

INDEPENDENT AUDITORS' REPORT
TO THE BOARD OF DIRECTORS
Nucleus Software Netherlands B.V.

Report on the Financial Statements

We have audited the financial statements of Nucleus Software Netherlands B.V., consisting of the balance sheet as at March 31, 2015, the statement of profit or loss, the statement of cash flows and the statement of financial position for the period ended March 31, 2015, and the related disclosures, in connection with the financial statements for the period ended March 31, 2015.

Nucleus Software Netherlands B.V.

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

The financial statements were prepared by management using the Dutch Accounting Standards, which are based on the International Financial Reporting Standards as issued by the International Accounting Standards Board. The financial statements are the responsibility of management. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Dutch Standards on Auditing, which are based on the International Standards on Auditing issued by the International Auditing and Taxation Board. We believe that the audit provides a reasonable basis for our opinion.

Auditor's Name

Deloitte

Deloitte & Touche LLP

150 Nassau Street, New York, NY 10038

Deloitte & Touche B.V.

Deloitteplein 1, 1017 CA Amsterdam, The Netherlands

In our opinion, the financial statements for the period ended March 31, 2015, present a true and fair view of the financial position of Nucleus Software Netherlands B.V. as at March 31, 2015, and of its financial performance and cash flows for the period ended March 31, 2015, in accordance with the Dutch Accounting Standards, which are based on the International Financial Reporting Standards as issued by the International Accounting Standards Board. This opinion is based on the audit of the financial statements for the period ended March 31, 2015, and the related disclosures, in connection with the financial statements for the period ended March 31, 2015. We conducted our audit in accordance with the Dutch Standards on Auditing, which are based on the International Standards on Auditing issued by the International Auditing and Taxation Board. We believe that the audit provides a reasonable basis for our opinion.

We believe that the audit provides a reasonable basis for our opinion.

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF NUCLEUS SOFTWARE NETHERLANDS B.V.

Report on the Financial Statements

We have audited the accompanying financial statements of **NUCLEUS SOFTWARE NETHERLANDS B.V.** ("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 are responsible for 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 Companies Act, 2013 ('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.



Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone 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 loss and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note 2.21 to the financial statements which states that the Company has accumulated losses as at 31 March 2015 and the current liabilities exceed its current assets. Having regard to the accumulated losses of the Company which have eroded the net worth of the Company, the ability of the Company to continue as a going concern is significantly dependent on the improvement of the Company's future operations and continued financial support from Nucleus Software Exports Limited, the Holding Company.

Our opinion is not qualified in respect of this matter.

Restriction on Distribution and Use

These financial statements have been prepared to assist the Holding Company for preparation of its consolidated financial statements. As a result, the financial statements may not be suitable for any other purpose. Our report is intended solely for the purpose of preparation of the Consolidated Financial Statements of the Holding Company and should not be distributed or used for any other purpose.

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



SAMEER ROHATGI
Partner
(Membership No. 094039)

Noida,
7 May, 2015

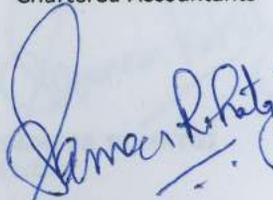
NUCLEUS SOFTWARE NETHERLANDS B.V.
BALANCE SHEET AS AT 31 MARCH, 2015

	Notes No.	As at 31 March 2015 (Euro)	As at 31 March 2014 (Euro)	As at 31 March 2015 (Rupees) (Unaudited) See note 1.2 (i)	As at 31 March 2014 (Rupees) (Unaudited) See note 1.2 (i)
A. EQUITY AND LIABILITIES					
1. SHAREHOLDERS' FUNDS					
a. Share capital	2.1	400,000	400,000	26,760,000	32,904,000
b. Reserves and surplus	2.2	<u>(681,510)</u>	<u>(662,692)</u>	<u>(45,592,986)</u>	<u>(54,513,010)</u>
		(281,510)	(262,692)	(18,832,986)	(21,609,010)
2. CURRENT LIABILITIES					
a. Trade payables	2.3	339,156	374,919	22,689,510	30,840,837
b. Other current liabilities	2.4	<u>22,182</u>	<u>8,333</u>	<u>1,483,981</u>	<u>685,473</u>
		361,338	383,252	24,173,491	31,526,310
		79,828	120,560	5,340,505	9,917,300
B. ASSETS					
1. NON-CURRENT ASSETS					
a. Fixed assets					
- Tangible assets	2.5	-	-	-	-
b. Long-term loans and advances	2.6	<u>6,184</u>	<u>6,184</u>	<u>413,710</u>	<u>508,730</u>
		6,184	6,184	413,710	508,730
2. CURRENT ASSETS					
a. Trade receivables	2.7	11,745	73,869	785,713	6,076,464
b. Cash and Cash Equivalents	2.8	35,741	33,141	2,391,090	2,726,179
c. Short-term loans and advances	2.9	<u>26,158</u>	<u>7,366</u>	<u>1,749,992</u>	<u>605,927</u>
		73,644	114,376	4,926,795	9,408,570
		79,828	120,560	5,340,505	9,917,300

