

**NUCLEUS
SOFTWARE**

Quarterly Report

September 30, 2013

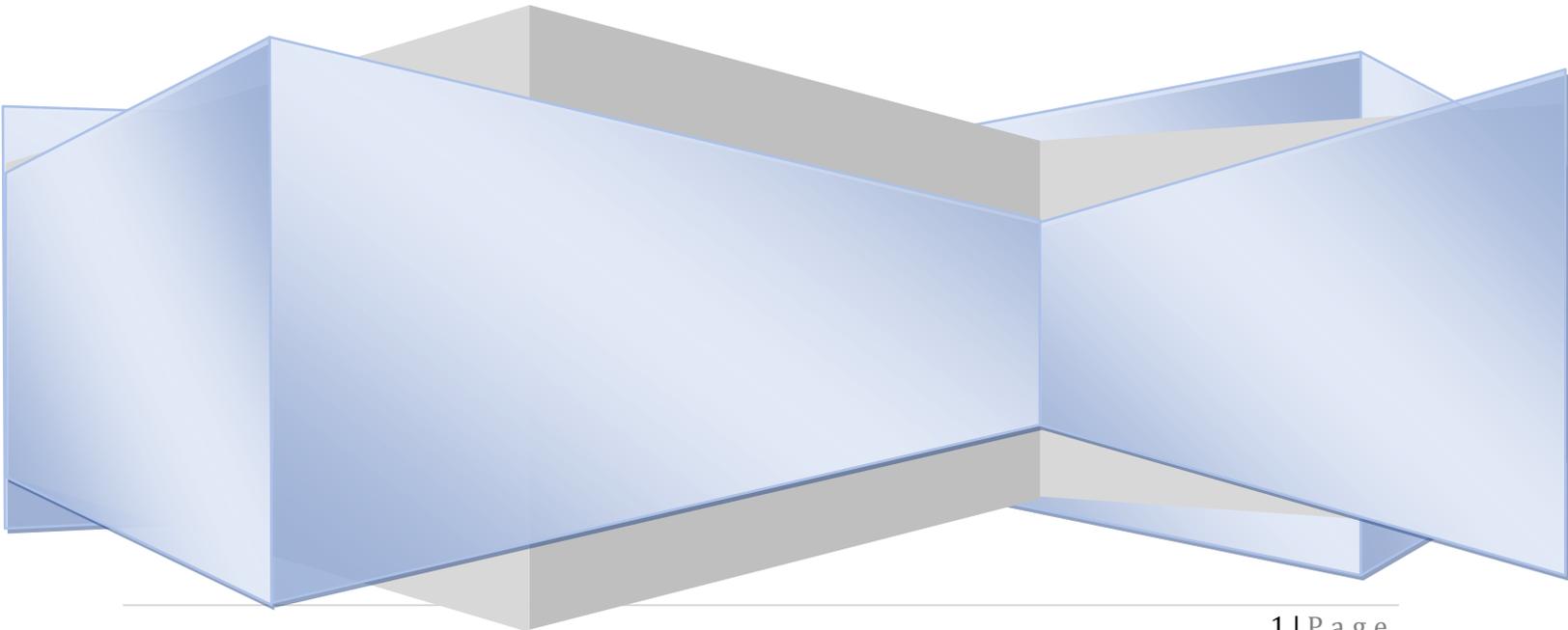


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FINANCIAL HIGHLIGHTS

Rs. in Crore except per share data

Particulars	Consolidated Performance					
	For the Quarter ended			Half Year ended		For the Year Ended
	September 30, 2013	June 30, 2013	September 30, 2012	September 30, 2013	September 30, 2012	March 31, 2013
Revenue from Operations	82.25	86.32	71.75	168.57	145.69	293.76
Operating Profit (EBITDA)	12.82	14.22	11.96	27.04	21.12	45.90
Profit after Tax (PAT)	10.94	11.17	10.10	22.11	22.39	45.17
EBITDA Margin	16%	16%	17%	16%	14%	16%
PAT Margin	13%	13%	14%	13%	15%	15%
EPS	3.38	3.45	3.12	6.83	6.91	13.95

At the end of the Period	As at				
	September 30, 2013	June 30, 2013	September 30, 2012	March 31, 2013	June 30, 2012
Share Capital	32.39	32.39	32.38	32.39	32.38
Reserves and Surplus	340.44	328.46	308.09	317.60	292.59
Net Worth	372.83	360.85	340.47	349.99	324.98
Total Assets	467.46	468.46	410.58	458.96	417.00
Net Fixed Assets	50.88	50.34	47.86	50.69	48.45
Investments	217.49	179.57	116.88	154.74	150.82
Current Assets	389.75	392.47	334.14	379.92	341.31
Cash and Cash Equivalents	289.59	284.07	234.76	266.73	222.79
Working Capital	308.58	298.04	275.97	283.39	260.98
Market Capitalisation	300.36	221.02	281.25	234.78	227.49
No. of Shareholders	15,095	15,794	17,134	16,336	17,549
No. of Shares (Face Value of Rs.10.00)	32,383,715	32,383,534	32,383,454	32,383,534	32,383,454

Notes:

- 1.) Market Capitalisation is calculated by considering the closing market price of the scrip at the close of the quarter which is Rs. 92.75 at September 30, 2013, Rs. 68.25 at June 30 & 2013 & Rs. 72.50 at March 31, 2013.
- 2.) While calculating the figures of group, intergroup transactions have been ignored.
- 3.) Previous year figures have been regrouped/ reclassified wherever necessary.

USD million except per share data

Particulars	Consolidated Performance					
	For the Quarter ended			Half Year ended		For the Year Ended
	September 30, 2013	June 30, 2013	September 30, 2012	September 30, 2013	September 30, 2012	March 31, 2013
Revenue from Operations	13.49	15.24	13.42	28.73	27.15	54.05
Operating Profit (EBITDA)	2.10	2.51	2.24	4.61	3.94	8.44
Profit after Tax (PAT)	1.79	1.97	1.89	3.77	4.17	8.31
EBITDA Margin	3%	16%	17%	16%	15%	16%
PAT Margin	2%	13%	14%	13%	15%	15%
EPS	0.55	0.61	0.58	1.16	1.29	2.57
US \$/ INR Exchange Rate*	60.98	56.63	53.48	58.67	53.66	54.35

At the end of the Period	As at		
	September 30, 2013	June 30, 2013	March 31, 2013
Share Capital	5.15	5.45	5.97
Reserves and Surplus	54.13	55.32	58.51
Net Worth	59.28	60.77	64.48
Total Assets	74.33	78.89	84.55
Net Fixed Assets	8.09	8.48	9.34
Investments	34.58	30.24	28.51
Current Assets	61.97	66.09	69.99
Cash and Cash Equivalents	46.05	47.84	49.14
Working Capital	49.07	50.19	52.21
Market Capitalisation	47.76	37.22	43.25
US \$/ INR Exchange Rate*	62.89	59.38	54.28

Note:

- 1.) Market Capitalisation is calculated by considering the closing market price of the scrip at the close of the quarter which is Rs. 92.75 at September 30, 2013, Rs. 68.25 at June 30 & 2013 & Rs. 72.50 at March 31, 2013.
- 2.) While Calculating the figures of group, intergroup transactions have been ignored.
- 3.) Previous year figures have been regrouped/ reclassified wherever necessary.
- 4.) * The Revenue and expenditure items have been translated at an average US \$ / INR rate, mentioned here for the respective years.
- 5.) # The Balance Sheet items have been translated at year end US \$ / INR rate, mentioned here for the respective years.

LETTER TO THE SHAREHOLDERS

Dear Shareholder,

I take this opportunity to present to you a brief report on the performance of your Company for the second quarter ended of the financial year 2013-14.

First the financial performance, consolidated revenue for the quarter was Rs. 82.25 crore against Rs.71.75 crore in the corresponding quarter of the previous year. The consolidated EBITDA was Rs. 12.82 crore in comparison to Rs. 11.96 crore in the corresponding quarter of the previous year. Consolidated net profit was Rs. 10.94 crore in comparison to Rs. 10.10 crore in the corresponding quarter of the previous year. EPS for the quarter was Rs. 3.38 against Rs. 3.12 in the corresponding quarter of the previous year.

The Product business revenue was Rs. 54.95 crore against Rs. 47.82 crore in the corresponding quarter of the previous year. The Company continues to focus and invest on development of niche Banking Products.

Operating cash flow after working capital changes was Rs. 10.96 crore. Receivables were at Rs. 62.12 crore against Rs. 71.91 crore as on June 30, 2013. The Company continues to enjoy a high level of liquidity. 'Cash and Bank balances' and 'Current Investments' were at Rs. 290.01 crore against Rs. 284.07 crore as on June 30, 2013. We had a hedging position of US \$ 9.15 million, Sept 30, 2013 at an average rate of Rs. 60.60. There is a mark-to-market loss of Rs. 3.33 crore which is taken to hedging reserve in the balance sheet.

We have won 5 new product orders worldwide and 2 product modules have been successfully implemented across geographies. For the Half Year Ended 30th September, 2013, we won 7 new product orders worldwide, added 6 new customers and successfully implemented 12 product modules across geographies. Customer satisfaction through experience in products implementation and customer care remains our primary focus.

An important milestone we achieved was the launch of the Mobility suite of our FinnOne™ product. Our efforts to work closely with our customers continued as we expanded our sales force globally. We strengthened our sales and marketing team in multiple areas, which include sales, marketing and alliances.

Our marketing efforts continue to deliver results aligning with our overall objectives. We progressed in our outreach programs for key audiences with focused participation in events and customer announcements. We also initiated other programs to improve our brand visibility and presence through online and traditional media. Our media relations efforts continued to gain traction as we witnessed a steady growth of our communities in the digital world.

Under our Alliances umbrella, our efforts were spent in further strengthening the eco system. We established working relationships with more System Integrators and are exploring further collaborations across the globe. We have successfully on boarded with 9 Channel Partners across the globe this quarter. Our efforts to keep in touch with global Analysts also continued.

The Manpower numbers are at 1,650 as on Sept 30, 2013. HR focus for the quarter remained on enhancing domain and management competencies in the organization. This quarter has been very important to us as we have been focussing on increasing our organisational capability. We have kept a special focus on increasing the diversity at our workplace in hiring these numbers from different institutes and different academic streams.

The first half of the year has seen us register a healthy growth. Access to new markets and our focus on realizing the full potential of mobility has enhanced our performance. As we move ahead, product innovations, seamless implementation across geographies and nurturing long term customer relationships will continue to be the driving force for strengthening our global leadership position

Going forward, the company is looking at profitable growth by penetrating deeper into fast growing markets like Africa, Middle East and Australia. As a part of the transformational initiatives, Nucleus Software continues to invest in strengthening the sales and marketing backbone.

Vishnu R Dusad

Managing Director & Chief Executive Officer

Date: Oct 19, 2013

FINANCIAL STATEMENTS OF NUCLEUS SOFTWARE EXPORTS LTD.

AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF NUCLEUS SOFTWARE EXPORTS LIMITED

1. We have audited the accompanying Statement of Financial Results ("the Statement") of **NUCLEUS SOFTWARE EXPORTS LIMITED** ("the Company") for the quarter ended 30 September 2013, being submitted by the Company pursuant to Clause 41 of the Listing Agreements with the Stock Exchanges. This Statement has been prepared on the basis of the related interim financial statement, which is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to express an opinion on the Statement, based on our audit of the related interim financial statement, which has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS-25) on Interim Financial Reporting notified under the Companies (Accounting Standards) Rules, 2006 and other accounting principles generally accepted in India.
2. We conducted our audit of the Statement in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement is free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the Statement. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall Statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
 - i. is presented in accordance with the requirements of Clause 41 of the Listing Agreements with the Stock Exchanges and
 - ii. gives a true and fair view of the net profit and other financial information of the Company for the quarter ended 30 September 2013.
4. Further, we also report that we have traced from the details furnished by the Management/ Registrars, the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding, pledged/ encumbered shares and non-encumbered shares of promoter and promoter group shareholders, in terms of Clause 35 of the Listing Agreements and the particulars relating to the investor complaints disclosed in Part II – Select Information for the quarter ended 30 September, 2013 of the Statement, from the details furnished by the Registrar.

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

RASHIM TANDON
Partner
(Membership No. 95540)

Noida
19 October, 2013
RT/SK/2013

BALANCE SHEET

NUCLEUS SOFTWARE EXPORTS LIMITED BALANCE SHEET AS AT 30 SEPTEMBER, 2013

	Notes Ref.	As at 30 Sept 2013 (Rupees)	As at 31 March 2013 (Rupees)
EQUITY AND LIABILITIES			
1. SHAREHOLDERS' FUNDS			
a. Share capital	2.1	323,852,240	323,851,340
b. Advance pursuant to stock option plan	2.2	-	13,200
c. Reserves and surplus	2.3	3,100,872,751	2,870,914,728
		3,424,724,991	3,194,779,268
2. NON-CURRENT LIABILITIES			
Long-term provisions	2.4	108,121,671	103,918,332
3. CURRENT LIABILITIES			
a. Trade payables	2.5	158,311,918	188,939,713
b. Other current liabilities	2.6	452,885,254	510,518,062
c. Short-term provisions	2.7	37,247,295	149,480,388
		648,444,467	848,938,163
		4,181,291,129	4,147,635,763
ASSETS			
1. NON-CURRENT ASSETS			
a. Fixed assets			
- Tangible assets	2.8	291,721,840	287,808,339
- Intangible assets	2.8	36,770,460	43,487,776
- Intangible assets under development		8,160,000	-
		336,652,300	331,296,115
b. Non-current investments	2.9	132,912,212	132,912,212
c. Deferred tax assets (net)	2.10	61,247,186	54,240,458
d. Long-term loans and advances	2.11	235,223,054	260,326,654
e. Other non-current assets	2.12	4,518,388	1,836,179
		770,553,140	780,611,618
2. CURRENT ASSETS			
a. Current investments	2.13	2,106,664,591	1,508,238,181
b. Inventories		-	49,486,419
c. Trade receivables	2.14	456,906,062	572,941,136
d. Cash and bank balances	2.15	516,469,738	904,671,094
e. Short-term loans and advances	2.16	68,715,337	74,182,007
f. Other current assets	2.17	261,982,261	257,505,308
		3,410,737,989	3,367,024,145
		4,181,291,129	4,147,635,763

See accompanying notes forming part of the financial statements

1 & 2

In terms of our report attached
For **DELOITTE HASKINS & SELLS**

Chartered Accountants

RASHIM TANDON

Partner

Place : Noida

Date : 19 October, 2013

For and on behalf of the Board of Directors

JANKI BALLABH

Chairman

VISHNU R DUSAD

Managing Director &
Chief Executive Officer

P K SANGHI

President Finance &
Chief Financial Officer

Place : Noida

Date : 19 October, 2013

POONAM BHASIN

AVP (Secretarial) &
Company Secretary

PROFIT & LOSS

NUCLEUS SOFTWARE EXPORTS LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE QUARTER AND HALF YEAR ENDED 30 SEPTEMBER, 2013

	Notes Ref.	For the quarter ended		For the half year ended	
		30 Sept 2013 (Rupees)	30 Sept 2012 (Rupees)	30 Sept 2013 (Rupees)	30 Sept 2012 (Rupees)
1. REVENUE FROM OPERATIONS					
Income from software products and services	2.18	554,154,697	497,149,990	1,185,647,545	1,016,078,879
2. OTHER INCOME	2.19	42,811,829	60,658,813	187,079,070	142,002,375
3. TOTAL REVENUE (1+2)		596,966,526	557,808,803	1,372,726,615	1,158,081,254
4. EXPENSES					
a. Changes in inventories of stock of trade		-	-	49,486,419	-
b. Employee benefits expense	2.20	312,878,581	291,030,265	626,040,201	601,629,363
c. Operating and other expenses	2.21	158,987,797	122,807,778	322,146,670	272,606,570
d. Finance cost	2.22	734,194	528,915	1,663,539	1,207,299
e. Depreciation and amortisation expense	2.8	14,691,594	10,941,424	27,396,602	23,974,807
TOTAL EXPENSES		487,292,166	425,308,382	1,026,733,431	899,418,039
5. PROFIT BEFORE TAX (3-4)		109,674,360	132,500,421	345,993,184	258,663,215
6. TAX EXPENSE					
a. Current tax expense		33,982,267	27,124,818	100,382,267	62,724,818
b. Deferred tax credit	2.10	(845,073)	(606,432)	(7,006,729)	(2,218,889)
NET TAX EXPENSE		33,137,194	26,518,386	93,375,538	60,505,929
7. PROFIT FOR THE PERIOD		76,537,166	105,982,035	252,617,646	198,157,286
8. EARNINGS PER EQUITY SHARE	2.31				
Equity shares of Rs. 10 each					
a. Basic		2.36	3.27	7.80	6.12
b. Diluted		2.36	3.27	7.80	6.12
Number of shares used in computing earnings per share					
a. Basic		32,383,715	32,383,454	32,383,675	32,383,454
b. Diluted		32,383,715	32,383,454	32,383,634	32,383,454

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

In terms of our report attached
For **DELOITTE HASKINS & SELLS**
Chartered Accountants

