

NUCLEUS SOFTWARE

Quarterly Report

December 31, 2017

FINANCIAL HIGHLIGHTS

Rs. in Crore except per share data

Particulars	Consolidated Performance				
	For the Quarter ended			Nine Months ended	
	December 31, 2017	September 30, 2017	December 31, 2016	December 31, 2017	December 31, 2016
Revenue from Operations	106.02	100.45	93.14	300.78	278.70
Operating Profit (EBITDA)	18.60	13.65	14.49	42.44	39.04
Profit after Tax (PAT)	18.11	15.66	17.88	45.29	45.76
EBITDA Margin	18%	14%	16%	14%	14%
PAT Margin	17%	16%	19%	15%	16%
EPS	6.24	4.93	5.52	14.58	14.13

At the end of the Period	As at		
	December 31, 2017	September 30, 2017	December 31, 2016
Share Capital	29.04	29.04	32.39
Reserves and Surplus	414.19	394.04	463.70
Net Worth	443.24	423.09	496.09
Total Assets	613.68	576.61	629.15
Net Fixed Assets	45.06	43.77	45.87
Current Assets	290.35	271.05	410.66
Cash and Cash Equivalents	199.48	172.26	289.61
Working Capital	128.99	125.27	288.06
Market Capitalisation	1,511.86	886.18	829.35
No. of Shares (Face Value of Rs.10.00)	29,040,724	29,040,724	32,383,724

Notes:

- 1.) Market Capitalisation is calculated by considering the closing market price of the scrip at the close of the quarter which is Rs. 520.60 at Dec 31 2017, Rs. 305.15 at Sep 30, 2017 and Rs. 256.10 at Dec 31, 2016
- 2.) While calculating the figures of group, intergroup transactions have been ignored.
- 3.) Previous year figures have been regrouped/ reclassified wherever necessary.

Particulars	Consolidated Performance				
	For the Quarter ended			Nine Months ended	
	December 31, 2017	September 30, 2017	December 31, 2016	December 31, 2017	December 31, 2016
Revenue from Operations	16.29	15.48	13.80	43.78	41.34
Operating Profit (EBITDA)	2.86	2.10	2.15	5.78	5.79
Profit after Tax (PAT)	2.78	2.41	2.65	7.19	6.79
EBITDA Margin	18%	14%	16%	13%	14%
PAT Margin	17%	16%	19%	16%	16%
EPS	0.96	0.76	0.82	2.24	2.10
US \$/ INR Exchange Rate*	65.09	64.89	67.51	68.71	67.41

At the end of the Period	As at		
	December 31, 2017	September 30, 2017	December 31, 2016
Share Capital	4.55	4.45	4.77
Reserves and Surplus	64.84	60.35	68.26
Net Worth	69.39	64.80	73.03
Total Assets	96.07	88.32	92.62
Net Fixed Assets	7.05	6.70	6.75
Current Assets	45.45	41.51	60.45
Cash and Cash Equivalents	31.23	26.38	42.63
Working Capital	20.19	19.19	42.41
Market Capitalisation	236.67	135.73	122.09
US \$/ INR Exchange Rate#	63.88	65.29	67.93

Note:

- 1.) Market Capitalisation is calculated by considering the closing market price of the scrip at the close of the quarter which is Rs. 520.60 at Dec 31 2017, Rs. 305.15 at Sep 30, 2017 and Rs. 256.10 at Dec 31, 2016
- 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 Third Quarter and Nine months ended of the financial year 2017-18.

First the financial performance, consolidated revenue for the quarter was Rs. 106.0 crore against Rs. 93.1 crore in the corresponding quarter of the previous year. The consolidated EBITDA was Rs. 18.6 crore in comparison to Rs. 14.5 crore in the corresponding quarter of the previous year. Consolidated net profit was Rs. 18.1 crore in comparison to Rs. 17.9 crore in the corresponding quarter of the previous year. EPS for the quarter was Rs. 6.24 against Rs. 5.52 in the corresponding quarter of the previous year.

The Product business revenue was Rs. 85.1 crore against Rs. 71.8 crore in the corresponding quarter of the previous year. The Company continues to focus and invest on development of niche Banking Products.