See accompanying notes forming part of the Financial Statements 1 & 2

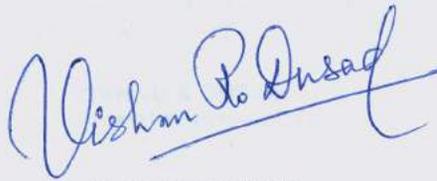
In terms of our report attached

For **DELOITTE HASKINS & SELLS**
Chartered Accountants


SAMEER ROHATGI
Partner



For and on behalf of the Board of Directors



VISHNU R DUSAD
General Managing Director

Place : Noida
Date : 7 May 2015

Place : Noida
Date : 7 May 2015

NUCLEUS SOFTWARE NETHERLANDS B.V.
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2015

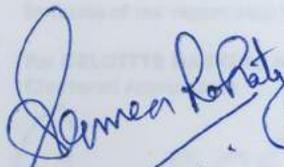
	Notes No.	Year ended 31 March 2015 (Euro)	Year ended 31 March 2014 (Euro)	Year ended 31 March 2015 (Rupees) (Unaudited) See note 1.2 (i)	Year ended 31 March 2014 (Rupees) (Unaudited) See note 1.2 (i)
1. REVENUE FROM OPERATIONS					
Sales and services	2.10	98,385	196,626	7,688,787	16,110,551
2. EXPENSES					
a. Employee benefit expenses	2.11	-	43,857	-	3,593,423
b. Operating and other expenses	2.12	115,622	214,721	9,035,890	17,593,164
c. Finance cost - Bank Charges	2.13	1,581	2,044	123,524	167,475
d. Depreciation	2.5	-	1,186	-	97,175
TOTAL EXPENSES		117,203	261,808	9,159,414	21,451,237
3. PROFIT/(LOSS) BEFORE TAX (1-2)		(18,818)	(65,182)	(1,470,627)	(5,340,686)
4. TAX EXPENSE					
Withholding taxes charged off		-	28,800	-	2,359,728
5. PROFIT /(LOSS) FOR THE YEAR		(18,818)	(93,982)	(1,470,627)	(7,700,414)
6. EARNINGS PER EQUITY SHARE					
Equity shares of Euro 100 each					
a. Basic and Diluted	2.17	(4.70)	(23.50)	(367.65)	(1,925.10)
Number of shares used in computing earnings per share		4,000	4,000	4,000	4,000

See accompanying notes forming part 1 & 2 of the Financial Statements

In terms of our report attached

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

For and on behalf of the Board of Directors




SAMEER ROHATGI
Partner



VISHNU R DUSAD
General Managing Director

Place : Noida
Date : 7 May 2015

Place : Noida
Date : 7 May 2015

NUCLEUS SOFTWARE NETHERLANDS B.V.
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2015