RASHIM TANDON
Partner
Place : Noida
Date : 19 October, 2013

For and on behalf of the Board of Directors

JANKI BALLABH
Chairman

VISHNU R DUSAD
Managing Director &
Chief Executive Officer

P K SANGHI
President Finance &
Chief Financial Officer

POONAM BHASIN
AVP (Secretarial) &
Company Secretary

Place : Noida
Date : 19 October, 2013

CASH FLOW STATEMENT

NUCLEUS SOFTWARE EXPORTS LIMITED

CASH FLOW STATEMENT FOR THE HALF YEAR ENDED 30 SEPTEMBER, 2013

Notes Ref.	For the half year ended 30 Sept 2013 (Rupees)	For the half year ended 30 Sept 2012 (Rupees)
A. Cash flow from operating activities		
Net profit before tax	345,993,184	258,663,215
Adjustment for:		
Depreciation	27,396,602	23,974,807
Exchange Loss/(gain) on translation of foreign currency accounts	(18,252,078)	(32,705,378)
Dividend received from non-trade investments	(23,243,724)	(45,890,736)
Dividend on Long term trade investment	(62,500)	(50,000)
Dividend received from subsidiary	(93,931,921)	(30,000,000)
Interest on fixed deposits and others	(43,289,536)	(28,526,773)
Interest on loan to subsidiaries	(316,846)	-
Net Loss/(Profit) on sale of investments	(2,832,443)	41,426
Net Loss/(Profit) on sale of fixed assets	(405,689)	(365,557)
Provision for doubtful debts/advances/other current assets	24,742,880	8,883,460
Provisions written back	-	(3,242,396)
Operating profit before working capital changes	215,797,929	150,782,068
Adjustment for (increase) / decrease in operating assets		
- Trade receivables	147,271,979	268,901,540
- Inventories	49,486,419	-
- Short-term loans and advances	(821,487)	9,211,778
- Long-term loans and advances	2,612,099	2,787,898
- Other current assets	(25,234,173)	63,166,633
- Other non-current assets	(2,682,209)	7,486,208
Adjustment for (increase) / decrease in operating liabilities		
- Trade payables and other current liabilities	(163,497,209)	(136,326,842)
- Short-term provisions	1,428,605	1,019,206
- Long-term provisions	4,203,339	3,084,851
	228,565,292	370,113,340
Income tax paid (net)	(67,264,623)	(54,810,888)
Net cash from operating activities (A)	161,300,669	315,302,452
B. Cash flow from investing activities		
Purchase of fixed assets	(25,315,301)	(16,817,057)
Sale of fixed assets	473,583	344,132
Purchase of current investments	(2,043,987,876)	(1,864,475,309)
Proceeds from sale of current investments	1,445,561,466	1,724,019,941
Loans and advances to subsidiaries (net)	(874,743)	12,528,855

Bank balance not considered as cash and cash equivalents - placed	(478,070,702)	(865,249,927)
Bank balance not considered as cash and cash equivalents - matured	851,423,761	706,598,987
Interest on fixed deposits and others	42,396,927	29,164,182
Income tax paid	(8,904,143)	(9,546,138)
Dividend received from non-trade investments	23,243,724	45,890,736
Dividend on Long term trade investment	62,500	50,000
Dividend received from subsidiary	93,931,921	30,000,000
Profit on Sale of Long term non trade investment	2,832,443	-
Net cash from / (used in) investing activities (B)	(97,226,440)	(207,491,598)

C. Cash flow from financing activities

Dividend paid (including corporate dividend tax)	(97,697,968)	(89,227,448)
Advance pursuant to employee stock option scheme / proceeds from employee stock option exercised	12,060	-
Net cash used in financing activities (C)	(97,685,908)	(89,227,448)

Net increase / (decrease) in cash and cash equivalents (A+B+C)	(33,611,679)	18,583,406
Opening cash and cash equivalents	53,247,333	30,811,278
Exchange difference on translation of foreign currency bank accounts	18,763,382	(4,313,675)
Closing cash and cash equivalents	38,399,036	45,081,009

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

In terms of our report attached

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

For and on behalf of the Board of Directors

RASHIM TANDON

Partner

Place : Noida

Date : 19 October, 2013

JANKI BALLABH

Chairman

VISHNU R DUSAD

Managing Director &
Chief Executive Officer

P K SANGHI

President Finance &
Chief Financial Officer

Place : Noida

Date : 19 October, 2013

POONAM BHASIN

AVP (Secretarial) &
Company Secretary

Note 1:

1.1 Company Overview

Nucleus Software Exports Ltd. ('Nucleus' or 'the Company') was incorporated on 9 January 1989 in India as a private limited company. It was subsequently converted into a public limited company on 10 October, 1994. The Company made an initial public offer in August 1995. As at 30 September, 2013, the Company is listed on two stock exchanges in India namely National Stock Exchange and Bombay Stock Exchange. The Company has wholly owned subsidiaries in Singapore, USA, Japan, Netherlands and India. The Company's business consists of software product development and marketing and providing support services mainly for corporate business entities in the banking and financial services sector.

1.2. Significant accounting policies

(i) Basis of preparation

The financial statements are prepared under the historical cost convention on the accrual basis, in accordance with the Indian Generally Accepted Accounting Principles ("GAAP") and mandatory accounting standards as prescribed in the Companies (Accounting Standard) Rules, 2006, the provisions of the Companies Act, 1956 and guidelines issued by the Securities and Exchange Board of India ("SEBI"). 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 expected contract costs to be incurred to complete contracts, provision for doubtful debts, 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) Inventories

Inventories are valued at the lower of cost and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale.

(iv) Cash flow statement

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

(v) Depreciation and amortisation

Depreciation on fixed assets, 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. Leasehold land is amortised over the period of lease. The leasehold improvements are amortised over the remaining

period of 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. Assets costing less than Rs. 5,000 are fully depreciated in the month of purchase.

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

Asset category	Useful life (in years)
Tangible asset	
Building	30
Plant and machinery (including office equipment)	5
Computers	4
Vehicles	5
Furniture and fixtures	5
Temporary wooden structures (included in furniture and	1
Intangible asset	
Software	3

Such rates are higher than the rates specified in Schedule XIV of the Companies Act, 1956.

(vi) Revenue recognition

Revenue from software development services comprises income from time and material and fixed price contracts. Revenue from time and material 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 year 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 sale of goods is recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales exclude sales tax and value added tax.

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

(vii) Other Income

Profit on sale of investments is recorded on transfer of title from the Company and is determined as the difference between the sales price and the then carrying value of the investment.

Interest income is accounted on accrual basis.

Dividend income is recognised when the right to receive the same is established.

(viii) Expenditure

The cost of software purchased for use in software development and services is charged to cost of revenues in the year of acquisition. Expenses are accounted for on accrual basis and provisions are made for all known losses and liabilities.

(ix) 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 incidental costs related to acquisition and installation. Fixed assets under construction, advances paid towards acquisition of fixed assets and cost of assets not put to use before the year end, are disclosed as capital work-in-progress.

(x) Intangible assets

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

(xi) 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.

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.

(xii) 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.

(xiii) Employee stock option based compensation

The excess of market price of underlying equity shares as of the date of the grant of options over the exercise price of the options given to employees under the employee stock option plan is recognised as deferred stock compensation cost and is amortised on graded vesting basis over the vesting period of the options.

(xiv) 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.

(xv) Post Sales client support and warranties

The Company provides its clients with fixed period warranty for correction of errors and support on its fixed price product orders. Revenue for such warranty period is allocated based on the estimated effort required during warranty period.

(xvi) Operating leases

Lease payments under operating lease are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

(xvii) Earnings per share

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

(xviii) Taxation

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

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

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. 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.

(xix) Research and development

Revenue expenditure incurred on research and development is expensed as incurred. Capital expenditure incurred on research and development is capitalised as fixed assets and depreciated in accordance with the depreciation policy of the Company.

(xx) Impairment

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.

(xxi) Provision and Contingencies

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

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

Contingent assets are not recognised in the financial statements.(xxii) 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.

(xxiii) 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.

(xxiv) 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.

NOTES FORMING PART OF THE ACCOUNTS FOR THE QUARTER ENDED 30 SEPTEMBER, 2013

NUCLEUS SOFTWARE EXPORTS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2.1 SHARE CAPITAL

Particulars	As at 30 Sept 2013 (Rupees)	As at 31 March 2013 (Rupees)
a. Authorized Equity shares 40,000,000 (40,000,000) equity shares of Rs. 10 each	400,000,000	400,000,000
b. Issued, Subscribed and Paid-Up		
Issued 32,386,524 (32,386,434) equity shares of Rs. 10 each	323,865,240	323,864,340
Subscribed and Paid-Up		
32,383,724 (32,383,634) equity shares of Rs. 10 each, fully paid up	323,837,240	323,836,340
Add: 2,800 (2,800) forfeited equity shares pending reissue (see note (v))	15,000	15,000
	323,852,240	323,851,340

Refer notes (i) to (v) below :-

- (i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period :-

Particulars	Opening Balance	Allotted under Employee Stock Option Plans during the period	Closing Balance
a. For the period from 01 April, 2013 to 30 September, 2013			
- Number of shares	32,383,634	90	32,383,724
- Amount	323,836,340	900	323,837,240
b. For the year from 01 April, 2012 to 31			

March, 2013			
- Number of shares	32,383,454	180	32,383,634
- Amount	323,834,540	1,800	323,836,340

(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, except in case of interim dividend. 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) Number of shares held by shareholders holding more than 5% of the aggregate shares in the Company :-

Particulars	As at 30 Sept 2013		As at 31 March 2013	
	(Number)	(Percentage)	(Number)	(Percentage)
Karmayogi Holdings Private Limited	9,000,000	28%	9,000,000	28%
Vishnu R Dusad	3,603,492	11%	3,603,492	11%
Nucleus Software Engineers Private Limited	2,385,882	7%	2,385,882	7%
Madhu Dusad	2,045,048	6%	2,036,248	6%

(iv) As at 30 September 2013, Nil Shares (As at 31 March, 2013, 1,320 shares) of Rs. 10 each were reserved for issuance towards employee stock options granted. (Also see note 2.2)

(v) Details of forfeited shares

Particulars	As at 30 Sept 2013		As at 31 March 2013	
	(Number)	(Rupees)	(Number)	(Rupees)
Equity shares with voting rights	2,800	15,000	2,800	15,000

2.2 EMPLOYEES STOCK OPTION PLAN ("ESOP")

Employee Stock Option Scheme and Employee Stock Purchase Scheme Guidelines, 1999, issued by the SEBI, is effective for all stock option schemes established after 19 June 1999. In accordance with these Guidelines, the excess

- a. of the market price of the underlying equity shares as of the date of grant of options over the exercise price of the option, including up-front payments, if any, is to be recognized and amortised on graded vesting basis over the vesting period of the options.

The Company currently has two ESOP schemes ESOP scheme - 2005 (instituted in 2005) and ESOP scheme - 2006 (instituted in 2006). These schemes were duly approved by the Board of Directors and Shareholders in their

- b. respective meetings. The 2005 scheme provides for 600,000 options and 2006 scheme provides for 1,000,000 options to eligible employees. These schemes are administered by the Compensation Committee comprising four members, the majority of whom are independent directors.
- c. Details of options granted, forfeited and exercised during the period in the above mentioned scheme are as follows:

Particulars	Half year ended	Weighted	Year ended	Weighted
	30 Sept 2013	Average	31 March 2013	Average
	(Number)	(Rupees)	(Number)	(Rupees)

2005 Stock Option Scheme

Options outstanding at the beginning of the period	1,320	144	1,700	144
Options granted	-	-	-	-
Options forfeited	(1,230)	144	(200)	144
Options exercised	(90)	144	(180)	144
Balance carried forward	-	-	1,320	144

2006 Stock Option Scheme

Options outstanding at the beginning of the period	-	-	15,064	509
Options granted	-	-	-	-
Options forfeited	-	-	(15,064)	509
Options exercised	-	-	-	-
Balance carried forward	-	-	-	-
Total stock options outstanding at end of the period (in Nos)	-	-	1,320	-
Advance pursuant to stock option plan (in Rs.) (See Note below)	-	-	13,200	-

- d. During the half year ended 30 September, 2013, 1,230 shares (Year ended 31 March, 2013: 15,264 shares) were forfeited and the amount paid up as application money aggregating to Rs. 12,300 (Year ended 31 March, 2013: Rs. 152,640) has been transferred to the Capital reserve. (Also see note 2.3(a))

Particulars	As at	As at
	30 Sept 2013	31 March 2013
	(Rupees)	(Rupees)

2.3 RESERVES AND SURPLUS

- a. Capital reserve

Opening balance	8,887,930	8,735,290
Add : Amount forfeited against employees	12,300	152,640

stock option plan		
Closing balance	8,900,230	8,887,930
b. Securities premium account		
Opening balance	21,889,429	21,865,309
Add : Premium on conversion of stock options issued to employees	12,060	24,120
Closing balance	21,901,489	21,889,429
c. Hedging reserve [see note 2.36]		
Opening balance	6,370,074	(147,146)
Add / (Less) : Effect of foreign exchange rate variations on hedging instruments outstanding at the end of the period	(38,647,713)	6,517,220
Closing balance	(32,277,639)	6,370,074
d. General reserve		
Opening balance	767,620,461	730,532,471
Add: Transferred from surplus in Statement of Profit and Loss	-	37,087,990
Closing balance	767,620,461	767,620,461
e. Surplus in Statement of Profit and Loss		
Opening balance	2,066,146,834	1,841,151,919
Add: Profit for the period	252,617,646	370,879,901
Less : Appropriations		
- Proposed final dividend on equity shares [see note (i) below]	-	97,150,902
- Tax on dividend charge/(credit) [see note 2.39]	(15,963,730)	11,646,094
- Transferred to general reserve	-	37,087,990
Closing balance	2,334,728,210	2,066,146,834
	3,100,872,751	2,870,914,728

Note :

- (i) The Board of Directors, at their meeting held on 27 April, 2013 had recommended a final dividend of Rs. 3 per equity share for the year ended 31 March, 2013, which was approved by shareholders through poll in Annual General Meeting held on 10 July 2013.

Particulars	As at 30 Sept 2013 (Rupees)	As at 31 March 2013 (Rupees)
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2.4 LONG-TERM PROVISIONS

Provision for employee benefits

- Provision for compensated absences	35,347,214	35,029,478
- Provision for gratuity	72,774,457	68,888,854
	108,121,671	103,918,332

2.5 TRADE PAYABLES

a. Trade Payables

- Micro and small enterprises	-	-
- Others	154,043,215	182,598,016

b. Due to subsidiaries (see note 2.32)

4,268,703	6,341,697
158,311,918	188,939,713

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.

2.6 OTHER CURRENT LIABILITIES

a. Advance from customers	144,279,979	148,598,580
b. Advance billing	-	93,262,132
c. Deferred revenue	230,342,250	224,800,364
d. Mark-to-market loss on forward and options contracts (see note 2.36)	33,410,211	-
e. Unpaid dividends	1,860,540	2,047,659
f. Payable for purchase of fixed assets	7,505,380	2,494,274
g. Other payables - statutory liabilities	29,008,339	22,176,583
h. Other payables - forward contract cancellation	1,416,800	-
i. Book Overdraft	5,061,755	17,138,470
	452,885,254	510,518,062

2.7 SHORT-TERM PROVISIONS

a. Provision for employee benefits		
- Provision for compensated absences	13,656,055	13,533,135
- Provision for gratuity	23,591,240	22,285,555
b. Provision for proposed equity dividend	-	97,150,902
c. Provision for tax on proposed dividend (see note 2.39)	-	16,510,796
	37,247,295	149,480,388

NUCLEUS SOFTWARE EXPORTS LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2.8 Fixed Assets (At Cost)

PARTICULARS	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK		
	As at 1 April 2013	Additions	Deductions / adjustments (Note (i))	As at 30 Sept 2013	As at 1 April, 2013	Depreciation for the period	Deductions / adjustments (Note (i))	As at 30 Sept 2013	As at 31 March 2013
Tangible assets									
Freehold land	3,360,720 (3,360,720)	-	-	3,360,720 (3,360,720)	-	-	-	3,360,720 (3,360,720)	3,360,720 (3,360,720)
Leasehold land	66,395,000 (66,395,000)	-	-	66,395,000 (66,395,000)	8,134,965 (7,383,407)	375,779 (751,558)	-	57,884,256 (58,200,035)	58,260,035 (59,763,151)
Leasehold improvements	7,583,420 (12,758,283)	-	434,731 (5,174,863)	7,148,689 (7,583,420)	7,583,420 (12,758,283)	-	434,731 (5,174,863)	-	- (1,236,967)
Buildings	242,275,991 (242,275,991)	-	-	242,275,991 (242,275,991)	59,438,363 (51,378,002)	3,066,111 (8,060,361)	-	178,871,517 (182,837,628)	182,837,628 (198,899,761)
Plant and equipment	114,674,612 (113,853,217)	2,352,110 (4,721,398)	2,668,753 (3,900,003)	114,357,969 (114,674,612)	108,206,471 (105,619,064)	2,537,640 (6,910,977)	2,611,232 (4,322,990)	6,225,090 (6,466,141)	6,466,141 (22,259,481)
Office equipment	28,529,271 (27,900,002)	1,073,064 (1,144,164)	45,319 (514,895)	29,596,816 (28,529,271)	28,440,982 (28,031,655)	1,316,607 (2,501,237)	45,519 (91,910)	3,844,746 (4,088,289)	4,086,289 (6,548,964)
Computer equipment	234,752,030 (225,831,595)	14,235,772 (20,024,872)	4,302,587 (11,104,437)	244,685,215 (234,752,030)	205,092,115 (203,447,818)	6,274,905 (13,246,681)	4,302,587 (11,002,384)	37,020,722 (39,059,915)	29,059,815 (26,596,279)
Vehicles	14,427,706 (15,116,453)	1,534,953 (1,533,137)	1,919,525 (2,221,884)	14,043,134 (14,427,706)	11,548,094 (12,653,271)	591,234 (1,116,707)	1,909,152 (2,221,884)	3,812,968 (2,879,612)	2,879,612 (4,879,270)
Furniture and fixtures	36,670,113 (37,500,454)	-	489,050 (1,432,041)	36,181,063 (36,670,113)	35,816,114 (35,933,214)	152,168 (1,210,200)	489,050 (1,327,300)	701,831 (853,999)	853,999 (4,961,995)
Intangible assets									
Software	748,668,863 (744,991,715)	19,195,899 (28,025,271)	9,860,165 (24,348,123)	758,004,597 (748,668,863)	460,860,524 (451,204,714)	15,214,504 (33,797,141)	9,792,271 (24,141,531)	291,721,840 (287,808,339)	287,808,339 (328,506,588)
	171,727,503 (127,918,358)	5,464,782 (43,809,145)	-	177,192,285 (171,727,503)	128,239,727 (112,335,330)	12,182,098 (15,904,397)	-	36,770,460 (43,487,776)	43,487,776 (15,583,028)
	920,396,366 (872,910,073)	24,660,681 (71,834,416)	9,860,165 (24,348,123)	935,196,882 (920,396,366)	589,100,251 (563,540,044)	27,396,602 (49,701,538)	9,792,271 (24,141,331)	328,492,300 (331,296,115)	331,296,115 (344,089,616)

Notes :

(i) Some of the assets have been re-grouped during the previous year, based on the nature of assets.

