,474,774</b>	<b>46,052,463</b>

Particulars	Year ended		Year ended	
	31 March 2022 (JPY)	31 March 2021 (JPY)	31 March 2022 (Rupees)	31 March 2021 (Rupees)
<b>a. Retained Earnings</b>				
Opening Balance	69,649,822	53,751,460	42,026,919	30,840,729
Add: Profit/ (Loss) for the year	(10,961,527)	15,898,362	(7,053,830)	11,186,190
<b>Less: Appropriation</b>				
Dividend payment	-	-	-	-
Closing balance	<b>58,688,295</b>	<b>69,649,822</b>	<b>34,973,089</b>	<b>42,026,919</b>
<b>b. Other Comprehensive Income</b>				
Currency Translation Reserve				
Opening Balance	-	-	4,025,544	6,586,413
Add / (Less) : Effect of Foreign Exchange rate variations during the Year	-	-	(2,523,859)	(2,560,869)
Closing balance	-	-	<b>1,501,685</b>	<b>4,025,544</b>
	<b>58,688,295</b>	<b>69,649,822</b>	<b>36,474,774</b>	<b>46,052,463</b>

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Particulars	As at		As at	
	31 March 2022 (JPY)	31 March 2021 (JPY)	31 March 2022 (Rupees)	31 March 2021 (Rupees)
<b>2.11 OTHER NON-CURRENT LIABILITIES</b>				
a. Provisions - Provision for Asset retirement obligation	500,000	500,000	310,750	330,600
	<b>500,000</b>	<b>500,000</b>	<b>310,750</b>	<b>330,600</b>
<b>2.12 TRADE PAYABLES</b>				
a. Trade payables				
i) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-
ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	3,019,268	11,383,418	1,876,475	7,526,716
b. Due to Holding Company	-	11,798,365	-	7,801,079
	<b>3,019,268</b>	<b>23,181,783</b>	<b>1,876,475</b>	<b>15,327,795</b>
<b>2.13 OTHER FINANCIAL LIABILITIES</b>				
a. Other employee payables	2,650,964	1,265,558	1,647,574	836,787
	<b>2,650,964</b>	<b>1,265,558</b>	<b>1,647,574</b>	<b>836,787</b>
<b>2.14 OTHER CURRENT LIABILITIES</b>				
a. Advance from customers/ Advance billing	3,918,586	3,671,545	2,435,404	2,427,626
b. Other payables - statutory liabilities	-	1,918,164	-	1,268,290
	<b>3,918,586</b>	<b>5,589,709</b>	<b>2,435,404</b>	<b>3,695,916</b>
<b>2.15 CURRENT TAX LIABILITES (NET)</b>				
a. Provision for Income Tax	-	1,259,757	-	832,951
	<b>-</b>	<b>1,259,757</b>	<b>-</b>	<b>832,951</b>