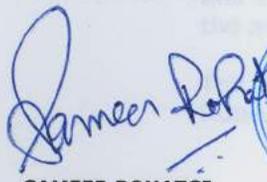
	Year ended 31 March 2015 (Euro)	Year ended 31 March 2014 (Euro)	Year ended 31 March 2015 (Rupees) (Unaudited) See note 1.2 (i)	Year ended 31 March 2014 (Rupees) (Unaudited) See note 1.2 (i)
A. Cash flow from operating activities				
Net Profit / (Loss) before tax	(18,818)	(65,182)	(1,470,627)	(5,340,686)
Adjustments for:				
Depreciation	-	1,186	-	97,175
Exchange difference on translation of foreign currency accounts	-	-	(297,317)	971,968
Operating profit/ (loss) before working capital changes	(18,818)	(63,996)	(1,767,943)	(4,271,543)
Adjustment for (increase)/decrease in operating assets				
Trade Receivables 2.7	62,124	26,944	4,156,123	2,207,644
Short -Term Loans and Advances 2.9	(18,792)	64,657	(1,257,201)	5,297,671
Other current assets	-	202,766	-	16,613,632
Adjustment for increase/ (decrease) in operating liabilities				
Trade payables 2.3	(35,763)	(192,098)	(2,392,571)	(15,739,536)
Other current liabilities 2.4	13,849	(82,614)	926,503	(6,768,978)
Net cash flow from/(used in) operating activities (A)	2,600	(44,341)	(335,089)	(2,661,110)
B. Cash flow from investing activities				
	-	-	-	-
C. Cash flow from financing activities				
	-	-	-	-
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	2,600	(44,341)	(335,089)	(2,661,110)
Cash and cash equivalents at the beginning of the Year 2.8	33,141	77,482	2,726,179	5,387,289
Cash and cash equivalents at the end of the Year 2.8	35,741	33,141	2,391,090	2,726,179

See accompanying notes forming part of the Financial Statements

In terms of our report attached

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

For and on behalf of the Board of Directors




SAMEER ROHATGI
Partner



VISHNU R DUSAD
General Managing Director

Place : Noida
Date : 7 May 2015

Place : Noida
Date : 7 May 2015

NUCLEUS SOFTWARE NETHERLANDS B.V.
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 1 :

1.1 Company Background

Nucleus Software Netherlands B.V. ('the Company') was incorporated on 3 February 2006 in Netherlands. 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 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

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.

The Company's net worth is fully eroded. However, the directors consider that it is appropriate to prepare these accounts on going concern basis in view of the continued financial support from its Holding Company. Accordingly, these accounts are being prepared on a going concern basis, that is the assets and liabilities are recorded on the basis that the Company will be able to realise its assets and discharge its liabilities in the normal course of business. (Also refer note 2.21).

The financial statements have been prepared for the purpose of compliance with the provisions of Section 129(3) of the Companies Act, 2013 and the Balance Sheet has been restated to Indian rupees at exchange rate prevailing on the last day of the financial year and the statement of Profit and Loss and the Cash flow statement have been restated on the average exchange rate for the financial year.

The functional currency of the Company is Euro. The translation from Euro to Indian Rupees is unaudited.

(ii) Use of estimates

The preparation of financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/materialise.



NUCLEUS SOFTWARE NETHERLANDS B.V.
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(iii) 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.

(iv) Cash flow statement

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

(i) Tangible assets and capital work in progress

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

(v) Depreciation

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

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

Asset category	Useful life (in years)
Office equipment	5
Computers	3
Furniture and fixtures	5

(vi) Revenue recognition

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.

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.

(vii) Lease

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.



NUCLEUS SOFTWARE NETHERLANDS B.V.
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(xiii) Provisions and Contingencies

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

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

(xiv) VAT input tax credit

VAT input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilising the credits.

(xv) 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 NETHERLANDS B.V.
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2.1 SHARE CAPITAL

Particulars	As at 31 March 2015 (Euro)	As at 31 March 2014 (Euro)	As at 31 March 2015 (Rupees) (Unaudited) See note 1.2 (i)	As at 31 March 2014 (Rupees) (Unaudited) See note 1.2 (i)
a. Authorised				
Equity Shares 5,000 (Previous Year 5,000) equity shares of Euro 100 each	<u>500,000</u>	<u>500,000</u>	<u>33,450,000</u>	<u>41,130,000</u>
b. Issued, subscribed and paid-up				
4,000 (Previous Year 4,000) equity shares of Euro 100 each, fully paid up, held by Nucleus Software Exports Limited, India (the Holding Company).	<u>400,000</u>	<u>400,000</u>	<u>26,760,000</u>	<u>32,904,000</u>

Notes :

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

As at the beginning of the year				
- Number of shares	4,000	4,000	4,000	4,000
- Amount	400,000	400,000	32,904,000	27,812,000
Shares issued / (bought back) during the year				
- Number of shares	-	-	-	-
- Amount	-	-	-	-
As at the end of the year				
- Number of shares	4,000	4,000	4,000	4,000
- Amount	400,000	400,000	26,760,000	32,904,000

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

The Company has one class of equity shares having par value of Euro 100 each. Each shareholder is eligible for one vote per share held.