(ii) Figures in bracket pertain to previous year ended 31 March 2013.

Particulars	As at 30 Sept 2013 (Rupees)	As at 31 March 2013 (Rupees)
2.9 NON-CURRENT INVESTMENTS (at cost)		
- Trade (unquoted)		
Investments in equity instruments of subsidiaries		
a. 625,000 (625,000) equity shares of Singapore Dollar 1 each, fully paid up, in Nucleus Software Solutions Pte. Ltd., Singapore, a wholly owned subsidiary	16,319,950	16,319,950
b. 1,000,000 (1,000,000) equity shares of US Dollar 0.35 each, fully paid up, in Nucleus Software Inc., USA, a wholly owned subsidiary	16,293,150	16,293,150
Less: Provision for diminution in value of investment in Nucleus Software Inc., USA	(16,293,150)	(16,293,150)
c. 200 (200) equity shares of Japanese Yen 50,000 each, fully paid up, in Nucleus Software Japan Kabushiki Kaisha, Japan, a wholly owned subsidiary	4,092,262	4,092,262
d. 1,000,000 (1,000,000) equity shares of Rs 10 each, fully paid up, in VirStra i-Technology Services Limited, India, a wholly owned subsidiary [Of the above, 6 (6) equity shares are held by nominees on behalf of the Company]	10,000,000	10,000,000
e. 4,000 (4,000) equity shares of Euro 100 each, fully paid up, in Nucleus Software Netherlands B.V., Netherlands, a wholly owned subsidiary	24,242,000	24,242,000
Less: Provision for diminution in value of investment in Nucleus Software Netherlands B.V., Netherlands	(24,242,000)	(24,242,000)
f. 10,000,000 (10,000,000) equity shares of Rs. 10 each, fully paid up, in Nucleus Software Limited, India a wholly owned subsidiary [Of the above, 6 (6) equity shares are held by nominees on behalf of the Company]	100,000,000	100,000,000
	130,412,212	130,412,212
- Other investments (unquoted)		
Investment in equity instruments (Unquoted)		
250,000 (250,000) equity shares of Rs. 10 (Rs. 10) each, fully paid up, in Ujjivan Financial Services Private Limited	2,500,000	2,500,000
Aggregate amount of non current investments	132,912,212	132,912,212

2.10 DEFERRED TAX ASSET (Net)

Particular	Opening as at 1 April 2013	(Credited)/ charge during the period	Closing as at 30 Sept 2013
	(Rupees)	(Rupees)	(Rupees)
a. Deferred tax assets			
Provision for compensated absences, gratuity and other employee benefits	45,718,618	(1,897,667)	47,616,285
Provision for doubtful debts / service income accrued but not due	15,682,378	(7,058,343)	22,740,721
	61,400,996	(8,956,010)	70,357,006
b. Deferred tax liabilities			
On difference between book balance and tax balance of fixed assets	7,160,538	1,949,281	9,109,820
	54,240,458	(7,006,729)	61,247,186
c. Net deferred tax (liability) / asset	54,240,458	(7,006,729)	61,247,186

Particulars	As at 30 Sept 2013	As at 31 March 2013
	(Rupees)	(Rupees)

2.11 LONG-TERM LOANS AND ADVANCES

(Unsecured, considered good)

a. Loans to subsidiaries (see note 2.32) (also see note (i) and (ii) below)	103,524,898	101,802,898
b. Security Deposits	11,082,506	11,176,092
c. Loans and advances to employees - Staff Loans	680,456	2,300,076
d. Prepaid expenses	6,613,686	7,512,579
e. Balances with government authorities - Advance tax [net of provision of Rs. 377,468,123 (Rs. 277,168,123)] (see note 2.25)	113,321,508	137,535,009
Total	235,223,054	260,326,654

Note (i) : Disclosure under section 370 (1B) of the Companies Act, 1956 is given below :-

Amount outstanding at the end of period

-	Long Term		
a.	Nucleus Software Limited, India	90,946,898	90,946,898
b.	Nucleus Software Inc., USA	12,578,000	10,856,000
-	Short Term (See note 2.16)		
a.	Nucleus Software Inc., USA	6,289,000	5,428,000

Maximum amount outstanding during the period

a.	Nucleus Software Limited, India	90,946,898	90,946,898
b.	Nucleus Software Inc., USA	20,196,000	22,600,000

Note (ii) :Disclosure as per Clause 32 of the Listing Agreements with the Stock Exchanges is given below :-

Loans and advances in the nature of loans given to subsidiaries :

Name of the party	Interest Rate	Repayment Schedule	Amount outstanding as at 30 Sept 2013 (Rupees)	Maximum balance outstanding during the period
a. Nucleus Software Limited, India	Interest free	Payable on demand after 31 March 2018.	90,946,898 (90,946,898)	90,946,898 (90,946,898)
b. Nucleus Software Inc., USA	3% over six months LIBOR	5 yearly installments (December 2011 to December 2015)	18,867,000 (20,352,000)	20,196,000 (22,600,000)

Note: Figures in bracket pertains to previous year ended 31 March, 2013.

Particulars	As at 30 Sept 2013 (Rupees)	As at 31 March 2013 (Rupees)
2.12 OTHER NON CURRENT ASSETS (Unsecured, considered good)		
a. Long-term bank deposits	4,175,000	1,625,000
b. Interest accrued but not due on bank deposits	343,388	211,179
	4,518,388	1,836,179

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.

NUCLEUS SOFTWARE EXPORTS LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2.13 Current investments - Non trade (At the lower of cost and fair value)

a. Investment in mutual funds

Name	Units as at 30 Sept 2013	Value of units as at 30 Sept 2013	Units as at 31 March 2013	Value of units as at 31 March 2013
	(Numbers)	(Rupees)	(Numbers)	(Rupees)
- Liquid Schemes of Mutual Funds (Quoted)				
a. Birla Sun Life Savings Fund - Daily Dividend-Regular Plan	-	-	205,788	20,597,222
b. Birla Sun Life Cash Plus - Daily Dividend - Regular Plan	2,289	229,398	735,277	73,671,097
c. Birla Sun Life Cash Plus - Daily Dividend - Direct Plan	925,330	92,713,457	-	-
d. JPMORGAN India Liquid Fund-Super Inst.- Daily Dividend Reinvestment	-	-	14,676,604	146,881,985
e. JPMORGAN India Treasury Fund-Super Inst. - Daily Dividend Reinvestment	-	-	5,148,608	51,531,900
f. DSP BlackRock Liquidity Fund-Institutional Plan-Daily Dividend-Reinvestment	67	67,108	-	-
g. DSP BlackRock Liquidity Fund-Direct Plan-Daily Dividend-Reinvestment	8,909	8,911,338	-	-
h. ICICI Prudential Liquid Fund-Direct Plan-Daily Dividend-Reinvestment Option	1,163,129	116,375,161	-	-
i. ICICI Prudential Liquid - Regular Plan - Daily Dividend	214	21,393	1,222,150	122,242,629
j. Kotak Floater Short Term Fund-Direct Plan-Daily Dividend-Reinvestment Option	64,970	65,724,835	-	-
k. Kotak Floater Short Term Fund - Daily Dividend	16,574	16,766,588	128,641	130,136,216
l. HDFC Liquid Fund- Direct Plan-Daily Dividend-Reinvestment Option	5,672,962	57,854,001	-	-
m. Reliance Liquid Fund-Treasury Plan-Daily Dividend Option	-	-	31,013	47,410,382
n. Reliance Liquid Fund-Treasury Plan-Direct Plan-Daily Dividend-Reinvestment Option	17,664	27,003,740	-	-
o. UTI Money market Fund-Institutional Plan- Direct Plan- Daily Dividend-Reinvestment	55,680	55,868,760	-	-
p. Templeton India Treasury Management Account Super Institutional Plan - Direct Plan- Daily Dividend Reinvestment	239,508	239,746,844	-	-

q. Templeton India Treasury Management Account Super Institutional Plan	-	-	46,901	46,932,204
r. Tata Liquid Fund- Direct Plan- Daily Dividend Reinvestment	137,123	152,825,896	-	-

- Fixed Maturity Plans/Interval Plans (Quoted)

a.	Birla Sun Life Fixed Term Plan-Series FU-Growth-366 Days	5,000,000	50,000,000	5,000,000	50,000,000
b.	Birla Sun Life Fixed Term Plan-Series FV-Growth-367 Days	2,100,000	21,000,000	2,100,000	21,000,000
c.	Kotak FMP Series 102 Direct - Growth	5,000,000	50,000,000	5,000,000	50,000,000
d.	SBI Debt Fund Series - 366 days-10-Growth	-	-	1,000,000	10,000,000
e.	SBI Debt Fund Series - 366 days-12-Growth	-	-	1,000,000	10,000,000
f.	SBI Debt Fund Series - 366 days-17-Growth	2,000,000	20,000,000	2,000,000	20,000,000
g.	SBI Debt Fund Series - 366 days-19-Growth	6,000,000	60,000,000	6,000,000	60,000,000
h.	SBI Debt Fund Series - 366 days 25 - Direct Plan-Growth	10,000,000	100,000,000	10,000,000	100,000,000
i.	DSP BlackRock FMP-Series 82-12M-Growth	5,000,000	50,000,000	5,000,000	50,000,000
j.	DSP BlackRock FMP-Series 81-12M-Growth	5,000,000	50,000,000	5,000,000	50,000,000
k.	DSP BlackRock FMP-Series 52-9M-Dividend Payout	3,000,000	30,000,000	3,000,000	30,000,000
l.	DSP BlackRock FMP-Series 52-9M-Dividend-Payout	3,041,587	30,415,869	3,041,587	30,415,869
m.	DSP BlackRock FMP-Series 116-3M-Dividend Option	5,000,000	50,000,000	-	-
n.	DSP BlackRock FMP-Series 112-3M-Dividend Option	3,000,000	30,000,000	-	-
o.	ICICI Prudential Interval Fund-Annual Interval Plan IV -Regular Plan - Growth	1,442,814	20,000,000	1,442,814	20,000,000
p.	HDFC FMP 370D April 2012(2) – Growth - Series XXI	-	-	1,000,000	10,000,000
q.	HDFC FMP 370D October 2012(1) – Growth - Series 22	1,000,000	10,000,000	1,000,000	10,000,000
r.	HDFC FMP 371D November 2012(1) – Growth - Series 23	6,000,000	60,000,000	6,000,000	60,000,000
s.	HDFC FMP 371D November 2012(2) – Growth - Series 23	5,000,000	50,000,000	5,000,000	50,000,000
t.	HDFC FMP 370D December 2012(1) – Growth - Series 23	1,915,678	19,156,780	1,915,678	19,156,780
u.	UTI-Fixed Income Interval Fund -IV-Annual Interval Plan-Retail Option-	3,365,915	50,000,000	3,365,915	50,000,000

	Growth				
v.	UTI Fixed Term Income Fund-Series XIII-I (368 Days) Growth Plan	5,000,000	50,000,000	5,000,000	50,000,000
w.	UTI Fixed Term Income Fund-Series XIV-VI (368 Days) - Direct Plan - Growth	1,826,190	18,261,897	1,826,190	18,261,897
x.	ICICI Prudential FMP Series 69 -366 Days Plan G Growth	5,000,000	50,000,000	-	-
y.	ICICI Prudential Interval Fund III-Quarterly Interval Plan Dividend	4,998,650	49,999,996	-	-
z.	ICICI Prudential FMP Series 68 -369 Days Plan I Growth	1,000,000	10,000,000	-	-
aa.	Kotak Quarterly Interval Plan Series 4 Dividend	3,991,857	40,000,000	-	-
ab.	Kotak FMP Series 105 Direct - Growth	3,100,000	31,000,000	-	-
ac.	Kotak Quarterly Interval Plan Series 7 Dividend	2,498,052	25,000,000	-	-
ad.	Kotak FMP Series 120 Half Yearly - Dividend	2,000,000	20,000,000	-	-
ae.	HDFC FMP 371D July 2013 (1) Series 26 – Growth Option	4,772,153	47,721,530	-	-
af.	Birla SunLife Fixed Term Plan-Series HX-91 Days-Dividend Option	5,000,000	50,000,000	-	-
ag.	Birla SunLife Interval Income Fund Quarterly Plan-Series 1-Dividend Option	2,992,310	30,000,000	-	-

	123,349,625	2,006,664,591	96,887,166	1,408,238,181
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b. Investment in bonds (Quoted)

- Indian Railway Finance Corporation Limited Tax free bonds

	100,000	100,000,000	100,000	100,000,000
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Aggregate amount of current investment

	2,106,664,591	1,508,238,181
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Aggregate market value of quoted investment

	2,163,724,824	1,525,694,247
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Particulars

**As at
30 Sept 2013
(Rupees)**

**As at
31 March 2013
(Rupees)**

**2.14 TRADE RECEIVABLES (see note below)
(Unsecured)**

a.	Debts outstanding for a period exceeding six months from the date they were due for payment		
	- Considered good	15,240,111	22,819,606
	- Considered doubtful	24,956,729	23,716,430
		<hr/>	<hr/>
		40,196,840	46,536,036
	Less: Provision for doubtful debts	(24,956,729)	(23,716,430)
		<hr/>	<hr/>
		15,240,111	22,819,606
b.	Other debts (Unsecured, Considered good)	441,665,951	550,121,530
		<hr/>	<hr/>
	Total	456,906,062	572,941,136
		<hr/> <hr/>	<hr/> <hr/>

Note :-

Trade receivables include debt due from companies under the same management within the meaning of section 370(1B) of Companies Act, 1956.

a.	Nucleus Software Solutions Pte Ltd, Singapore	6,954,252	5,331,026
b.	Nucleus Software Japan Kabushiki Kaisha, Japan	11,142,982	11,721,037
c.	Nucleus Software Inc., USA	23,050,867	38,439,793
d.	Nucleus Software Netherlands B.V., Netherlands	31,575,229	27,195,883
e.	VirStra i -Technology Services Limited, India	64,723	135,845

2.15 CASH AND BANK BALANCES

Cash and cash equivalents

a.	Cash on hand	56,713	13,879
b.	Remittance in transit	-	9,219,803
c.	Balances with scheduled banks:		
	- in current accounts	4,657,536	3,958,371
	- in EEFC accounts	10,242,774	32,694,065
d.	Balance with non scheduled banks in current accounts:		
	- Citibank, United Kingdom	939,717	413,361
	- Citibank, U.A.E	3,014,510	708,222
	- Citibank, Spain	787,786	639,632
e.	Balances with scheduled banks in deposit accounts with original maturity of less than 3 months :	18,700,000	5,600,000
		<hr/>	<hr/>
		38,399,036	53,247,333

Other bank balances

a.	Balances with scheduled banks in earmarked accounts:		
	- unclaimed dividend accounts	1,865,504	2,052,623

Balances with scheduled banks in deposit		
b.	accounts with original maturity of more than 3 months :	
	- Original maturity of more than 12 months	476,205,198
	- Original maturity of less than 12 months	-

478,070,702	851,423,761
516,469,738	904,671,094

Details of balances as on balance sheet dates with scheduled banks in current accounts:-

- Citi Bank	168,043	241,128
- HDFC Bank	2,971,600	3,148,910
- DBS Bank	61,497	61,497
- ICICI Bank	748,198	270,089
- State Bank of India	236,747	236,747
- Citi Bank *	9,851,675	32,051,065
- HDFC Bank *	862,550	643,000
- HDFC Bank **	1,865,504	2,052,623
	16,765,814	38,705,059

* EEFC account

** Earmarked for unclaimed dividend

Particulars	As at	As at
	30 Sept 2013	31 March, 2013
	(Rupees)	(Rupees)
Details of balances as on balance sheet dates with scheduled banks in deposit accounts:-		
- HDFC Bank	11,039,294	60,539,294
- Citi Bank	18,700,000	8,100,000
- Bank of India	168,300,000	198,500,000
- State Bank of Travancore	89,400,000	89,400,000
- ICICI Bank	10,000,000	200,000,000
- Corporation Bank	97,365,904	198,331,844
- Punjab national Bank	100,100,000	100,100,000
	494,905,198	854,971,138
Detail of fixed deposit under lien		
- HDFC Bank	1,039,294	1,039,294
- Citi Bank	-	2,500,000
Total	1,039,294	3,539,294

2.16 SHORT-TERM LOANS AND ADVANCES

(Unsecured, considered good)

a.	Loans to subsidiaries (see note 2.32)	6,289,000	5,428,000
b.	Security deposit	598,854	501,317
c.	Loans and advances to employees		
	- Staff loans	2,497,102	3,241,606

- Employee advances	6,605,169	7,756,341
d. Prepaid expenses	42,718,126	35,491,286
e. Balances with government authorities		
- Advance fringe benefit tax [net of provision Rs. 24,915,859 (Rs. 24,915,859)]	2,732,275	2,732,275
- Service tax credit receivable	1,783,235	4,373,739
f. Others		
- Supplier advances	1,650,418	1,198,356
- Mark-to-market gain on forward contracts (see note 2.36)	-	7,149,157
- Expenses recoverable from customers	3,841,158	6,309,930
	68,715,337	74,182,007

2.17 OTHER CURRENT ASSETS

(Unsecured)

a. Service income accrued but not due

- Considered good	230,552,009	227,284,511
- Considered doubtful	41,947,424	22,421,781
	<u>272,499,433</u>	<u>249,706,292</u>
Less : Provision for service income accrued but not due	(41,947,424)	(22,421,781)
	230,552,009	227,284,511

b. Interest accrued but not due on

- Fixed deposits with banks	26,616,489	29,293,091
- Loan to subsidiary	427,078	140,857
- Current, non trade investments	4,386,685	786,849
	<u>261,982,261</u>	<u>257,505,308</u>

Particulars	Quarter ended 30 Sep 2013 (Rupees)	Quarter ended 30 Sept 2012 (Rupees)	Half year ended 30 Sept 2013 (Rupees)	Half year ended 30 Sept 2012 (Rupees)
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2.18 INCOME FROM SOFTWARE PRODUCTS AND SERVICES

a. Software development Products and services (see note below)

- Domestic	165,459,157	127,471,051	326,483,739	277,910,085
- Overseas	388,695,540	369,678,939	801,821,080	738,168,794

b. Sale of goods

-	-	57,342,726	-
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	554,154,697	497,149,990	1,185,647,545	1,016,078,879
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Note:

Income from software products and services for quarter and half year ended 30 September, 2013 includes prior period revenue of Rs. Nil and Rs. Nil (Quarter and half year ended 30 September, 2012 Rs. Nil, Rs. 3,745,151).