The Company continues to enjoy a high level of liquidity. Cash and cash equivalents, including investments in debt schemes of mutual funds, fixed deposits with banks, tax free bonds and preference shares are at Rs. 430.4 crore as on 31st Dec, 2017, as against Rs. 429.8 crore on 31st Dec, 2016. We had a hedging position of US\$ 6.0 million, December 31, 2017 at an average rate of Rs. 65.85.

Continuing with our expansion strategy, we have added 05 new customers this quarter and won 7 new product orders. 15 product module implementations successfully went live across the globe. We enhanced the digital capabilities of our award winning lending mobility solution, which enables financial institutions to offer completely digitized loan services on mobile. We hosted an exclusive conference for the leaders of Banks and other Financial Services companies in Manila on 'Driving Innovation in Lending Manila 2017'. We showcased our comprehensive lending solution, FinnOne Neo for Mutuals at Customer Owned Banking Association's premiere annual convention, COBA 2017. We presented insights on 'How Banks and other Financial Services companies can benefit from Digital' at a gathering of industry leaders at Ho Chi Minh City and Hanoi, Vietnam. We also hosted an exclusive webinar on 'How do you become the Digital Bank of Tomorrow – Today?' for sharing expertise on leveraging the power of digital, personalization and analytics and hosted an Hackathon 'Nucleus Software coding challenge' in association with HackerEarth.

The Manpower numbers are at 1,847 as on December 31, 2017.

We are pleased with our performance in Q3. Our continuous focus on driving innovation in financial services has helped us reinforced our leadership position in digital transformation with our solutions including analytics and cloud. We saw continuous traction for our corporate banking solutions in the international market which resulted in a deal win with one of the leading banks in Indonesia. We also went live with our analytics solution at one of the leading banks in the Middle East and a leading Non-Banking Financial Company (NBFC) in India,

Vishnu R Dusad

Managing Director & Chief Executive Officer

Date: January 23, 2018

AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF NUCLEUS SOFTWARE EXPORTS LIMITED

We have audited the quarterly Standalone Financial Results of Nucleus Software Exports Limited for the quarter ended 31 December 2017, and the year to date Standalone financial results for the period from 1st April 2017 to 31 December 2017, attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

These standalone quarterly as well as year to date financial results have been prepared on the basis of the interim financial statements, which are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial results based on our audit of such interim standalone financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (Ind AS) for interim financial reporting (Ind AS 34), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, as applicable and other accounting principles generally accepted in India.

We conducted our audit 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 financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by the management. We believe that our audit provides a reasonable basis for our opinion.

Based on our audit conducted as above, in our opinion and to the best of our information and according to the explanations given to us, these quarterly standalone financial results:

- (i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and SEBI circular dated 5 July 2016 in this regard; and
- (ii) gives a true and fair view of the financial performance including other comprehensive income and other financial information for the quarter ended 31 December 2017 as well as the year to date results for the period from 1 April 2017 to 31 December 2017 .

For B S R & Associates LLP
Chartered Accountants
ICAI Firm Registration Number:
116231W/W-100024