(iii) Details of share held by the Holding Company :

Nucleus Software Exports Limited				
- Number of shares	4,000	4,000	4,000	4,000
- Percentage	100%	100%	100%	100%
- Amount	400,000	400,000	26,760,000	32,904,000



NUCLEUS SOFTWARE NETHERLANDS B.V.
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	As at 31 March 2015 (Euro)	As at 31 March 2014 (Euro)	As at 31 March 2015 (Rupees) (Unaudited) See note 1.2 (i)	As at 31 March 2014 (Rupees) (Unaudited) See note 1.2 (i)
2.2 RESERVES AND SURPLUS				
a. Surplus/ (Deficit) in Statement of Profit and Loss				
Opening Balance	(662,692)	(568,710)	(43,265,521)	(35,565,107)
Add: Profit / (Loss) for the Year	(18,818)	(93,982)	(1,470,627)	(7,700,414)
Closing balance	<u>(681,510)</u>	<u>(662,692)</u>	<u>(44,736,148)</u>	<u>(43,265,521)</u>
b. Currency Translation Reserve				
Opening Balance	-	-	(11,247,489)	(3,977,283)
Add / (Less) : Effect of Foreign Exchange rate variations during the Year	-	-	10,390,651	(7,270,206)
Closing balance	<u>-</u>	<u>-</u>	<u>(856,838)</u>	<u>(11,247,489)</u>
	<u>(681,510)</u>	<u>(662,692)</u>	<u>(45,592,986)</u>	<u>(54,513,010)</u>
2.3 TRADE PAYABLES				
a. Trade Payables				
- Others	3,704	13,622	247,771	1,120,546
b. Due to Holding Company (see note 2.15)	335,452	361,297	22,441,739	29,720,291
	<u>339,156</u>	<u>374,919</u>	<u>22,689,510</u>	<u>30,840,837</u>
2.4 OTHER CURRENT LIABILITIES				
a. Advances from customer	22,182	8,333	1,483,981	685,473
	<u>22,182</u>	<u>8,333</u>	<u>1,483,981</u>	<u>685,473</u>



NUCLEUS SOFTWARE NETHERLANDS B.V.
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2.5 Fixed Assets (at Cost)

	Gross block				Accumulated Depreciation				Net block	
	As at	Additions	Deductions /	As at	As at	Depreciation	Deductions /	As at	As at	As at
	1 April 2014	during the year	adjustments	31 March 2015	1 April 2014	the year	adjustments	31 March 2015	31 March 2015	31 March 2014
Tangible assets										
Office and other equipment	1,056 (1,056)	- (-)	- (-)	1,056 (1,056)	1,056 (889)	- (167)	- (-)	1,056 (1,056)	- (-)	- (167)
Computers	1,502 (1,502)	- (-)	- (-)	1,502 (1,502)	1,502 (1,352)	- (151)	- (-)	1,502 (1,502)	- (-)	- (151)
Furniture and fixtures	5,318 (5,318)	- (-)	- (-)	5,318 (5,318)	5,318 (4,450)	- (868)	- (-)	5,318 (5,318)	- (-)	- (868)
Current year (Euro)	7,876	-	-	7,876	7,876	-	-	7,876	-	-
Previous year (Euro)	(7,876)	(-)	(-)	(7,876)	(6,691)	(1,186)	(-)	(7,876)	(-)	-

(Amount in Rupees (Unaudited - Refer Note 1.2(i)))

	Gross block				Accumulated Depreciation				Net block	
	As at	Additions	Currency	As at	As at	Depreciation	Currency	As at	As at	As at
	1 April 2014	during the year	Translation	31 March 2015	1 April 2014	the year	Translation	31 March 2015	31 March 2015	31 March 2014
Tangible assets										
Office and other equipment	86,867 (73,424)	- (-)	(16,220) (13,443)	70,646 (86,867)	86,867 (61,812)	- (13,682)	(16,220) (38,737)	70,646 (86,867)	- (-)	- (11,612)
Computers	123,555 (104,434)	- (-)	(23,071) (19,121)	100,484 (123,555)	123,555 (94,005)	- (12,371)	(23,071) (41,921)	100,484 (123,555)	- (-)	- (10,430)
Furniture and fixtures	437,459 (369,761)	- (-)	(81,684) (67,698)	355,774 (437,459)	437,459 (309,339)	- (71,122)	(81,684) (199,242)	355,774 (437,459)	- (-)	- (60,422)
Current year (Rupees)	647,881	-	(120,975)	526,904	647,880	-	(120,975)	526,904	-	-
Previous year (Rupees)	(547,619)	(-)	(100,261)	(647,880)	(465,156)	(97,175)	(279,899)	(647,881)	(-)	-