Particulars	Quarter ended	Quarter	Half year ended	Half year
	30 Sept 2013	ended 30 Sept 2012	30 Sept 2013	ended 30 Sept 2012
	(Rupees)	(Rupees)	(Rupees)	(Rupees)
2.19 OTHER INCOME				
a. Interest income on				
- Deposits with banks	19,379,397	15,156,252	39,709,372	28,526,773
- Loan to subsidiary	160,118	198,943	316,846	410,451
- Current, non trade investments	1,790,082	-	3,580,164	-
- Income tax refund	4,496,028	-	4,496,028	-
b. Dividend income from				
- Current, non trade investments	12,042,358	23,775,314	23,243,724	45,890,736
- Non-current, non trade investment	62,500	-	62,500	50,000
- Subsidiary company (see note 2.32)	-	30,000,000	93,931,921	30,000,000
c. Net gain on sale of investments				
- Long term trade investment	-	-	-	-
- Current, non trade investments	1,778,300	-	2,832,443	-
d. Net Gain / (Loss) on foreign currency				
- Gain / (Loss) on exchange fluctuation	4,218,707	(10,723,612)	18,414,030	32,843,554
- Gain / (Loss) on ineffective hedges (see note 2.36)	(1,295,524)	(937,668)	(161,952)	(138,176)
e. Other non-operating income				
- Excess provisions written back	-	2,972,976	-	3,242,396
- Net Reversal of employees stock compensation expense	-	-	-	-
- Net Profit on sale of fixed assets/discarded assets	(32,601)	-	405,689	375,429
- Miscellaneous income	212,464	216,608	248,305	801,212
	42,811,829	60,658,813	187,079,070	142,002,375

Particulars	Quarter ended	Quarter	Half year ended	Half year
	30 Sept 2013	ended 30 Sept 2012	30 Sept 2013	ended 30 Sept 2012
	(Rupees)	(Rupees)	(Rupees)	(Rupees)
2.20 EMPLOYEE BENEFITS EXPENSES				
a. Salaries and wages	285,458,428	265,230,797	570,944,677	549,182,821
b. Contribution to provident and other funds	15,890,115	15,436,239	29,599,070	29,373,766
c. Gratuity expense (see note 2.35)	5,547,165	4,971,480	11,094,330	10,742,768
d. Staff welfare expenses	5,982,873	5,391,749	14,402,124	12,330,008
	312,878,581	291,030,265	626,040,201	601,629,363

**Employee benefit expenses include
Managing Director remuneration as follows :**

a. Salary	1,500,000	1,500,000	3,000,000	3,000,000
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b.	Contribution to provident and other funds	90,000	90,000	180,000	180,000
		1,590,000	1,590,000	3,180,000	3,180,000

Notes:

The above remuneration does not include expense towards retirement benefits since the same is calculated for the Company as a whole.

Particulars	Quarter ended	Quarter	Half year ended	Half year	
	30 Sept 2013	ended 30 Sept 2012	30 Sept 2013	ended 30 Sept 2012	
	(Rupees)	(Rupees)	(Rupees)	(Rupees)	
2.21 OPERATING AND OTHER EXPENSES					
a.	Outsourced technical service expense	8,573,427	11,196,007	18,078,758	24,048,136
b.	Cost of software purchased for delivery to clients	19,862,954	3,643,499	47,879,090	31,691,115
c.	Power and fuel	11,505,512	8,921,009	22,646,506	17,092,438
d.	Rent (see note 2.23)	6,900,541	7,665,705	13,603,139	15,005,391
e.	Repair and maintenance				
	- Buildings	969,389	625,402	2,077,923	845,222
	- Others	5,148,013	5,042,040	9,846,342	9,856,227
f.	Insurance	1,041,576	797,035	2,052,412	1,580,251
g.	Rates and taxes	517,984	689,153	989,838	1,381,236
h.	Travel expenses				
	- Foreign	39,206,424	34,416,680	75,156,213	73,523,836
	- Domestic	5,437,862	5,757,874	11,366,163	8,984,940
i.	Advertisement and business promotion	3,169,830	2,578,927	5,257,667	3,845,273
j.	Legal and professional (see note 2.27)	10,466,491	8,772,225	18,874,507	17,383,937
k.	Directors remuneration	940,000	1,800,000	4,280,000	3,380,000
l.	Conveyance	4,335,183	2,557,953	7,471,975	5,055,352
m.	Communication	3,788,458	3,494,233	6,951,470	7,151,687
n.	Training and recruitment	6,160,429	4,659,398	8,923,546	7,070,756
o.	Net loss on sale of fixed assets/discarded assets	-	9,872	-	9,872
p.	Loss on Current non trade investments	-	24,982	-	41,426
q.	Conference, exhibition and seminar	7,966,347	29,017	9,248,770	8,661,504
r.	Information technology expenses	3,542,942	3,755,486	6,991,559	7,755,941
s.	Provision for doubtful debts/advances/other current assets	4,358,116	7,248,775	24,742,880	8,883,460
t.	Commission to channel partners	3,601,202	2,849,068	6,569,563	7,055,302
u.	Miscellaneous expenses	11,495,117	6,273,438	19,138,349	12,303,268
		158,987,797	122,807,778	322,146,670	272,606,570

Directors Remuneration includes :

Non Executive Directors

a.	Commission	400,000	1,200,000	3,400,000	2,400,000
b.	Sitting fees	540,000	600,000	880,000	980,000
		940,000	1,800,000	4,280,000	3,380,000

2.22 FINANCE COST

Bank Charges	734,194	528,915	1,663,539	1,207,299
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2.23 OPERATING LEASE

Obligations on long-term, non-cancelable operating leases

The Company has acquired office premises under cancellable and non-cancellable operating lease. Operating lease rentals paid during the quarter and half year ended 30 September, 2013 is Rs. 6,900,541 , Rs. 13,603,139 (Rs. 7,665,705 ; Rs. 15,005,391). The future minimum lease expense in respect of non-cancellable leases for the quarter ended 30 September 2013 is Rs. Nil (As at 31 March 13, Rs. Nil).

2.24 MAT Credit entitlement

During earlier years, the Company has 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 half year ended 30 September, 2013, the Company is liable to Normal Tax as its Normal Tax is higher than MAT Tax Liability. The Company has utilised the balance MAT Credit Entitlement for the half year ended 30 September, 2013 of Rs. Nil (Half year ended 30 September, 2012 Rs. 20,937,715) , to set off its liability for payment of Income Tax.

2.25 Advance Tax (Net of provision)

Advance Tax (Net of provision) aggregating to Rs. 113,321,508 (As at 31 March, 2013 : Rs. 137,535,009) has been classified as Long-Term Loans and Advances as the same represents amount recoverable from Income Tax Department after the completion of Income Tax Assessments.

2.26 Commitments

Particulars	As at 30 Sept 2013	As at 31 March 2013
	(Rupees)	(Rupees)

a. Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for in the books of account (net of advances).	17,472,560	1,961,645
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b. Other Commitments

The Company is committed to provide financial support to its subsidiary companies, as and when required.

The Company has given an undertaking to repay the amounts due to Nucleus Software Solutions Pte Limited, Singapore (subsidiary company) by Nucleus Software Japan Kabushiki Kaisha, Japan (subsidiary company) and Nucleus Software Inc., USA (subsidiary company) , in the event that the later parties are unable to repay the same, as and when it falls due. (Also see note 2.32)

As on 30 September, 2013, the Company has outstanding bank guarantee and letter of credits of Rs. 17,529,476 (Previous year Rs. 8,821,000). These are secured to the extent of Rs. 15 crores against all present and future receivables and inventories of the Company.

Particulars	Quarter ended 30 Sept 2013	Quarter ended 30 Sept 2012	Half year ended 30 Sept 2013	Half year ended 30 Sept 2012
	(Rupees)	(Rupees)	(Rupees)	(Rupees)

2.27 Auditors Remuneration (excluding service tax)

a. As auditors - statutory audit, including	650,000	450,000	1,100,000	900,000
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quarterly audits				
b. For other services	50,000	225,000	225,000	275,000
c. Reimbursement of expenses	146,706	-	146,706	48,375
	846,706	675,000	1,471,706	1,223,375

2.28 CIF value of imports

Capital goods	9,744,409	3,528,264	12,614,232	10,400,194
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2.29 Earnings in foreign currency

a. Software development services and products	388,695,540	369,678,939	801,821,080	738,168,794
b. Dividend income from subsidiary company	-	-	93,931,921	-
c. Interest income on loan to subsidiary	160,118	198,943	316,846	410,451
	388,855,658	369,877,882	896,069,847	738,579,245

Particulars	Quarter ended 30 Sept 2013 (Rupees)	Quarter ended 30 Sep 2012 (Rupees)	Half year ended 30 Sept 2013 (Rupees)	Half year ended 30 Sept 2012 (Rupees)
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2.30 Expenditure in foreign currency

a. Travel expenses	30,027,618	25,658,482	56,273,760	54,511,668
b. Legal and professional	2,081,914	1,059,551	3,024,234	3,437,787
c. Cost of software purchased for delivery to clients	2,303,104	2,086,827	5,478,425	4,472,674
d. Conference, exhibition and seminar	7,900,458	24,517	8,818,200	8,651,579
e. Outsourced technical service expense	3,003,020	3,458,255	6,190,170	7,261,984
f. Salaries and wages	12,517,032	5,348,612	24,003,362	19,420,735
g. Commission to channel partners	3,601,202	2,849,068	6,569,563	6,410,339
h. Rent	2,216,678	1,658,218	4,361,947	3,862,613
i. Others	6,416,765	3,340,004	11,433,790	8,497,113
	70,067,791	45,483,534	126,153,451	116,526,492

2.31 Earnings per share

a. Profit after taxation available to equity shareholders (Rupees)	76,537,166	105,982,035	252,617,646	198,157,286
b. Weighted average number of equity shares used in calculating basic earnings per share	32,383,715	32,383,454	32,383,675	32,383,454
c. Effect of dilutive issue of shares	-	-	-	-
d. Weighted average number of equity shares used in calculating diluted earnings per share	32,383,715	32,383,454	32,383,675	32,383,454
e. Basic earnings per share (Rupees)	2.36	3.27	7.80	6.12
f. Diluted earnings per share (Rupees)	2.36	3.27	7.80	6.12

2.32 RELATED PARTY TRANSACTIONS

List of related parties – where control exists

a. Wholly owned subsidiary companies

- Nucleus Software Solutions Pte Ltd, Singapore
- Nucleus Software Japan Kabushiki Kaisha, Japan
- Nucleus Software Inc., USA
- Nucleus Software Netherlands B.V., Netherlands
- VirStra i -Technology Services Limited, India
- Nucleus Software Limited, India

b. Other subsidiary company (wholly owned subsidiary of VirStra i Technology Services Limited)

- VirStra i -Technology (Singapore) Pte Ltd., Singapore

c. Other related parties:

- Key managerial personnel:
- Vishnu R Dusad (Managing Director)

Particulars	Quarter ended 30 Sept 2013	Quarter ended 30 Sept 2012	Half year ended 30 Sept 2013	Half year ended 30 Sept 2012
	(Rupees)	(Rupees)	(Rupees)	(Rupees)
Transactions with related parties				
a. Software development, services and products				
- Nucleus Software Japan Kabushiki Kaisha, Japan	37,448,024	36,257,534	75,255,014	68,630,103
- Nucleus Software Solutions Pte Ltd, Singapore	21,120,099	12,918,957	37,476,592	28,017,428
- Nucleus Software Inc., USA	7,297,966	1,648,329	11,911,334	3,853,442
- Nucleus Software Netherlands B.V., Netherlands	4,935,561	5,613,761	7,323,206	10,800,786
b. Other income				
Dividend income				
- VirStra i -Technology Services Limited, India	-	30,000,000	-	30,000,000
- Nucleus Software Solutions Pte Ltd, Singapore	-	-	93,931,921	-
Interest income				
- Nucleus Software Inc., USA	160,118	198,943	316,846	410,451
c. Managerial remuneration [including perquisite value of Rs. 2,856 and Rs. 23,904 for the quarter and half year ended 30 September, 2013 respectively (Rs. Nil ; Rs. 143,583)]				
- Vishnu R Dusad (Managing director)	1,592,856	1,590,000	3,203,904	3,323,583
d. Cost of software purchased for delivery				

to clients				
- Nucleus Software Solutions Pte Ltd, Singapore	1,002,000	864,155	1,577,634	1,916,970
e. Outsourced technical service expense				
- Nucleus Software Solutions Pte Ltd, Singapore	963,456	1,493,540	2,308,632	2,937,705
f. Lease Rent Paid				
- Nucleus Software Limited, India	2,064,414	2,064,414	4,128,828	4,128,282
g. Reimbursement of expenses from				
- Nucleus Software Solutions Pte Ltd, Singapore	1,886,256	1,700,313	4,350,841	3,641,795
- Nucleus Software Japan Kabushiki Kaisha, Japan	49,809	47,413	150,110	338,547
- Nucleus Software Inc., USA	691,346	788,741	1,975,101	1,439,983
- Nucleus Software Netherlands B.V., Netherlands	251,524	262,322	419,477	1,591,730
- VirStra i -Technology Services Limited, India	39,569	32,825	65,185	82,112
- Nucleus Software Limited, India	-	5,134	8,826	5,539
h. Reimbursement of expenses to				
- Nucleus Software Solutions Pte Ltd, Singapore	467,077	99,731	522,793	262,170
- Nucleus Software Japan Kabushiki Kaisha, Japan	-	-	-	22,264

Outstanding balances as at period end

Particulars	As at	As at
	30 Sept 2013	31 March 2013
	(Rupees)	(Rupees)
a. Trade receivables		
- Nucleus Software Solutions Pte Ltd, Singapore	6,954,252	5,331,026
- Nucleus Software Japan Kabushiki Kaisha, Japan	11,142,982	11,721,037
- Nucleus Software Inc., USA	23,050,867	38,439,793
- Nucleus Software Netherlands B.V., Netherlands	31,575,229	27,195,883
- VirStra i -Technology Services Limited, India	64,723	135,845
b. Trade payables		
- Nucleus Software Solutions Pte Ltd, Singapore	900,540	4,024,181
- Nucleus Software Japan Kabushiki Kaisha, Japan	1,510,190	1,352,053
- VirStra i -Technology Services Limited, India	-	164,400
- Nucleus Software Limited, India	1,857,973	801,063

c. Loans to subsidiaries		
- Nucleus Software Inc., USA	18,867,000	16,284,000
- Nucleus Software Limited, India	90,946,898	90,946,898
d. Interest income accrued but not due		
- Nucleus Software Inc., USA	427,078	140,857
e. Service income accrued but not due		
- Nucleus Software Netherlands B.V., Netherlands	5,397,690	11,994,819
f. Deferred revenue		
- Nucleus Software Japan Kabushiki Kaisha, Japan	316,242	4,763,855
- Nucleus Software Netherlands B.V., Netherlands	2,908,809	634,897
- Nucleus Software Inc., USA	1,241,690	-
g. Advance billing		
- Nucleus Software Inc., USA	-	13,675,086
h. Advance from customer		
- Nucleus Software Inc., USA	4,436,881	-
i. Guarantees on behalf of (see note 2.26)		
- Nucleus Software Japan Kabushiki Kaisha, Japan	44,695,734	62,443,012
- Nucleus Software Inc., USA	32,863,083	41,059,474
j. Investments in subsidiary companies (net of provision) (see note 2.9)	130,412,212	130,412,212

Particulars	Half year ended 30 Sept 2013	Year ended 31 March 2013
	(Rupees)	(Rupees)

2.33 Research and development expenditure

Expenditure on research and development as per Accounting Standard 26 from 01 April, 2013 to 30 September, 2013 and 01 April, 2012 to 31 March, 2013

(i) Revenue	79,279,695	135,482,672
(ii) Capital	-	-
	79,279,695	135,482,672

The Company has been accorded initial recognition for the in-house R&D unit by the Department of Scientific and Industrial Research (DSIR) for its R&D centre at Noida effective 31 December, 2012 which is valid till 31 March, 2015. The Company has thereafter applied to DSIR for the approval of weighted deduction under section 35(2AB) of the Income Tax Act, 1961 which is pending with the authorities.

2.34 Segment reporting – Basis of preparation

a. **Segment accounting policies**

The Segment reporting policy complies with the accounting policies adopted for preparation and presentation of financial statements of the Company and is in conformity with Accounting Standard-17 on “Segment Reporting”, as specified in the Companies (Accounting Standards) Rules, 2006. The segmentation is based on the Geographies (reportable primary segment) in which the Company operates and internal reporting systems. The secondary segmentation is based on the nature and type of services rendered.

b. **Composition of reportable segments**

The Company operates in six main geographical segments: India, Far East, South east Asia, Europe, Middle East and Africa which individually contribute 10% or more of the Company's revenue and segment assets.