Rakesh Dewan
Partner
Membership number: 092212

Place: Noida
Date: 23 January 2018

BALANCE SHEET

NUCLEUS SOFTWARE EXPORTS LIMITED BALANCE SHEET AS AT 31 DECEMBER 2017

Particulars	Note	As at 31 December, 2017 (Rupees)	As at 31 March, 2017 (Rupees)	As at 1 April, 2016 (Rupees)
ASSETS				
Non-current assets				
Property, plant and equipment	2.1	288,858,768	279,750,398	308,122,854
Capital work in progress		-	3,190,290	11,004,412
Intangible assets	2.1	15,086,345	18,239,734	46,082,968
Financial assets				
Investments	2.2	2,530,446,970	2,228,773,775	1,496,356,183
Trade receivables	2.3	59,669,784	56,457,779	79,247,746
Loans	2.4	1,395,818	1,333,911	68,770,336
Others	2.5	97,213,597	35,018,319	127,576,913
Deferred tax assets (net)	2.6	97,974,635	97,487,015	57,460,279
Income tax asset	2.7	103,358,026	98,944,832	93,612,383
Other non-current assets	2.8	4,002,650	5,104,047	2,931,428
		3,198,006,593	2,824,300,100	2,291,165,502
Current assets				
Financial assets				
Investments	2.9	1,171,096,565	2,243,676,374	1,187,372,617
Trade receivables	2.10	632,925,867	534,040,445	781,119,460
Cash and cash equivalents	2.11	210,285,318	109,361,226	40,019,162
Other bank balances	2.12	264,994,070	225,395,439	979,249,951
Loans	2.13	3,409,731	3,280,647	10,364,413
Others	2.14	8,972,013	17,944,213	47,407,159
Other current assets	2.15	144,530,640	118,979,400	144,792,644
		2,436,214,204	3,252,677,744	3,190,325,406
Total assets		5,634,220,797	6,076,977,844	5,481,490,908
EQUITY & LIABILITIES				
Equity				
Equity share capital	2.16	290,422,240	323,852,240	323,852,240
Other equity	2.17	3,757,820,049	4,583,718,118	4,000,900,667
		4,048,242,289	4,907,570,358	4,324,752,907
LIABILITIES				
Non-current liabilities				
Financial liabilities				
Other financial liabilities	2.18	9,101,717	4,207,256	-
Provisions	2.19	51,549,245	44,906,170	38,152,090
Other non-current liabilities	2.20	-	-	31,993,885
		60,650,962	49,113,426	70,145,975
Current liabilities				
Financial liabilities				
Trade payables	2.21	411,557,714	289,308,712	284,524,270

Other financial liabilities	2.22	2,434,864	4,171,344	5,676,044
Provisions	2.23	17,728,762	15,444,083	13,881,550
Income tax liabilities	2.24	2,379,221	2,192,450	14,446,733
Other current liabilities	2.25	1,091,226,985	809,177,471	768,063,429
		1,525,327,546	1,120,294,060	1,086,592,026

Total equity and liabilities		5,634,220,797	6,076,977,844	5,481,490,908
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See accompanying notes forming part of the financial statements 1 & 2

In terms of our report attached

For B S R & ASSOCIATES LLP

Chartered Accountants

Firm Registration Number : 116231W/W-100024

For and on behalf of the Board of Directors

RAKESH DEWAN

Partner

Membership number : 092212

SIDDHARTHA MAHAVIR ACHARYA

Chairman

VISHNU R DUSAD

Managing Director &

Chief Executive Officer

ASHISH NANDA

Chief Financial Officer

POONAM BHASIN

AVP (Secretarial) &

Company Secretary

Place : Gurugram

Date : January 23, 2018

Place : Noida

Date : January 23, 2018

PROFIT & LOSS

NUCLEUS SOFTWARE EXPORTS LIMITED STATEMENT OF PROFIT AND LOSS FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER, 2017

	Notes Ref.	Quarter ended 31 December, 2017 (Rupees)	31 December, 2016 (Rupees)	For nine months ended 31 December, 2017 (Rupees)	31 December, 2016 (Rupees)
1. REVENUE FROM OPERATIONS					
Income from software product and services	2.26	877,011,309	751,053,108	2,454,132,462	2,237,915,163
2. OTHER INCOME	2.27	53,662,656	100,171,886	347,013,904	248,829,827
3. TOTAL INCOME (1+2)		930,673,965	851,224,994	2,801,146,366	2,486,744,990
4. EXPENSES					
a. Employee benefit expenses	2.28	527,555,775	433,699,970	1,530,139,318	1,331,746,033
b. Operating and other expenses	2.29	210,854,108	214,579,297	613,060,021	636,359,176
c. Finance cost	2.30	677,360	824,120	2,571,158	2,460,789
d. Depreciation and amortisation expense	2.1	16,731,599	30,447,553	48,752,070	85,644,514
TOTAL EXPENSES		755,818,842	679,550,940	2,194,522,567	2,056,210,512
5. PROFIT BEFORE TAX (3-4)		174,855,123	171,674,054	606,623,799	430,534,478
6. INCOME TAX EXPENSE					
a. Net current tax expense		33,884,812	23,997,440	106,284,604	63,864,247
b. Deferred tax (credit) /charge	2.6	10,357	3,670,910	356,581	(120,175)
NET TAX EXPENSE		33,895,169	27,668,350	106,641,185	63,744,072
7. PROFIT FOR THE PERIOD (5-6)		140,959,954	144,005,704	499,982,614	366,790,406
8. OTHER COMPREHENSIVE INCOME					
(A) (i) Items that will not be reclassified to profit or loss					
a) Remeasurements of the defined benefit plans, net		(1,408,433)	(1,618,002)	(4,010,251)	(4,854,007)
b) Equity instruments through other comprehensive income		17,700,000	(31,062,500)	(8,700,000)	34,050,000
(B) (i) Items that will be reclassified subsequently to profit or loss					