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



NUCLEUS SOFTWARE NETHERLANDS B.V.
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	As at 31 March 2015 (Euro)	As at 31 March 2014 (Euro)	As at 31 March 2015 (Rupees) (Unaudited) See note 1.2 (i)	As at 31 March 2014 (Rupees) (Unaudited) See note 1.2 (i)
2.6 LONG-TERM LOANS AND ADVANCES (Unsecured, considered good)				
a. Security Deposits	6,184	6,184	413,710	508,730
	6,184	6,184	413,710	508,730
2.7 TRADE RECEIVABLES (Unsecured, considered good)				
a. Trade Receivables outstanding for a period less than six months from the date they were due for payment	11,745	73,869	785,713	6,076,464
	11,745	73,869	785,713	6,076,464
2.8 CASH AND CASH EQUIVALENTS				
Balance with non scheduled bank - in current account Citibank-Netherlands	35,741	33,141	2,391,090	2,726,179
2.9 SHORT-TERM LOANS AND ADVANCES				
Unsecured, considered good				
a. Prepaid Expenses	24,914	5,862	1,666,739	482,208
b. Balances with Government Authorities	1,244	1,504	83,253	123,719
	26,158	7,366	1,749,992	605,927



NUCLEUS SOFTWARE NETHERLANDS B.V.
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	Year ended 31 March 2015 (Euro)	Year ended 31 March 2014 (Euro)	Year ended 31 March 2015 (Rupees) (Unaudited) See note 1.2 (i)	Year ended 31 March 2014 (Rupees) (Unaudited) See note 1.2 (i)
2.10 SALES AND SERVICES				
Software Development Services	<u>98,385</u>	<u>196,626</u>	<u>7,688,787</u>	<u>16,110,551</u>
2.11 EMPLOYEE BENEFIT EXPENSES				
a. Salaries and bonus	-	37,449	-	3,068,384
b. Contribution to provident and other funds	-	3,824	-	313,319
c. Staff welfare	-	2,584	-	211,720
	<u>-</u>	<u>43,857</u>	<u>-</u>	<u>3,593,423</u>
2.12 OPERATING AND OTHER EXPENSES				
a. Outsourced technical service expenses	84,543	159,578	6,607,035	13,075,023
b. Rent	22,856	22,699	1,786,196	1,859,843
c. Insurance	197	186	15,396	15,240
d. Rates and taxes	-	1,871	-	153,300
e. Travelling				
- Foreign	-	4,384	-	359,190
- Domestic	-	41	-	3,372
f. Advertisement and business promotion	-	120	-	9,832
g. Legal and professional expenses	4,570	22,165	357,146	1,816,089
h. Communication	922	2,523	72,054	206,722
i. Power & Fuel	363	-	28,400	-
j. Net loss on foreign currency transactions	2,171	327	169,663	26,793
k. Miscellaneous expenses	-	827	-	67,760
	<u>115,622</u>	<u>214,721</u>	<u>9,035,890</u>	<u>17,593,164</u>
2.13 Finance cost				
Bank Charges	<u>1,581</u>	<u>2,044</u>	<u>123,524</u>	<u>167,475</u>
2.14 Legal and Professional expenses include:				
Audit fees (excluding service tax)	2,439	1,831	190,608	150,000



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2.15 RELATED PARTY TRANSACTIONS

List of related parties

a. Holding Company

- Nucleus Software Exports Limited

Transactions with related parties

Particulars	Year ended 31 March 2015 (Euro)	Year ended 31 March 2014 (Euro)	Year ended 31 March 2015 (Rupees) (Unaudited) See note 1.2 (i)	Year ended 31 March 2014 (Rupees) (Unaudited) See note 1.2 (i)
a. Outsourced technical service expense				
- Nucleus Software Exports Limited	84,543	159,578	6,607,035	13,075,023
b. Reimbursement of expenses to				
- Nucleus Software Exports Limited	8,632	3,351	577,501	274,523