Income and direct, expenses in relation to segments are categorised based on items that are individually identifiable to that segment, while the remainder of the costs are categorised in relation to the associated turnover and/or man months. Certain expenses such as depreciation, which form a significant component of total expenses, are not specifically allocable to specific segments as the underlying services are used interchangeably across geographies. The Company believes that it is not practicable to provide segment disclosures relating to those costs and expenses, and accordingly these expenses are separately disclosed as “unallocated” and directly charged against total income.

Segment assets and liabilities represent the net assets and liabilities of that segment. All the fixed assets of the Company are located in India. These have not been identified to any of the reportable segments, as these are used interchangeably between segments and across geographies. Other items which are not directly attributable to any particular segment and which cannot be reasonably allocated to various segments are consolidated under “Unallocated” head.

The secondary segmentation is based on the nature and type of services rendered. Accordingly, Secondary Segmentation has been classified under Products and Software Projects and Services. Products revenue includes Income from sale of licenses and all other related customization, implementation, time and material contracts, fixed price contracts and annual technical service for these licenses. Software projects and services includes other time and material contracts and fixed price contracts, whereby no license sale is made by the Company.

Information in respect of primary segment

The profit and loss for reportable primary segment is set out below:

a. **For the quarter ended 30 September 2013**

(Amount in Rupees)

Description	India	Far East	South East Asia	Europe	Middle East	Africa	Others	Total
Revenue from operations	165,459,157	76,969,731	87,489,417	44,573,707	97,353,985	59,325,075	22,983,625	554,154,697
Expenses	104,759,174	40,140,941	73,302,328	22,486,703	56,730,299	24,539,558	11,389,501	333,348,504
Segment result	60,699,983	36,828,790	14,187,089	22,087,004	40,623,686	34,785,517	11,594,124	220,806,193
Unallocated corporate expenditure								153,943,662
Operating profit								

before taxation	66,862,531
Other income	42,811,829
Profit before taxation	109,674,360
Tax Expense	
Current tax expense	33,982,267
Deferred tax credit	(845,073)
	33,137,194
Profit for the period	76,537,166

b. For the quarter ended 30 September 2012

(Amount in Rupees)

Description	India	Far East	South East Asia	Europe	Middle East	Africa	Others	Total
Revenue from operations	127,471,051	96,086,578	77,402,489	49,333,196	96,844,893	32,554,089	17,457,697	497,149,990
Expenses	95,989,583	48,385,240	58,485,090	29,728,160	36,569,483	6,721,848	16,227,116	292,106,520
Segment result	31,481,468	47,701,338	18,917,399	19,605,036	60,275,410	25,832,241	1,230,581	205,043,470
Unallocated corporate expenditure								133,201,862
Operating profit before taxation								71,841,608
Other income								60,658,813
Profit before taxation								132,500,421
Tax Expense								
Current tax expense								27,124,818
Deferred tax credit								(606,432)
								26,518,386
								105,982,035

c. For the half year ended 30

September, 2013

(Amount in Rupees)

Description	India	Far East	South East Asia	Europe	Middle East	Africa	Others	Total
Revenue from operations	383,826,465	164,872,845	169,117,869	82,671,670	247,576,330	92,917,887	44,664,479	1,185,647,545
Expenses	266,924,472	77,346,402	138,459,339	43,060,096	111,344,726	41,608,531	24,661,348	703,404,914
Segment result	116,901,993	87,526,443	30,658,530	39,611,574	136,231,604	51,309,356	20,003,131	482,242,631
Unallocated corporate expenditure								323,328,517
Operating profit before taxation								158,914,114
Other income								187,079,070
Profit before taxation								345,993,184
Tax Expense								100,382,267
Current tax expense								(7,006,729)
Deferred tax credit								93,375,538
Profit for the period								252,617,646

d. For the half year ended 30 September, 2012

(Amount in Rupees)

Description	India	Far East	South East Asia	Europe	Middle East	Africa	Others	Total
Revenue from operations	277,910,085	191,247,542	159,049,396	99,443,669	194,105,582	61,835,912	32,486,692	1,016,078,879
Expenses	188,702,052	100,125,917	120,690,670	69,734,300	83,609,816	18,869,615	25,141,287	606,873,657
Segment result	89,208,033	91,121,625	38,358,726	29,709,369	110,495,766	42,966,297	7,345,405	409,205,222
Unallocated corporate expenditure								292,544,382
Operating profit before taxation								116,660,840
Other income								142,002,375

Profit before taxation	258,663,215
Tax Expense	
Current tax expense	62,724,818
Deferred tax credit	(2,218,889)
	60,505,929
Profit for the period	198,157,286

Assets and liabilities of reportable primary segment are as follows:

a. As at 30 September, 2013

(Amount in Rupees)

Description	India	Far East	South East Asia	Europe	Middle East	Africa	Others	Total
Segment assets	373,291,352	46,700,054	123,212,311	64,993,983	164,361,241	32,894,683	52,831,516	858,285,138
Unallocated corporate assets								3,323,005,991
Total assets								4,181,291,129
Segment liabilities	249,923,520	31,663,873	134,084,238	57,965,024	129,646,648	48,799,396	31,457,012	683,539,712
Unallocated corporate liabilities								73,026,426
Total liabilities								756,566,138
Capital employed								3,424,724,991

b. As at 31 March, 2013

Segment assets	451,521,994	39,328,110	156,956,494	62,701,433	217,390,629	24,356,994	59,369,435	1,011,625,089
Unallocated corporate assets								3,136,010,674
Total assets								4,147,635,763
Segment liabilities	354,994,135	29,539,313	124,167,693	58,268,466	141,255,865	47,400,467	37,681,876	793,307,816
Unallocated corporate liabilities								159,548,679
Total liabilities								952,856,495

952,856,495

Capital employed

3,194,779,268

Listing of capital expenditure, depreciation and other non-cash expenditure of the reportable primary segment are set out below:

a. For the quarter ended 30 September, 2013

Description								(Amount in Rupees)
	India	Far East	South East Asia	Europe	Middle East	Africa	Others	Total
Capital expenditure (unallocated)								22,566,961
Total capital expenditure								22,566,961
Depreciation expenditure (unallocated)								14,691,594
Total depreciation								14,691,594
Segment non-cash expense other than depreciation	(659,474)	-	2,387,315	-	2,484,317	145,958	-	4,358,116
Total non cash expenditure other than depreciation	(659,474)	-	2,387,315	-	2,484,317	145,958	-	4,358,116

b. For the quarter ended 30 September, 2012

Description								(Amount in Rupees)
	India	Far East	South East Asia	Europe	Middle East	Africa	Others	Total
Capital expenditure (unallocated)								6,631,799
Total capital expenditure								6,631,799
Depreciation expenditure (unallocated)								10,941,425
Total depreciation								10,941,425
Segment non-cash expense other than depreciation	4,648,178	-	(724,117)	-	3,324,714		-	7,248,775
Total non cash expenditure other than depreciation	4,648,178	-	(724,117)	-	3,324,714		-	7,248,775

c. For the half year ended 30 September, 2013

								<i>(Amount in Rupees)</i>
Description	India	Far East	South East Asia	Europe	Middle East	Africa	Others	Total
Capital expenditure (unallocated)								32,820,681
Total capital expenditure								32,820,681
Depreciation expenditure (unallocated)								27,396,602
Total depreciation								27,396,602
Segment non-cash expense other than depreciation	6,688,684	-	13,284,126	-	4,624,113	145,957	-	24,742,880
Total non cash expenditure other than depreciation	6,688,684	-	13,284,126	-	4,624,113	145,957	-	24,742,880

d. For the half year ended 30 September, 2012

								<i>(Amount in Rupees)</i>
Description	India	Far East	South East Asia	Europe	Middle East	Africa	Others	Total
Capital expenditure (unallocated)								16,817,057
Total capital expenditure								16,817,057
Depreciation expenditure (unallocated)								23,974,808
Total depreciation								23,974,808
Segment non-cash expense other than depreciation	1,152,266	-	842,885	-	5,968,834	919,475	-	8,883,460
Total non cash expenditure other than depreciation	1,152,266	-	842,885	-	5,968,834	919,475	-	8,883,460

Information in respect of secondary segment

(Amounts in Rupees)

Description	Products	Software projects and services	Total
a. For the quarter ended 30 September, 2013			
Revenue	517,092,329	37,062,368	554,154,697
Carrying amount of segment assets	800,882,251	57,402,887	858,285,138
b. For the quarter ended 30 September, 2012			
Revenue	452,663,549	44,486,441	497,149,990
Carrying amount of segment assets	848,902,665	83,427,655	932,330,320
c. For the half year ending 30 September, 2013			
Revenue	1,117,642,116	68,005,429	1,185,647,545
Carrying amount of segment assets	809,056,302	49,228,836	858,285,138
d. For the half year ending 30 September, 2012			
Revenue	928,145,132	87,933,747	1,016,078,879
Carrying amount of segment assets	851,644,361	80,685,959	932,330,320

Note: The carrying amount of segment assets has been allocated proportionately in ratio of revenue in the related secondary segment.

2.35 Employee Benefit Obligations

Defined contribution plans

An amount of Rs. 15,890,115; Rs. 29,599,069 (Rs. 15,436,239; Rs. 29,373,766) for the quarter and half year ended 30 September, 2013 respectively, have been recognized as an expense in respect of Company's contribution for Provident Fund and Employee State Insurance Fund deposited with the government authorities and has been shown under employee benefit expenses in the Statement of Profit and Loss.

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 for interim period are calculated on year to date basis by using actuarially determined rates at the end of prior financial year, adjusted by the Management's estimates after keeping into consideration only material events occurring during the interim period.

Reconciliation of opening and closing balances of the present value of the defined benefit obligation as on 31 March, 2013

a. Particulars	As at 31 March, 2013
	(Rupees)
Obligation at beginning of the year	83,557,616
Current service cost	14,043,237
Interest cost	7,280,939
Actuarial losses/(gains)	(781,645)
Past service cost	-
Benefits paid	(13,067,924)
Obligation at year end	91,032,223
b. Change in plan assets	
Plan Assets at year beginning, at fair value	-
Contributions by employer	13,067,924
Benefits paid	(13,067,924)
Plan assets at period end, at fair value	-
The Scheme does not have any assets as at the valuation date to meet the gratuity liability.	
Expected employer's contribution next year	22,285,555

c. Gratuity cost for the year:

Particulars	Year ended 31 March, 2013
	(Rupees)
Current service cost	14,043,237
Interest cost	7,280,939
Actuarial losses/(gains)	(781,645)
Past service cost	-
Net gratuity cost	20,542,531

d. Experience adjustment

Particulars	Year ended 31 March, 2009	Year ended 31 March, 2010	Year ended 31 March, 2011	Year ended 31 March, 2012	Year ended 31 March, 2013
	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)
Defined benefit obligation	51,341,655	58,763,800	75,668,784	83,557,616	91,032,223
Plan assets	-	-	-	-	-
Surplus/(Deficit)	(51,341,655)	(58,763,800)	(75,668,784)	(83,557,616)	(91,032,223)

Experience adjustment on plan liabilities	2,701,103	(3,409,464)	(609,066)	(1,340,985)	(2,781,491)
Experience adjustment on plan assets	-	-	-	-	-

e. **Economic assumptions :**

Discount rate	7.85%
Salary escalation rate	7%

f. **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.

g. **Salary escalation rate:**

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

h. **Demographic assumptions**

Retirement age	58 years
Mortality table	LIC (1994-96) duly modified

i. **Withdrawal rates**

Ages - Withdrawal Rate (%)
21-50 years - 20%
51-54 years - 2%
55-57 years - 1%

2.36 Forward contract and option in foreign currency

a. Forward contract outstanding	Buy/Sell	As at 30 Sept 2013	As at 31 March 2013
In USD	Sell	9,000,000	9,000,000
Equivalent amount in Rupees	Sell	566,010,000	488,520,000

Other current liabilities include net marked to market gain of Rs. 33,410,211 (Previous year ended 31 March 2013, short term loans and advances includes Rs. 7,149,157) relating to forward contracts which are outstanding as at period end. The loss on such forward contact which are designated as effective, aggregating to Rs. 32,277,639 (Previous year ended 31 March 2013, gain of Rs. 6,370,074) have been credited to Hedging Reserve. The loss on ineffective contracts aggregating to Rs. 1,132,572 (Previous year ended 31 March 2013 - Gain of Rs. 765,334) has been debited to Statement of Profit and Loss.

c. The period-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below :

Currency	As at 30 Sept 2013		As at 31 March 2013	
	Amount in foreign currency	Amount in rupees	Amount in foreign currency	Amount in rupees
Receivable				
USD	6,475,213	407,226,141	9,311,009	505,401,569
EURO	440,772	37,425,926	1,480,193	102,917,819
MYR	1,711,900	33,142,379	3,446,139	60,410,817
SGD	139,002	6,954,252	177,131	7,731,768
JPY	17,339,115	11,142,982	20,370,242	11,721,037
ZAR	870,749	5,424,765	-	-
Payable				
USD	3,701,486	232,786,446	5,060,295	274,672,813
EURO	258,665	21,963,207	351,212	24,419,770
MYR	286,323	5,543,217	55,495	972,827
GBP	63,096	6,416,208	68,049	5,592,947
SGD	52,581	2,630,644	92,455	4,035,661
CHF	16,145	1,122,562	12,690	723,838
SEK	-	-	57,801	482,638
AED	486,826	8,285,771	49,252	727,945
ZAR	63,805	397,507	-	-
JPY	4,132,429	2,655,705	3,119,773	1,795,117

2.37

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

Particulars	Quarter ended 30 Sept 2013	Quarter ended 30 Sept 2012	Half year ended 30 Sept 2013	Half year ended 30 Sept 2012
	(Rupees)	(Rupees)	(Rupees)	(Rupees)
Income from software services and products	554,154,697	497,149,990	1,185,647,545	1,016,078,879
Software development expenses	349,125,612	320,929,938	691,079,752	677,089,935
Gross Profit	205,029,085	176,220,052	494,567,793	338,988,944
Changes in inventories of stock of trade	-	-	49,486,419	-
Selling and marketing expenses	66,579,160	45,068,782	130,043,048	106,187,610
General and administration expenses	56,895,800	48,368,238	128,727,610	92,165,687
Operating profit before depreciation	81,554,125	82,783,032	186,310,716	140,635,647

Depreciation and amortisation expense	14,691,594	10,941,424	27,396,602	23,974,807
Operating profit after depreciation	66,862,531	71,841,608	158,914,114	116,660,840
Other income	42,811,829	60,658,813	187,079,070	142,002,375
Profit before tax	109,674,360	132,500,421	345,993,184	258,663,215
Tax expense:				
Net current tax expense	33,982,267	27,124,818	100,382,267	62,724,818
Deferred tax credit	(845,073)	(606,432)	(7,006,729)	(2,218,889)
	33,137,194	26,518,386	93,375,538	60,505,929
Profit for the period	76,537,166	105,982,035	252,617,646	198,157,286

2.38 TRANSFER PRICING

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

2.39 During the half year ended 30 September, 2013, as per provision of Income-tax Act, 1961, the Company has taken credit of corporate dividend tax aggregating Rs. 15,963,730 (Year ended 31 March, 2013 : Rs. 4,864,702) on account of tax on dividend received from one of its subsidiaries.

2.40 Revenue recognised up to the reporting date in respect of contracts in progress at the reporting date aggregates to Rs. 805,346,437 (As at 31 March, 2013 : Rs. 764,470,880).

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

For and on behalf of the Board of Directors

JANKI BALLABH

Chairman

VISHNU R DUSAD

Managing Director &
Chief Executive Officer

P K SANGHI

President Finance &
Chief Financial Officer

Place : Noida

Date : 19 October, 2013

POONAM BHASIN

AVP (Secretarial) &
Company Secretary

CONSOLIDATED FINANCIAL STATEMENTS OF NUCLEUS SOFTWARE EXPORTS LTD. AND ITS SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

NUCLEUS SOFTWARE EXPORTS LIMITED CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER, 2013

	Notes Ref.	As at 30 Sept, 2013 (Rupees)	As at 31 March, 2013 (Rupees)
<u>EQUITY AND LIABILITIES</u>			
1. SHAREHOLDERS' FUNDS			
a. Share capital	2.1	323,852,240	323,851,340
b. Advance pursuant to stock option plan	2.2	-	13,200
c. Reserves and surplus	2.3	3,404,398,007	3,176,035,120
		3,728,250,247	3,499,899,660
2. NON-CURRENT LIABILITIES			
a. Long-term provisions	2.4	134,703,481	124,450,634
3. CURRENT LIABILITIES			
a. Trade payables	2.5	247,678,808	253,360,204
b. Other current liabilities	2.6	526,723,091	559,494,626
c. Short-term provisions	2.7	37,247,295	152,415,178
		811,649,194	965,270,008
		4,674,602,922	4,589,620,302
<u>ASSETS</u>			
1. NON-CURRENT ASSETS			
a. Fixed assets			
- Tangible assets	2.8	461,604,931	461,482,267
- Intangible assets	2.8	39,051,488	45,427,669
- Intangible assets under development		8,160,000	-
		508,816,419	506,909,936
b. Non-current investments	2.9	2,523,000	2,523,000
c. Deferred tax assets (net)	2.10	68,201,457	60,779,256
d. Long-term loans and advances	2.11	193,093,354	218,166,791
e. Other non-current assets	2.12	4,518,388	2,023,135
		777,152,618	790,402,118
2. CURRENT ASSETS			
a. Current investments	2.13	2,174,933,124	1,547,406,783
b. Inventories		-	49,486,419
c. Trade receivables	2.14	621,234,534	698,017,163
d. Cash and cash equivalents	2.15	721,011,609	1,119,864,480
e. Short-term loans and advances	2.16	88,934,502	93,101,702
f. Other current assets	2.17	291,336,535	291,341,637
		3,897,450,304	3,799,218,184
		4,674,602,922	4,589,620,302