**NUCLEUS SOFTWARE JAPAN KABUSHIKI KAISHA**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

Particulars	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2022	Year ended 31 March 2021
	(JPY)	(JPY)	(Rupees)	(Rupees)
<b>2.16 SALES AND SERVICES</b>				
a. Software development services	145,627,504	220,552,865	96,553,965	155,035,009
b. Service income for software development from holding company	69,646,358	-	46,043,661	-
c. Service income for sales & marketing fee from holding Company	29,924,799	41,400,518	19,795,429	29,009,499
	<b>245,198,661</b>	<b>261,953,383</b>	<b>162,393,055</b>	<b>184,044,508</b>
<b>2.17 OTHER INCOME</b>				
a. Interest income on deposits with banks	64	79	42	56
b. Interest Income- Security Depositi- amortised cost	511,120	583,902	338,863	411,074
c. Gain on foreign currency transaction and translation (net)	(84,565)	14,996	(55,754)	10,496
	<b>426,619</b>	<b>598,977</b>	<b>283,151</b>	<b>421,626</b>
<b>2.18 EMPLOYEE BENEFITS EXPENSE</b>				
a. Salaries and wages	184,489,164	156,861,785	121,833,006	110,241,962
b. Contribution to social security fund	16,257,658	6,324,608	10,697,264	4,444,768
c. Staff welfare expenses	10,475,306	8,511,698	6,906,714	5,973,750
	<b>211,222,128</b>	<b>171,698,091</b>	<b>139,436,984</b>	<b>120,660,480</b>
<b>2.19 OPERATING AND OTHER EXPENSES</b>				
a. Outsourced technical service expenses	-	19,768,804	-	13,794,259
b. Power and fuel	165,701	164,394	110,110	115,904
c. Rent (see note 2.2)	10,642,180	26,914,127	7,132,492	18,920,255
d. Repair and maintenance				
- Building	84,561	114,871	56,056	80,896
- Others	39,526	200,000	26,162	140,934
e. Insurance	189,304	192,771	125,193	135,566
f. Rates and taxes	73,336	62,600	48,524	44,133
g. Travelling	148,260	3,100,962	97,875	2,180,513
h. Advertisement and business promotion	392,793	243,783	261,324	169,330
i. Legal and Professional	5,329,535	3,257,687	3,548,983	2,341,290
j. Training & Recruitment expenses	8,582,538	422,075	5,792,618	297,295
k. Conveyance	162,727	(17,622)	107,978	(12,709)
l. Communication	1,741,939	1,593,365	1,154,462	1,119,210
m. Printing and Stationery	200,270	116,846	132,471	82,338
n. Miscellaneous expenses	136,570	82,930	90,615	58,244
	<b>27,889,240</b>	<b>56,217,593</b>	<b>18,684,863</b>	<b>39,467,458</b>
<b>2.20 FINANCE COST</b>				
a. Bank charges	645,521	604,149	469,744	424,359
b. Lease Assets Finance charges	568,963	1,064,774	378,652	749,111
	<b>1,214,484</b>	<b>1,668,923</b>	<b>848,396</b>	<b>1,173,470</b>
<b>2.21 PROFESSIONAL EXPENSES INCLUDE:</b>				
Audit fees (excluding tax)	754,603	722,022	500,000	500,000
<b>2.22 EARNINGS PER SHARE</b>				
<b>Basic and Diluted</b>				
a. Profit after tax	(10,961,527)	15,898,362	(7,053,830)	11,186,190
b. Weighted average number of equity shares	200	200	200	200
c. Earnings per share	(54,808)	79,492	(35,269)	55,931

## 2.23 RELATED PARTY TRANSACTIONS

### List of related parties – where control exists

#### a. Holding company

- Nucleus Software Exports Limited

Particulars	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2022	Year ended 31 March 2021
	(JPY)	(JPY)	(Rupees)	(Rupees)
<b>Transactions with related parties</b>				
<b>a. Sales and Service Income from Holding Company</b>				
Software Development Service income	69,646,358		46,043,661	-
Sales & Marketing Service income	29,924,799	41,400,518	19,795,429	29,009,499
<b>b. Outsourced technical service expenses</b>				
Holding Company				
- Nucleus Software Exports Limited	-	19,768,804	-	13,794,259
<b>c. Reimbursement of expenses</b>				
From Holding Company				
- Nucleus Software Exports Limited	67,000	180,600	44,394	127,215
To Holding Company				
- Nucleus Software Exports Limited	58,199,257	117,731,435	38,922,728	82,716,615

Particulars	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2022	Year ended 31 March 2021
	(JPY)	(JPY)	(Rupees)	(Rupees)
<b>Balances outstanding as at year end</b>				
<b>a. Trade receivables</b>				
Holding Company				
- Nucleus Software Exports Limited	3,524,661	9,853,290	2,190,577	6,514,995
<b>b. Trade payables</b>				
Holding Company				
- Nucleus Software Exports Limited	-	11,798,365	-	7,801,079

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

For and on behalf of the Board of Directors  
NUCLEUS SOFTWARE JAPAN KABUSHIKI KAISHA

VISHNU R DUSAD  
Director

Place : Noida  
Date : 16 May 2022