Outstanding balances as at year end

Particulars	As at 31 March 2015 (Euro)	As at 31 March 2014 (Euro)	As at 31 March 2015 (Rupees) (Unaudited) See note 1.2 (i)	As at 31 March 2014 (Rupees) (Unaudited) See note 1.2 (i)
a. Trade Payables				
- Nucleus Software Exports Limited	335,452	361,297	22,441,739	29,720,291
b. Share Capital				
- Nucleus Software Exports Limited	400,000	400,000	26,760,000	32,904,000
c. Short term loan and advances				
- Nucleus Software Exports Limited	18,845	-	1,260,763	-

2.16 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 Euro 22,856 (previous year Euro 22,699). The future minimum lease payment in respect of such lease is as follows:

Particulars	As at 31 March 2015 (Euro)	As at 31 March 2014 (Euro)	As at 31 March 2015 (Rupees) (Unaudited) See note 1.2 (i)	As at 31 March 2014 (Rupees) (Unaudited) See note 1.2 (i)
Lease obligations payable				
a. Not later than 1 year	28,225	28,225	1,888,228	2,321,759
b. Later than 1 year but not later than 5 years	7,056	35,281	472,057	2,902,199
	<u>35,281</u>	<u>63,505</u>	<u>2,360,286</u>	<u>5,223,957</u>



NUCLEUS SOFTWARE NETHERLANDS B.V.
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2.17 Earnings per share

Basic and Diluted

Particulars	As at 31 March 2015 (Euro)	As at 31 March 2014 (Euro)	As at 31 March 2015 (Rupees) (Unaudited) See note 1.2 (i)	As at 31 March 2014 (Rupees) (Unaudited) See note 1.2 (i)
a. Profit / (Loss) after tax	(18,818)	(93,982)	(1,470,596)	(7,700,414)
b. Weighted average number of equity shares.	4,000	4,000	4,000	4,000
c. Earnings per share	(4.70)	(23.50)	(367.65)	(1,925.10)

2.18 Segment Reporting

Based on the guiding principles stated in Accounting Standard 17 - "Segment Reporting" as specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, the Company does not have any reportable segment information as required to be disclosed by this statement. Accordingly, no additional disclosure for segment reporting is required in the financial statements.

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

Particulars	Year ended 31 March 2015 (Euro)	Year ended 31 March 2014 (Euro)	Year ended 31 March 2015 (Rupees) (Unaudited) See note 1.2 (i)	Year ended 31 March 2014 (Rupees) (Unaudited) See note 1.2 (i)
Sales and services	98,385	196,626	7,688,787	16,110,551
Software development expenses	84,543	159,578	6,607,035	13,075,023
Gross Profit	13,842	37,048	1,081,752	3,035,528
Selling and marketing expenses	20,897	89,571	1,633,136	7,339,000
General and administration expenses	11,763	11,473	919,243	940,039
Operating profit before depreciation	(18,818)	(63,996)	(1,470,627)	(5,243,511)
Depreciation	-	1,186	-	97,175
Operating profit after depreciation	(18,818)	(65,182)	(1,470,627)	(5,340,686)
Net current tax expense	-	28,800	-	2,359,728
Profit / (Loss) after taxation	(18,818)	(93,982)	(1,470,627)	(7,700,414)

2.20 As at 31 March 2015, the Company has unabsorbed losses. In view of absence of virtual certainty of realisation of unabsorbed tax losses, no deferred tax asset has been recognised by the Company as at 31 March, 2015.



2.21 Going Concern Assumption

During the year ended 31 March 2015, the Company has incurred an operating loss of Euro 18,818 (Rupees 1,470,627). As at 31 March 2015, the accumulated losses of the Company aggregate to Euro 681,510 (Rupees 45,592,986) and the Company's current liabilities exceed its current assets by Euro 281,510 (Rupees 18,832,986). The Financial Statements of the Company have been prepared on the basis that the Company is a going concern. However, having regard to the accumulated losses of the Company which have eroded the net worth of the Company, the ability of the Company to continue as a going concern is significantly dependent on the improvement of the Company's future operations and continued financial support from its Holding Company. The Holding Company has confirmed to provide such financial support as and when a need arises.

Accordingly, the financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and the classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

2.22 Previous year figures have been regrouped / reclassified wherever necessary to correspond with current year classification/disclosure.

For and on behalf of the Board of Directors



VISHNU R DUSAD
General Managing Director

Place : Noida
Date : 7 May 2015