NUCLEUS SOFTWARE EXPORTS LIMITED
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE QUARTER ENDED 30 SEPTEMBER, 2013

	Notes Ref.	For the quarter ended		For the Half year ended	
		30 Sep, 2013 (Rupees)	30 Sep, 2012 (Rupees)	30 Sep, 2013 (Rupees)	30 Sep, 2012 (Rupees)
1. REVENUE FROM OPERATIONS					
Income from software products and services	2.18	822,516,473	717,472,041	1,685,747,227	1,456,928,464
2. OTHER INCOME	2.19	40,833,326	25,593,389	94,196,708	110,630,369
3. TOTAL REVENUE (1+2)		863,349,799	743,065,430	1,779,943,935	1,567,558,833
4. EXPENSES					
a. Cost of stock in trade		-		49,486,419	-
b. Employee benefits expense	2.20	443,038,095	407,564,579	889,575,503	836,877,054
c. Operating and other expenses	2.21	250,095,267	189,455,930	473,757,462	406,906,933
d. Finance cost	2.22	1,148,859	894,126	2,503,792	1,944,477
e. Depreciation and amortisation expense	2.8	17,840,027	13,706,730	33,495,971	29,612,435
TOTAL EXPENSES		712,122,248	611,621,365	1,448,819,147	1,275,340,899
5. PROFIT BEFORE TAX (3-4)		151,227,551	131,444,065	331,124,788	292,217,934
6. TAX EXPENSE					
a. Current tax expense for current year		41,661,562	31,448,067	115,442,944	71,068,042
b. Tax expense relating to prior year		-	-	-	-
c. Withholding taxes charged off		968,042	-	1,990,858	-
d. Net current tax expense		42,629,604	31,448,067	117,433,802	71,068,042
e. Deferred tax credit		(845,073)	(956,449)	(7,409,880)	(2,754,759)
NET TAX EXPENSE		41,784,531	30,491,618	110,023,922	68,313,283
7. PROFIT FOR THE YEAR		109,443,020	100,952,447	221,100,866	223,904,651
8. EARNINGS PER EQUITY SHARE	2.26				
Equity shares of Rs. 10 each					
a. Basic		3.38	3.12	6.83	6.91
b. Diluted		3.38	3.12	6.83	6.91
Number of shares used in computing earnings per share					
a. Basic		32,383,715	32,383,454	32,383,675	32,383,454
b. Diluted		32,383,715	32,383,454	32,383,634	32,383,454

NUCLEUS SOFTWARE EXPORTS LIMITED
CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 30 SEPTEMBER, 2013

Notes	For the period ended	Year ended
Ref.	30 September, 2013	31 March, 2013
	(Rupees)	(Rupees)
A. Cash flow from operating activities		
Net profit before tax	331,124,788	600,544,068
<i>Adjustment for:</i>		
Depreciation	33,495,971	60,916,415
Exchange difference on translation of foreign currency accounts	(18,252,078)	(40,716,923)
Dividend received from non trade investments	(24,873,655)	(73,283,265)
Dividend on Long term trade investment	(62,500)	(50,000)
Interest on fixed deposits	(43,518,320)	(72,894,566)
(Profit)/Loss on sale of investments	(2,832,443)	(10,328,341)
Amortisation of employees compensation expenses	-	-
Profit on sale of fixed assets (net)	(405,689)	(2,979,280)
Loss on assets discarded	-	-
Bad debts / advances written off	-	-
Provisions written back	-	(6,703,108)
Advances and other current assets written off	-	-
Provision for doubtful debts / advances	33,214,453	43,661,751
Provision for diminishing in value of investment	-	-
Operating profit before working capital changes	307,890,527	498,166,751
Adjustment for (increase) / decrease in operating assets		
Trade receivable	84,443,745	177,567,139
Short-term loans and advances	(6,982,687)	17,338,603
Inventories	49,486,419	(49,486,419)
Long-term loans and advances	556,780	3,423,101
Other current assets		
Other non-current assets		
Increase in loans and advances		
Other current assets	(9,324,341)	93,312,620
Other non-current assets	(2,495,253)	11,925,862
Adjustment for (increase) / decrease in operating liabilities		
Trade payables and other current liabilities	(80,935,520)	112,077,402
Short-term provisions	(1,506,185)	1,697,654
Long-term provisions	10,252,847	11,819,452
Other long term liabilities	-	-
	351,386,332	877,842,165
Direct taxes paid	(77,380,908)	(130,172,843)

Net cash from operating activities (A)		274,005,424	747,669,322
B. Cash flow from investing activities			
Purchase of fixed assets/capital work in progress		(27,897,074)	(76,210,145)
Profit / (Loss) on sale of fixed assets		405,689	2,979,280
Purchase of current investments		(627,526,341)	(506,126,416)
Proceeds on sale of current investments		-	-
Proceeds on sale of non trade investments		-	-
Purchase of fixed deposits		-	-
Bank balance not considered as cash and cash equivalents - placed		(497,168,998)	(916,736,052)
Bank balance not considered as cash and cash equivalents - matured		916,736,052	707,293,108
Interest on fixed deposits		41,845,641	73,410,671
Income tax paid		(8,904,143)	(26,968,168)
Dividend received from non trade investments		24,873,655	73,283,265
Dividend on Long term trade investment		62,500	50,000
Profit on Sale of Long term non trade investment		2,832,443	10,328,341
Net cash from/ (used in) investing activities (B)		(174,740,576)	(658,696,116)
C. Cash flow from financing activities			
Dividend paid (including corporate dividend tax)		(97,697,968)	(94,095,935)
Advance pursuant to employee stock option scheme / proceeds from employee stock option exercised		12,060	24,120
Net cash used in financing activities (C)		(97,685,908)	(94,071,815)
Net increase / (decrease) in cash and cash equivalents (A+B+C)		1,578,940	(5,098,609)
Opening cash and cash equivalents	2.15	203,128,428	212,967,879
Exchange difference on translation of foreign currency bank accounts		19,135,243	(4,740,842)
Closing cash and cash equivalents	2.15	223,842,611	203,128,428

Management's Discussion and Analysis of Financial Condition and Results of Consolidated Operations of Nucleus Software Exports Ltd. and Subsidiary Companies

Financial statements of the Company are prepared under the historical cost convention in compliance with the requirements of the Companies Act, 1956, Generally Accepted Accounting Principles (GAAP) in India and mandatory accounting standards as prescribed in Companies (Accounting Standard) Rules, 2006. All income and expenditure items having a material bearing on the financial statements are recognized on accrual basis. The consolidated financial statements have been prepared in accordance with the principles and procedures for the preparation and presentation as laid under Accounting Standard 21 on "Consolidated Financial Statements" issued by the ICAI.

Overview

The Company was incorporated on January 9, 1989 as Nucleus Software Exports Private Limited with its registered office at 33-35 Thyagraj Nagar Market, New Delhi 110 003. Subsequently in October 1994, it was converted into a Public Limited Company. In August 1995, Nucleus made an Initial Public Offer and is currently listed at National Stock Exchange of India Ltd., and BSE Ltd. Nucleus provides software solutions to the Banking and Financial Services Industry. For over 20 years, we have developed solutions spanning from Retail Banking to Corporate Banking, Cash Management, Internet Banking and Credit Cards. FinnOne™, the Flagship product of Nucleus Software is a comprehensive suite for Retail Banking applications comprising of modules like Customer Acquisition System, Loan Management, Delinquency and Recovery Management, Deposits and Finance Against Securities. Cash@Will™ and BankONet™ are the offerings from Nucleus Software in the area of Cash Management and Internet Banking respectively. Over the years, our committed professionals have provided solutions par excellence and with the experience and skills, we have been able to create a global footprint of clients and partners across multiple continents with multi-product, multi-service, multi-currency and multi-lingual implementations, leading to worldwide acceptability and customer satisfaction. Nucleus operates through integrated and well-networked subsidiaries in India, Japan, Netherlands, Singapore and USA and branch offices in Chennai and Mumbai in India and in London, UK and Dubai. The Singapore subsidiary has branch offices in Seoul in Korea and Manila in Philippines. These Subsidiaries/branch offices help the Company in providing front-end support to clients and explore new opportunities.

Since 1995, product development has been our forte and the Company has chosen to exclusively develop products and further add value through dedicated research and development initiatives.

Company Strengths

The Company's business broadly consists of Development and Marketing of Software Products and Software Services for business entities in the Banking and Financial Services (BFS) vertical. With a single point focus on the banking and financial industry, the Company's focus on product development is to build products on latest architecture & technology stack. They will have advanced feature & functionalities to support growing need of

business. At Nucleus our strategy is to ultimately touch and improve lives of more and more people across the world by equipping Banks with superior technology products for managing lending operations. Our key strengths include:

- Robust functionality of products
- A satisfied and widely spread customer base
- Commitment to deliver quality and Value through our portfolio of products
- Strong and rich BFS domain expertise
- Reputation of being a 'Leader' / Niche player
- Following Best practices of Corporate Governance
- A pool of technically qualified skilled resources
- Highly competent and geared up Leadership team
- Industry recognitions and accolades from all across the globe

Nucleus Software is embarking on a makeover which will take it to the next level. This endeavor demonstrates our passion for perfection and relentless commitment to deliver world class products to our customers. In this journey, we have been honoured and feel grateful for having received various accolades, a few of them to list would be:

- FinnOne™ has been ranked as the **Global No. 1 Lending Software solution** for the fifth consecutive year by IBS Publishing, UK in their Sales League Table 2013 for Banking Product Sales.

Annual Report and Accounts of the Company for the year ended March 31, 2012 was adjudged as the **BEST** under the Category X – Service Sector (Other than financial services sector–turnover less than ₹ 500 crore) of the '**ICAI Awards for Excellence in Financial Reporting**'. A GOLD SHIELD was awarded to the Company for the fifth consecutive year.

NASSCOM Corporate Award for Excellence in Diversity and Inclusion 2013 for the category **Best IT services & Product Company – Special recognition (less than 5000 employees)**

'**Best Online Annual Report**' globally in the technology sector & the Best in '**Most Improved Financial Disclosure Procedures**' in the regional rankings for India for the year 2012 by IR Global Rankings (IRGR).

Annual Report for the year ended March 31, 2012 won the **Platinum Award** for excellence within the Technology–Software industry and ranked 22nd amongst the Top 100 Annual Reports in the Vision Awards by the League of American Communications Professionals (LACP), USA.

- Social and Corporate Governance Award 2013 in the category '**Best Overall Corporate Governance**'

Titanium Award for **Investor Relations, Corporate Governance** and Environment Responsibility in the Asset Triple A Corporate Awards 2012.

- CIMB Malaysia, our customer, powered by Nucleus Software's FinnOne™ implementation, has received the Process Excellence Award for Collection and Debt Management at the prestigious BPA Trailblazer Awards.
- Vietnam Prosperity Bank's Loan Origination system, powered by Nucleus Software's FinnOne CAS, LMS and Collections was recognized with Model Bank Award by Celent (March 2013).
- Forrester recognized Nucleus as a "Global Pursuer" and stated it "regained traction in 2010". Based on the number of deals and regions covered, Nucleus was ranked among top Banking Platform providers Source: Global Banking Platform Deals 2010, Forrester Research, Inc., 31 March 2011.
- HDFC Bank, Nucleus Software customer, won the prestigious Celent 2010 Model Bank Award for its loan origination system, FinnOne™.
- Ranked amongst the Top 25 companies adopting "Good Corporate Governance Practices" by ICSI for fourth consecutive year in 2009.
- Forrester Research, a leading independent analyst firm, recognized Nucleus Software as an industry vertical specialist in their report "Working With Tier Two Offshore Providers".
- Nucleus Software Ranked Amongst India's Top 15 Exciting Emerging Companies to Work For by Nasscom.
- Nucleus Software recognized under "Best Practices" for Performance Management System by NASSCOM, 2008.
- Nucleus selected as one of Forbes ASIA's 200 Best under a Billion companies, for the second consecutive year, list released in September 2008.
- Nucleus Software conferred the Best Independent Software Vendor (ISV) Partner (North India for 2008) award by IBM.
- Nucleus Software awarded the "D&B – ECGC Indian Exporters' Excellence Award" by Dun & Bradstreet India (D&B India) and Export Credit Guarantee Corporation of India Ltd (ECGC) for the year 2007.
- Nucleus Software adjudged as one of the fastest growing companies in Asia Pacific under Deloitte Technology Fast 500 – 2007.
- Nucleus Software conferred with Oracle Partner of the Year Award in Fusion Middleware category at an APAC level.
- Nucleus Software awarded for being the Fastest Growing ISV in 2007 by Oracle Corporation.

- Nucleus Software ranked 13th in Dataquest Top 20 Best Employers Survey 2006. Survey was conducted by IDC–Dataquest amongst 200 IT employers across India.

FINANCIAL PERFORMANCE

Financial statements of the Company are prepared in compliance with the Companies Act, 1956 and generally accepted accounting principles in India (Indian GAAP). The Company has six subsidiary companies, all over the world, all of which are wholly-owned subsidiaries.

The consolidated financial results are as below:

(Rs. in crore)

For the Quarter Ended September 30,	2013	% of Revenue	2012	% of Revenue	Growth (%)
Revenue From Operations	82.25	100.00	71.75	100.00	14.64
Expenses					
a) Changes in inventories of stock-in-trade	-	-	-	-	-
b) Employee benefits expense	44.30	53.86	40.76	56.81	8.70
c) Travel expenditure	5.06	6.15	5.13	7.15	(1.37)
d) Finance costs	0.11	0.14	0.09	0.12	28.52
e) Other expenses	19.95	24.26	13.82	19.26	44.39
Total Expenses	69.43	84.41	59.79	83.34	16.12
Operating Profit (EBITDA)	12.82	15.59	11.96	16.66	7.26
Depreciation	1.78	2.17	1.37	1.91	30.15
Operating Profit after Interest and Depreciation	11.04	13.42	10.59	14.75	4.29
Other Income	3.72	4.52	4.39	6.12	(15.28)
Foreign Exchange Gain/ (Loss)	0.36	0.44	(1.83)	(2.55)	NA
Profit Before Tax	15.12	18.39	13.14	18.32	15.05
Taxation					
- Withholding Taxes	0.10	0.12	-	0.00	-
- Income / Wealth Tax	4.17	5.07	3.14	4.38	32.48
- Deferred Taxation	(0.08)	(0.10)	(0.10)	(0.13)	(11.64)
Profit After Tax	10.94	13.31	10.10	14.07	8.41

Revenue from Operations

We derive our revenue from the following business segments:

- Products
- Projects and Services

During the quarter the total revenue is Rs.82.25 crore against Rs. 71.75 crore for the corresponding quarter previous year, representing an increase of 14.64%.

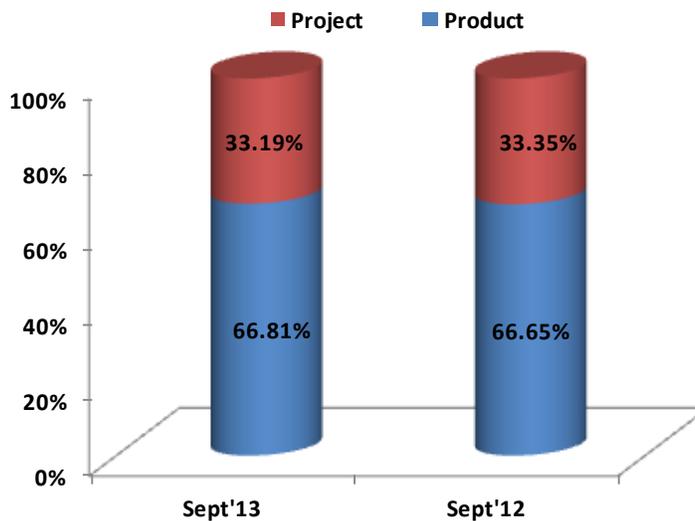
Revenue from Products

Product revenue arises from Products and related services comprising of license fees, revenue from customization and implementation of products and post production and maintenance support. Product revenue is Rs.54.95 crore during the quarter, constituting 66.81% of the total revenue against Rs.47.82 crore, 66.65% of total revenue, in the corresponding quarter previous year. This has grown by 14.92%. We are a Company focused on Product business.

Revenue from Projects and Services

Software services rendered by the Company, classified under this segment, typically consist of development of software to meet specific customer requirements consisting of application development & maintenance, testing services, consulting and infrastructure management services with a strong banking domain focus.

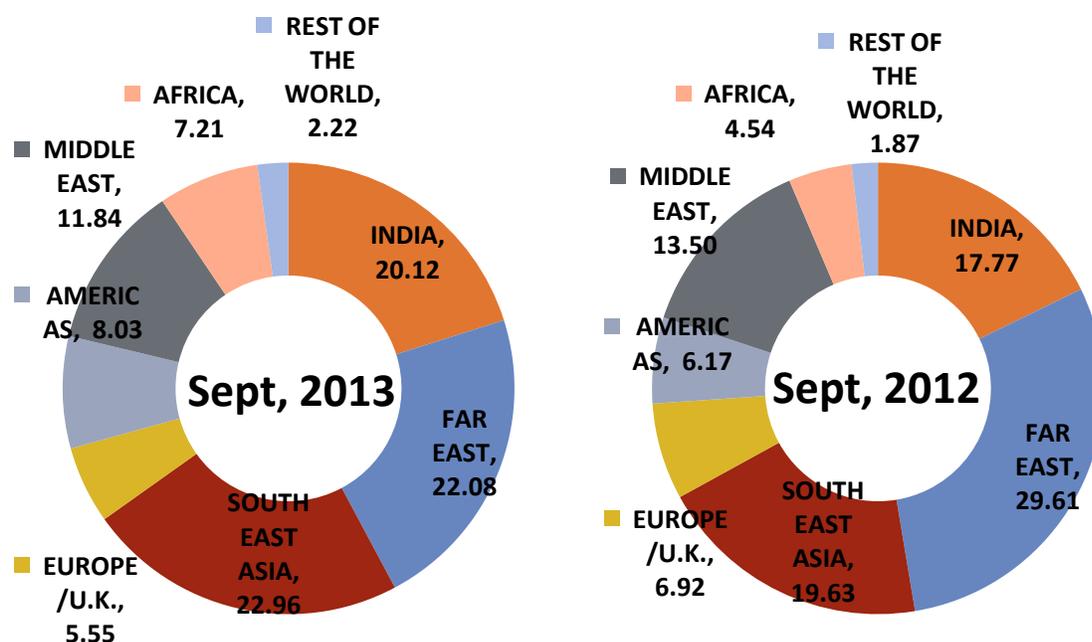
Revenue from software projects and services segment during the quarter is Rs.27.30 crore constituting 33.19% of the total revenue against Rs. 23.93 crore, constituting 33.35% of total revenue in the corresponding quarter previous year. This has increased by 14.08%.



Revenue from Various Geographies

Your Company is incorporated in India, caters to customers situated all across the globe, and hence significant part of the revenue is derived from international sales. The graph below presents a geography-wise distribution for the quarter as well as the corresponding quarter previous year.

+



EXPENDITURE

Employee Benefit Expense

Employee benefit expenses include salaries paid to employees globally which have fixed and variable components; provision for retirement benefits, contribution to provident fund and expense on staff welfare activities. The employee benefit expenses have increased by 8.70% to Rs. 44.30 crore, 53.86% of total revenue. For the corresponding quarter previous year, they were at Rs. 40.76 crore, 56.81% of total revenue.

(Rs. in crore)

For the Quarter Ended September 30,	2013	% of Revenue	2012	% of Revenue	Growth (%)
Salaries and bonus	40.24	48.92	37.58	52.39	7.05
Contribution to provident and other funds	2.22	2.70	2.01	2.79	10.87
Gratuity expense	1.15	1.40	0.53	0.74	117.00
Staff welfare	0.69	0.84	0.64	0.89	9.36
Total Employee Benefit Expenses	44.30	53.86	40.76	56.81	8.70
Revenue	82.25	100.00	71.75	100.00	14.64

Employee costs have risen and we are taking steps to optimize utilization and productivity.

Operating and Other Expenses

Operating and other expenses primarily consist of expenses on travel to execute work at client site and for other related activities, consultancy charges, cost of software purchased for delivery to clients, bandwidth

and communication expense, infrastructure charges and expenses on account of brand building activities. Other expenses included here are training and recruitment costs, legal and professional charges, repairs and maintenance charges, insurance, provision for doubtful debts, bad debts, finance costs and other miscellaneous charges. Operating and other expenses are at Rs.25.12 crore, 30.55% of revenue for the quarter, with an increase of 32% against Rs.19.03 crore, 26.53% of revenue in the corresponding quarter previous year.

(Rs. in crore)

For the Quarter Ended September 30,	2013	% of Revenue	2012	% of Revenue	Growth (%)
Software and other development charges	3.41	4.14	2.26	3.15	50.71
Travelling	5.06	6.15	5.13	7.15	(1.37)
Cost of software purchased for delivery to clients	2.26	2.75	0.35	0.49	546.02
Power and fuel	1.30	1.57	1.02	1.42	27.43
Rent	2.54	3.09	2.79	3.90	(9.20)
Rates & Taxes	0.08	0.09	0.08	0.12	(7.16)
Repair and maintenance	0.91	1.11	0.71	0.99	29.27
Legal and professional	2.55	3.10	2.26	3.15	12.69
Directors remuneration	0.11	0.13	0.19	0.27	(45.54)
Conveyance	0.58	0.71	0.35	0.48	68.90
Communication	0.64	0.78	0.67	0.93	(3.72)
Information technology expenses	0.41	0.50	0.47	0.66	(12.77)
Provision for doubtful debts/advances/other current assets	1.25	1.52	0.72	1.00	74.84
Commission to channel partners	0.36	0.44	0.28	0.40	26.40
Training and recruitment	0.91	1.11	0.45	0.63	101.71
Conference, exhibition and seminar	0.80	0.97	0.05	0.07	1506.60
Loss on Current non trade investments	-	0.00	0.00	0.00	(100.00)
Advertisement and business promotion	0.35	0.43	0.29	0.41	19.29
Insurance	0.21	0.25	0.13	0.19	53.57
Finance Cost	0.11	0.14	0.09	0.12	28.49
Miscellaneous expenses	1.29	1.57	0.73	1.02	76.24
Total Operating and Other Expenses	25.12	30.55	19.03	26.53	32.00
Revenue	82.25	100.00	71.75	100.00	14.64

- Software and other development charges relate to outsourced work for software development and is higher than corresponding quarter previous year by 50.71%.
- Cost of software purchased for delivery to clients has increased by 546.02% for the quarter against the corresponding quarter previous year.
- Provisions for doubtful debts include bad debts written off and provision for all invoices outstanding for a period of 365 days or more and those invoices which are considered doubtful based on the management's perception of risk of collection as per the Company's policies. This figure is Rs.1.25 crore against Rs.0.72 crore in the corresponding quarter previous year.

- Finance cost includes bank charges and fee for issuance of bank guarantees to customers.

We have taken a number of steps to improve our operational efficiency and there has been a very strong control and focus on costs.

Operating Profit (EBITDA)

Operating Profit improved to Rs.12.82 crore, 15.59% of revenue against Rs.11.96 crore, 16.66% of revenue in the corresponding quarter previous year.

Depreciation

Depreciation on fixed assets was Rs.1.78 crore, 2.17% of revenue for the quarter against Rs.1.37 crore, 1.91% of revenue in the corresponding quarter previous year.

Other Income

Other Income primarily consists of interest and dividend income, capital gains on sale of current investments.

	(Rs. in crore)	
For the Quarter Ended September 30,	2013	2012
On Investments		
Capital Gain- Mutual Funds	0.18	-
Dividend on investment in Mutual fund units	1.31	2.40
Interest Income	2.57	1.52
Foreign Exchange differences on consolidation	(0.38)	0.15
Profit on sale of assets	(0.00)	-
Provisions written back	-	0.30
Others	0.04	0.02
Total	3.72	4.39

Other income for the quarter is Rs.3.72 crore, against Rs.4.39 crore in the corresponding quarter previous year.

Foreign Exchange Gain / (Loss)

Foreign Exchange Gain (Loss) includes gain (loss) from cancellation of options and forward contracts, translation of current assets and liabilities at quarter end rates and those arising from realization/payments of receivables/payables respectively. During the quarter, the Company had a foreign exchange gain of Rs. 0.36 crore against a loss of Rs. 1.83 crore for the corresponding quarter previous year.

Taxation

It represents provision for corporate & income taxes in various countries where the Company and subsidiaries operate.

(Rs. in crore)

For the Quarter Ended September 30,	2013	2012
- Withholding taxes charged off	0.10	-
- Current Tax	4.17	3.14
- Deferred Tax Credit (net)	(0.08)	(0.10)
Total	4.18	3.05

Profit after Tax

Our profit after tax for the quarter is Rs.10.94 crore, 13.31% of revenue, against Rs.10.10 crore, 14.07% of revenue, during the corresponding quarter previous year.

Share Capital

Share Capital of the Company consists of Equity Share Capital. The paid-up Share Capital as on Sept 30, 2013 is 32,383,715 equity shares of Rs. 10 each, against 32,383,454 as on Sept 30, 2012.

Subsidiaries

The Company has six wholly owned subsidiary companies, all over the world. There is also a step down subsidiary at Singapore. As 100% of the Share Capital of the Subsidiaries is held by Nucleus Software Exports Limited and nominees; on consolidation of accounts, these amounts are contra with investments in Subsidiaries amounts in the accounts of the Parent Company. Paid-up Share Capital of the Subsidiaries as on Sept 30, 2013 is as per the below table:

Name of Subsidiary Company	Currency	As at Sept 30, 2013		As at June 30, 2013	
		In foreign Currency	Eqv. Rupees (in crore)	In foreign Currency	Eqv. Rupees (in crore)
Nucleus Software Solutions Pte. Ltd. Singapore. 625,000 equity shares of S\$ 1 each.	SGD	625,000	1.63	625,000	1.63
Nucleus Software Inc., USA. 1,000,000 shares of US\$ 0.35 cents each (After provision for diminution)	USD	350,000	1.63	350,000	1.63
Nucleus Software Japan Kabushiki Kaiga, Japan. 200 equity shares of JPY 50,000 each	JPY	10,000,000	0.41	10,000,000	0.41
Virstra i-Technology Services Ltd., India. 1,000,000 equity shares of Rs. 10 each	INR	-	1.00	-	1.00
Nucleus Software Netherlands B.V., Netherlands. 4000 equity shares of Euro 100 each	Euro	400,000	2.42	400,000	2.42

Nucleus Software Limited, India 10,000,000 equity shares of Rs.10/- each	INR	-	10.00	-	10.00
Step down Subsidiary of Nucleus Software Exports Ltd.					
Virstra (Singapore) Pte. Ltd., Singapore. 200,000 equity shares of S\$ 1 each	SGD	200,000	0.56	200,000	0.56

The profits/losses of the Subsidiary Companies are fully reflected in consolidated accounts of the Company and Subsidiaries.

Reserves and Surplus

The movement in the components of reserves and surplus is as below:

(Rs. in crore)			
Particulars	Opening Balance as on July 1, 2013	Additions/ (Deletions) during the period	Closing Balance as on Sept 30, 2013
General Reserve	83.37	-	83.37
Securities Premium	2.19	0.00	2.19
Capital Reserve	0.89	0.00	0.89
Employee Stock Options	-	-	-
Foreign Currency Translation Reserve	10.70	1.47	12.17
Hedging Reserve	(2.90)	(0.44)	(3.33)
Profit and Loss Account Balance	234.21	10.94	245.16
Total	328.46	11.98	340.44

Fixed Assets

As at Sept 30, 2013, gross block of fixed assets including investment in technology assets is Rs.125.94 crore (Rs.124.67 crore June 30, 2013).

(Rs. in crore)			
As at	30-Sep-13	30-Jun-13	Inc/Dec (%)
Gross Block			
Freehold land	0.34	0.34	-
Leasehold land	18.78	18.78	-
Leasehold improvement	0.71	0.76	(5.73)
Building	28.17	28.17	-
Office and other equipment	19.57	19.52	0.25
Computers	32.54	31.71	2.63
Vehicles	1.40	1.40	-
Furniture and fixtures	5.24	5.23	0.23
Software	19.18	18.76	2.23

Total	125.94	124.67	1.02
Less: Accumulated Depreciation	75.88	74.34	2.07
Net Block	50.07	50.34	(0.54)
Add: Capital Work In Progress			NA
Net Fixed Assets	50.07	50.34	(0.54)

Other Long-Term Investments

Other long term investments comprise of investment in 250,000 Equity Shares of face value of Rs.10/- each in Ujjivan Financial Services Private Ltd., a Company promoted in the area of micro finance by a group of experienced professionals with banking and technology background.

Current Investments and Bank Balances

Our capital requirements are completely financed by internal accruals. Your Company continues to remain debt-free and we believe that cash generated from operations and reserves and surplus are sufficient to meet our obligations and requirements towards capital expenditure and working capital requirements

As of Sept 30, 2013 the cash and bank balances stood at Rs.72.52 crore (Rs.104.50 crore on June 30, 2013) and current investments in liquid schemes and Fixed Maturity Plans of mutual funds were Rs.207.50 crore (Rs.169.57 crore on June 30, 2013).

Total cash and cash equivalents are thus at Rs.290.01 crore on Sept 30, 2013 against Rs.284.07 crore as on June 30, 2013.

	(Rs. in crore)	
Cash & Cash Equivalents as at	30-Sep-13	30-Jun-13
Balances with Bank		
In Current Accounts	20.70	19.20
In Fixed Deposit Account	51.82	85.30
Investments in Mutual Funds	207.50	169.57
Investments in tax free PSU Bonds	10.00	10.00
Total	290.01	284.07

As a part of the financial policies, the Company believes in maintaining high level of liquidity as it provides immense support against contingencies and uncertainties.

Our net cash flow from operating activities before working capital changes is Rs.14.26 crore for the quarter against Rs.12.14 crore in the corresponding quarter previous year. After considering working capital changes, operating cash flow is Rs. 10.96 crore against Rs.18.15 crore.

Operating cash flow is today considered a better measure of operations of the Company than the net profits as it measures the cash generated by the operations.

To summarize the Company's liquidity position, given below are few ratios based on consolidated figures:

As at	30-Sep-13	30-Jun-13
Operating cash flow as % of revenue	17.34%	19.15%
Days of sale receivable	69	76

Cash and Equivalents as % of assets	62.04%	60.64%
Cash and Equivalents as % of revenue (LTM)	91.59%	92.79%
Current investments as % of assets	44.39%	36.20%
Current investments as % of revenue (LTM)	65.53%	55.39%

Days of sales receivables (DSR) are at 69 days as on Sept 30, 2013 against 76 days as on June 30, 2013.

The Company has a policy of providing for all invoices outstanding for a period of 365 days or more and for those invoices which are otherwise considered doubtful based on the Management's perception of risk of collection.

Loans and Advances

Loans and Advances as on Sept 30, 2013 are Rs.28.20 crore against Rs.27.22 crore as on June 30, 2013.

	(Rs. in crore)	
As at	30-Sep-13	30-Jun-13
Long term Loans and advances		
Security deposits	3.03	2.92
Advance income tax	10.33	10.22
Prepaid expenses	0.66	0.72
MAT credit entitlement	5.21	4.56
Staff Loans	0.07	0.06
Capital advances	-	-
Total	19.31	18.48
Short term Loans and advances		
Prepaid expenses	6.11	5.97
Supplier advances	0.56	0.52
MAT credit entitlement	-	-
Employee advances	0.98	1.15
Others	1.24	1.10
Total	8.89	8.74
Total Loans and Advances	28.20	27.22

Security Deposits are primarily for hiring of office premises and staff accommodation. The amount is Rs.3.03 crore as on Sept 30, 2013 (Rs.2.92 crore as on June 30, 2013).

Advance income tax is Rs.10.33 crore as on Sept 30, 2013 (Rs.10.22 crore as on June 30, 2013).

Current Liabilities

	(Rs. in crore)	
As at	30-Sep-13	30-Jun-13
Trade Payables	24.77	23.23
Advances from customers	19.98	25.30
Deferred Revenue	23.03	24.18
Mark-to-market loss on forward and options contracts	3.44	2.99

Unclaimed dividend	0.19	0.20
Book Overdraft	0.51	-
Payable for purchase of fixed assets	0.75	0.19
Retention Money	0.14	-
Other Payables- statutory remittances	4.64	4.88
Short term provisions		-
Compensated absences	1.37	1.37
Gratuity	2.36	2.30
Proposed dividend	-	9.72
Tax on dividend	-	0.05
Total	81.16	94.43

Trade payables represent the amount payable for providing goods and services and are Rs.24.77 crore as on Sept 30, 2013 (Rs.23.23 crore as on June 30, 2013).

Advances from customers as on Sept 30, 2013 is Rs.23.03 crore (Rs.25.30 crore as on June 30, 2013). These consist of advance payments received from customers for which related costs have not been yet incurred or product license delivery is at later date.

Short term provisions for leave encashment and gratuity are those for which liability is expected to arise in near future. A sum total of all these short-term provisions as on Sept 30, 2013 is Rs.3.73 crore (Rs.13.45 crore as on June 30, 2013).

Long Term Provisions

Provisions as on Sept 30, 2013 are Rs.13.47 crore (Rs.13.18 crore as on June 30, 2013). The breakup of provisions at the quarter end is given below.

	(Rs. in crore)	
As at	30-Sep-13	30-Jun-13
Gratuity	8.13	7.92
Compensated Absences	5.34	5.26
Total	13.47	13.18

Provisions for Gratuity and Leave encashment represent provision made by the Company based on valuation reports from actuaries.

ADDITIONAL INFORMATION TO SHAREHOLDERS

1. Date of Incorporation January 9, 1989

2. Registered office 33-35, Thyagraj Nagar Market
New Delhi-110003
India

3. Corporate Office A-39, Sector 62
NOIDA, UP -201301
India

4. Financial Calendar
(tentative and subject to change)

Financial reporting for the third quarter ending December 31, 2013. between 21st to 31st of January 2014

Financial reporting for the fourth quarter ending March 31, 2014. between 21st to 30th of April 2014

Financial results for the year ending ending March 31, 2014 between 21st to 30th of April 2014

Financial reporting for the first quarter ending June 30, 2014 between 21st to 30th of July 2014

5. Share Related Data
 - The Shares of Nucleus are listed on The National Stock Exchange of India limited, and Bombay Stock Exchange Limited
 - Scrip Code (NSE) NUCLEUS

- Scrip Code (BSE) 531209
- The Company's shares are traded in "Group B" category at the Bombay Stock Exchange Ltd.
- International Securities Identification Number (ISIN code-NSDL and CDSL) INE096B01018
- Face value of the Company's equity shares is Rs. 10.
- Shares of the Company are compulsorily traded in demat form.
- 98.86 % of the Company's equity shares are in demat form.
- The Company has 15,095 shareholders as on September 30, 2013
- The Company has not issued any GDRs / ADRs. The Company has granted options to employees under ESOP (1999), ESOP (2002), ESOP (2005) and ESOP (2006) scheme. The options if exercised at the end of the vesting period shall be converted into equity shares.
- The dividend declared and paid in the previous financial years is given below:

Financial Year	Dividend (%)	Dividend Per Share in Rs.	Dividend Pay Out in Rs. Crore
2012-13	30%	3.00	9.71
2011-12	25%	2.50	8.09
2010-11	25%	2.50	8.09
2009-10	25%	2.50	8.09
2008-09	25%	2.50	8.09
2007-08	30%	3.00	9.71
2006-07	35%	3.50	5.64
2005-06	35%	3.50	5.64
2004-05	25%	2.50	4.02*
2003-04	25%	2.50	2.01
2002-03	20%	2.00	1.58
2001-02	20%	2.00	1.58
2000-01	20%	2.00	0.68

- The dividend payout in 2004-05 was on the enhanced capital consequent to 1:1 bonus issue made during the year.
- The Board had not recommended any dividend prior to financial year 2000-2001.
- The Dividend Policy of the Company is to maintain the dividend payout, in the range of 15-30% of the profits available for distribution, subject to:
 - a) Provisions of Companies Act and other applicable laws.
 - b) Availability of funds in the Company
- The Board of Directors reviews the Dividend Policy periodically.

- Registrars of Company

Karvy Computershare Private Limited

Plot No. 17-24

Vithal Rao Nagar, Madhapur

Hyderabad 500 081

Tel: 040-23420815-28

Fax: 040- 23420814/23420857

Email: mailmanager@karvy.com

- Financial Results of Nucleus Software Exports Limited for the Quarter Ended September 30, 2013. (Consolidated)

Particulars	Quarter Ended			Half Year Ended	
	Sept 30, 2013	June 30, 2013	Sept 30, 2012	Sept 30, 2013	Sept 30, 2012
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
1. INCOME FROM OPERATIONS					
Income from software products and services	8,225.16	8,632.31	7,174.72	16,857.47	14,569.28
Total Income from operations (net)	8,225.16	8,632.31	7,174.72	16,857.47	14,569.28
2. EXPENSES					
a) Changes in inventories of stock-in-trade	-	494.86	-	494.86	-
b) Employee benefits expense	4,430.38	4,465.37	4,075.65	8,895.75	8,368.77
c) Depreciation and amortisation expense	178.40	156.56	137.07	334.96	296.13
d) Travel expense	505.83	470.95	512.85	976.78	1,031.92
e) Other expenses	1,995.11	1,765.69	1,381.71	3,760.80	3,037.15
Total Expenses	7,109.72	7,353.43	6,107.28	14,463.15	12,733.97
3. PROFIT FROM OPERATIONS BEFORE OTHER INCOME, FINANCE COSTS AND TAXES (1-2)	1,115.44	1,278.89	1,067.44	2,394.32	1,835.31
4. Other Income	408.33	533.63	255.93	941.96	1,106.30
5. PROFIT FROM OPERATIONS BEFORE FINANCE COSTS AND TAXES (3+4)	1,523.77	1,812.52	1,323.37	3,336.28	2,941.61
6. Finance costs	11.49	13.55	8.94	25.04	19.44
7. PROFIT BEFORE TAXES (5-6)	1,512.28	1,798.97	1,314.43	3,311.24	2,922.17
8. Tax expense	417.85	682.39	304.91	1,100.24	683.13
9. PROFIT AFTER TAXES (7-8)	1,094.43	1,116.58	1,009.52	2,211.00	2,239.04
10. Minority Interest	-	-	-	-	-
11. NET PROFIT FOR THE PERIOD (9-10)	1,094.43	1,116.58	1,009.52	2,211.00	2,239.04
12. Paid-up Equity Share Capital (Face Value Rs.10 each)	3,238.52	3,238.51	3,238.50	3,238.52	3,238.50
13. Reserves excluding Revaluation Reserves					
14. Earnings Per Share (Rs.) (Par value Rs.10 each) (not annualised)					
Basic	3.38	3.45	3.12	6.83	6.91
Diluted	3.38	3.45	3.12	6.83	6.91

6. Locations

Nucleus services its clients through a network of international offices. Nucleus has wholly owned subsidiaries in India, Japan, Singapore, U.S.A, Netherlands and branch offices in Dubai (UAE) and London (U.K).

Nucleus operates state-of-the-art Software Development Centers at NOIDA (U.P) and Chennai under the Software Technology Park scheme of the Government of India.

A Subsidiary, VirStra-I Technology Services Ltd. operates a Development Centre at Pune (Maharashtra) under the Software Technology Park Scheme of the Government of India.

7. Share Transfer System

The Company's shares are currently traded in dematerialised form; transfers are processed and approved in the electronic form by NSDL/CDSL through their Depository Participants.

The Shareholders/Investor Grievance Committee is authorised to approve transfer of shares, which are received in physical form, and the said Committee approves transfer of shares on a fortnightly basis.

All requests for dematerialisation of shares are processed and confirmation is given to the respective Depositories i.e. National Securities Depository Ltd. (NSDL) and Central Depository Services Ltd. (CDSL) within 15 days.

The Company has De-materialized 32,015,918 shares (98.86% of the paid up share capital) as at September 30, 2013

The Company obtains from a Company Secretary in practice half –yearly certificate of compliance with the share transfer formalities as required under Clause 47 (c) of the Listing Agreement and files a copy of the certificate with the Stock Exchanges.

8. Employee Stock Option Schemes

The Company earlier instituted an ESOP scheme 1999 in year 2000, ESOP scheme 2002 was instituted in 2002, ESOP scheme 2005 was instituted in 2005 and ESOP scheme 2006 was instituted in 2006. These schemes were duly approved by the Board of Directors and Shareholders in their respective meetings. The 1999 scheme originally provided for the issue of 170,000 Equity Shares, 2002 scheme for 225,000 Equity Shares, 2005 scheme for 625,000 Equity Shares and 2006 scheme for 10,00,000 to eligible employees and Directors. A Compensation Committee of Board of Directors administers these schemes.

The Company has allotted Bonus shares in the ratio of 1:1 to the existing equity shareholders of the Company in August 2007. Consequently the Company has applied and received in-principal approval from stock exchanges for allotment of additional shares in the ratio of 1:1 (pursuant to Bonus Issue), which are likely to arise out of exercise of options as and when exercised under the abovementioned schemes.

9. Investors' Services

i. Details of request /complaints received during the quarter.

S.No.	Nature of Requests	Received	Attended	Pending
1.	Revalidation of Dividend Warrants	10	10	Nil
2.	Non-receipt of Dividend Warrant	2	2	Nil
3.	Non-Receipt of Securities	0	0	Nil
4.	Non-Receipt of Shares after transfer	-	-	Nil

5.	Non-Receipt of Annual Report	0	0	Nil
6.	SEBI/Stock Exchange/Legal	0	0	Nil

The Company has attended to most of the investors' grievances/correspondence within a period of 10 days from the date of receipt of the same, during the quarter.

ii. Designated e-mail Address for Investor Services

In terms of clause 47(f) of the Listing Agreement, the designated e-mail address for investor complaints is investorrelations@nucleussoftware.com.

10. Legal Proceedings

There is no legal proceeding pending against the Company in the Court.

11. Distribution of Shareholding

Distribution Schedule As On 30/09/2013					
Sno	Category	No. of Cases	% of Cases	Amount	% of Amount
1	1-5000	12,975	86.22	14,188,970	4.34
2	5001- 10000	1,151	7.32	8,707,570	2.69
3	10001- 20000	459	3.02	6,906,440	2.13
4	20001- 30000	163	1.04	4,160,210	1.58
5	30001- 40000	95	0.78	3,389,650	1.04
6	40001- 50000	55	0.36	2,549,750	0.79
7	50001- 100000	97	0.64	69,43,470	2.13
8	100001& Above	101	0.62	29,747,860	85.23
	Total:	15,096	100.00	323,837,240	100.00

12. Categories of Shareholders

Category	As on September 30,2013		
	No. of Share Holders	Voting Strength (%)	No. of Shares Held
Promoter and Promoter Group	9	57.47	1,86,10,666
Individuals	14,212	22.02	7,131,057
Bodies Corporate	405	3.25	1,052,198
Non-Resident Indians	368	1.93	625,482
Foreign Institutional Investors	1	4.71	1,526,668
Mutual Funds	10	10.48	3,387,066
Financial Institutions/ Banks	2	0.04	14,410
Clearing Members and Trusts	88	0.11	36,177
Total	15,095	100.00	32,383,724

13. Investors' Correspondence may be addressed to:

The Company Secretary

Nucleus Software Exports Ltd.,

33-35, Thyagraj Nagar Market

New Delhi-110003

India

Tel: ++91-(120)-2404050 Fax: ++91-(120)-2403972

Email: investorrelations@nucleussoftware.com

14. Employee Strength of Nucleus

Nucleus employed 1,650 people as on September 30, 2013 as compared to 1,486 people as on June 30, 2013.

Distribution of the employees is:

A. Distribution of the Employees:

	March 31, 2013	June 30, 2013	September 30, 2013
Technical Employee's	1,225	1,202	1,438
Non-Technical Employee's including Business Development Group	278	284	212
TOTAL	1,503	1,486	1,650
	March 31, 2013	June 30, 2013	September 30, 2013
Male	1,173	1,162	1,225
Female	330	324	425
TOTAL	1,503	1,486	1,650

B. The Age Profile Of The Employees Is:

	March 31, 2013	June 30, 2013	September 30, 2013
Between 20 and 25 years	318	292	467
Between 26 and 30 years	441	432	419
Between 31 and 40 years	642	660	662
Between 41 and 50 years	85	87	88
51 years and above	17	15	14
Total	1,503	1,486	1,650

15. *How do I contact Nucleus by telephone, mail or in person?*

You can contact the following Nucleus personnel for any information:-

Vishnu R Dusad - CEO & Managing Director

Tel: +91 (120) 4031500

E Mail: vishnu@nucleussoftware.com

Pramod K Sanghi - President - Finance & CFO

Tel: +91 (120) 4031800

E Mail: pksanghi@nucleussoftware.com

Poonam Bhasin - Company Secretary

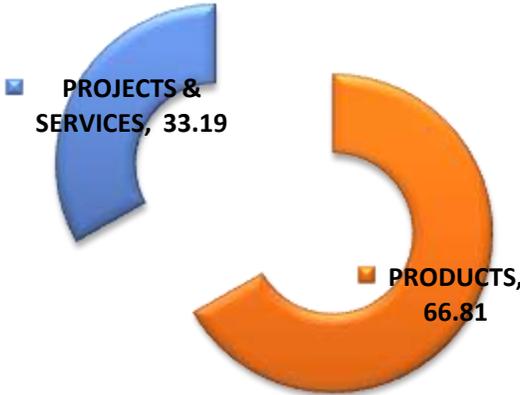
Tel: +91 (120) 4031400

E Mail: poonam@nucleussoftware.com

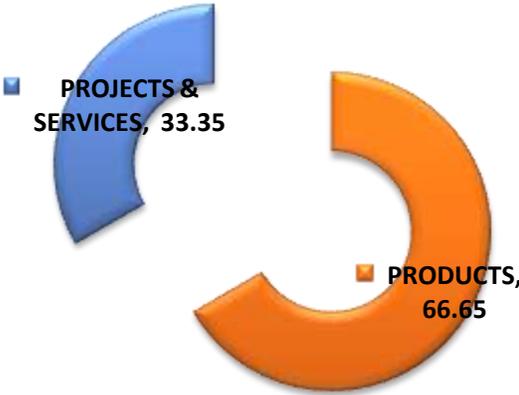
CONSOLIDATED SEGMENT INFORMATION

REVENUE BY	Quarter Ended						Half Year Ended				Year ended	
	Sept 30, 2013	% of Revenue	June 30, 2013	% of Revenue	Sept 30, 2012	% of Revenue	Sept 30, 2013	% of Revenue	Sept 30, 2012	% of Revenue	Mar 31, 2013	% of Revenue
GEOGRAPHICAL SEGMENTS												
INDIA	16.55	20.12	21.84	25.30	12.75	17.77	38.38	22.77	27.79	19.08	53.33	18.16
FAR EAST	18.16	22.08	18.31	21.21	21.24	29.61	36.47	21.63	42.01	28.84	82.04	27.93
SOUTH EAST ASIA	18.89	22.96	17.14	19.85	14.09	19.63	36.03	21.37	28.61	19.64	62.73	21.36
EUROPE /U.K.	4.56	5.55	3.87	4.49	4.96	6.92	8.44	5.00	10.01	6.87	19.00	6.47
AMERICAS	6.60	8.03	5.12	5.93	4.43	6.17	11.73	6.96	9.20	6.32	19.73	6.71
MIDDLE EAST	9.74	11.84	15.04	17.43	9.68	13.50	24.78	14.70	19.41	13.32	42.24	14.38
AFRICA	5.93	7.21	3.34	3.87	3.26	4.54	9.27	5.50	6.18	4.24	9.96	3.39
REST OF THE WORLD	1.82	2.22	1.66	1.92	1.34	1.87	3.48	2.07	2.47	1.69	4.72	1.61
TOTAL	82.25	100.00	86.32	100.00	71.75	100.00	168.57	100.00	145.69	100.00	293.76	100.00
CURRENCY SEGMENTS												
INR	16.55	20.12	21.84	25.30	12.75	17.77	38.38	22.77	27.79	19.08	53.33	18.16
JPY	7.91	9.62	7.33	8.49	9.05	12.62	15.24	9.04	16.04	11.01	33.18	11.29
SGD	9.86	11.99	8.81	10.20	7.18	10.00	18.67	11.08	14.17	9.73	29.91	10.18
GBP	0.39	0.48	0.32	0.37	0.32	0.45	0.72	0.42	0.65	0.45	1.21	0.41
USD	39.63	48.18	42.70	49.46	39.24	54.69	82.33	48.84	80.89	55.52	162.46	55.30
MYR	1.43	1.73	1.60	1.86	1.38	1.92	3.03	1.80	2.37	1.63	6.31	2.15
EUR	2.94	3.58	2.07	2.40	1.09	1.52	5.02	2.98	2.24	1.53	4.36	1.48
KRW	0.64	0.77	0.65	0.76	0.66	0.93	1.29	0.77	1.39	0.95	2.74	0.93
CHF	0.05	0.06	0.05	0.05	0.05	0.06	0.09	0.05	0.09	0.06	0.17	0.06
ZAR	2.85	3.47	0.95	1.10	-	-	3.81	2.26	-	-	-	-
SEK	-	-	-	-	0.03	0.04	-	-	0.06	0.04	0.09	0.03
TOTAL	82.25	100.00	86.32	100.00	71.75	100.00	168.57	100.00	145.69	100.00	293.76	100.00
BUSINESS SEGMENTS												
PRODUCTS	54.95	66.81	62.47	72.37	47.82	66.65	117.43	69.66	98.40	67.54	197.68	67.29
Own	52.36	63.66	53.48	61.95	47.47	66.16	105.84	62.79	94.70	65.00	191.89	65.32
Traded	2.59	3.15	8.99	10.42	0.35	0.48	11.58	6.87	3.70	2.54	5.80	1.97
PROJECTS & SERVICES	27.30	33.19	23.85	27.63	23.93	33.35	51.15	30.34	47.29	32.46	96.07	32.71
TOTAL	82.25	100.00	86.32	100.00	71.75	100.00	168.57	100.00	145.69	100.00	293.76	100.00

Quarter Ended Sept 30, 2013



Quarter Ended Sept 30, 2012



RATIO ANALYSIS

Consolidated Performance					
Particulars	Quarter Ended		Half Year Ended		Year Ended
	Sep-13	Sep-12	Sep-13	Sep-12	Mar-13
Ratios- Financial Performance					
Export Revenue/ Revenue (%)	79.88%	82.23%	77.23%	80.92%	81.84%
Domestic Revenue/ Revenue (%)	20.12%	17.77%	22.77%	19.08%	18.16%
Total Operating Expenses/ Revenue (%)	84.41%	83.34%	83.96%	85.50%	84.38%
Operating Profit/ Revenue (%)	15.59%	16.66%	16.04%	14.50%	15.62%
Depreciation/ Revenue (%)	2.17%	1.91%	1.99%	2.03%	2.07%
Other Income/ Revenue (%)	4.52%	6.12%	4.23%	5.58%	5.88%
Tax/ Revenue (%)	5.08%	4.25%	6.53%	4.69%	5.07%
Effective Tax Rate - Tax/ PBT (%)	27.63%	23.20%	33.23%	23.38%	24.79%
PAT from Ordinary Activities/ Revenue (%)	8.79%	7.95%	8.89%	9.79%	9.49%
PAT from Ordinary Activities/Net Worth (%) (LTM)	7.67%	6.66%	7.67%	6.66%	7.97%
Ratios- Return					
ROCE (PBIT/ Average Capital Employed) (%) (LTM)	17.43%	16.45%			18.09%
ROANW (PAT/Average Net Worth) (%) (LTM)	12.24%	12.40%			13.60%
Ratios - Growth (YoY)					
Growth in Export Revenue (%)	1.89%	0.17%	10.42%	4.34%	4.03%
Growth in Total Revenue (%)	-4.72%	-2.97%	15.71%	5.43%	4.08%
Operating Expenses Growth (%)	-3.71%	-7.70%	13.61%	2.14%	0.47%
Operating Profit Growth (%)	-9.81%	30.46%	28.04%	30.15%	29.11%
PAT Growth (%)	-1.98%	-17.89%	-1.25%	35.86%	27.81%
EPS Growth (%)	-1.98%	-17.89%	-1.25%	35.86%	27.83%
Per- Share Data (Period End)					
Earning Per Share from Ordinary Activities (Rs.)	2.23	1.76	4.63	4.40	8.61
Earning Per Share (Including Other Income) (Rs.)	3.38	3.12	6.83	6.91	13.95
Cash Earning Per Share from Ordinary Activities (Rs.)	2.78	2.19	5.66	5.32	10.49
Cash Earning Per Share (Including Other Income)(Rs.)	3.93	3.54	7.86	7.83	15.83
Book Value Per Share (Rs.)	115.13	105.14	115.13	105.14	108.08
Price/Earning (Annualized)	6.86	6.96	3.40	3.14	5.20
Price/ Cash Earning (Annualized)	5.90	6.13	2.95	2.77	4.58
Price/Book Value	0.81	0.83	0.81	0.83	0.67

Particulars	Quarter Ended		Year Ended
	Sep-13	Sep-12	Mar-13
Ratios - Balance Sheet			
Debt-Equity Ratio	-	-	-
Debtors Turnover (Days)	69	76	87
Asset Turnover Ratio (LTM)	0.68	0.62	0.64
Current Ratio	4.80	5.74	3.94
Cash and Equivalents/Total Assets (%)	61.95%	50.11%	58.12%
Cash and Equivalents/ Revenue (%) (LTM)	91.46%	81.02%	90.80%
Depreciation/Average Gross Block (%) (LTM)	5.18%	5.35%	5.02%
Technology Investment/ Revenue (%)	1.75%	1.42%	2.36%