a) Effective portion of gain/ (loss) on hedging instruments of effective cash flow hedges(net of tax)	5,834,988	(4,672,766)	(9,699,604)	(1,512,091)
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TOTAL OTHER COMPREHENSIVE INCOME

22,126,555	(37,353,268)	(22,409,855)	27,683,902
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9. TOTAL COMPREHENSIVE INCOME (7+8)

163,086,509	106,652,436	477,572,759	394,474,308
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10. EARNINGS PER EQUITY SHARE

Equity shares of Rupees 10 each

a. Basic	4.85	4.45	16.10	11.33
b. Diluted	4.85	4.45	16.10	11.33

Number of shares used in computing earnings per share

a. Basic	29,040,724	32,383,724	31,058,680	32,383,724
b. Diluted	29,040,724	32,383,724	31,058,680	32,383,724

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

In terms of our report attached

For B S R & ASSOCIATES LLP

Chartered Accountants

Firm Registration Number :
116231W/W-100024

RAKESH DEWAN

Partner

Membership number : 092212

For and on behalf of the Board of Directors

**SIDDHARTHA MAHAVIR
ACHARYA**

Chairman

VISHNU R DUSAD

Managing Director &
Chief Executive Officer

ASHISH NANDA
Chief Financial Officer

POONAM BHASIN
AVP (Secretarial) &
Company Secretary

Place : Gurugram

Date : January 23, 2018

Place : Noida

Date : January 23, 2018

CASH FLOW STATEMENT

NUCLEUS SOFTWARE EXPORTS LIMITED CASH FLOW STATEMENT FOR THE NINE MONTHS ENDED 31 DECEMBER, 2017

	For nine months ended 31 December, 2017 (Rupees)	For nine months ended 31 December, 2016 (Rupees)
A. Cash flow from operating activities		
Net profit before tax	606,623,799	430,534,478
Adjustment for:		
Depreciation and amortisation expense	48,752,070	85,644,515
Exchange gain / loss on translation of foreign currency accounts (net)	(5,269,974)	(13,483,514)
Dividend received from current, non trade investments	(59,144,357)	(64,575,664)
Dividend received from non-current, non trade investment	(11,894,459)	(129,760)
Dividend received from subsidiary companies	(138,900,750)	-
Interest on fixed deposits and others	(126,834,752)	(146,089,852)
MTM gain or (loss) on mutual funds	(572,234)	-
Net gain on sale of investments	-	(2,127,105)
Adjustment to the carrying amount of investments	-	4,736,020
Profit on sale of fixed assets (net)	(357,340)	(3,488,973)
Provisions written back	-	(4,382,379)
Provision for doubtful debts / advances	444,936	(3,609,939)
Operating profit before working capital changes	312,846,939	283,027,827
Adjustment for (increase) / decrease in operating assets		
Trade receivable	(88,408,638)	30,641,228
Loans	(61,907)	68,907,823
Other assets	(26,211,677)	98,589,587
Adjustment for increase / (decrease) in operating liabilities		
Trade payables	118,442,569	46,436,039
Provisions	8,927,754	8,233,655
Other liabilities	282,089,523	61,683,112
	607,624,563	597,519,271
Income taxes paid (net)	(110,511,026)	(128,834,086)
Net cash from / (used in) operating activities (A)	497,113,537	468,685,185
B. Cash flow from investing activities		
Expenditure on property, plant and equipment net of sale proceeds, including changes in capital creditors	(52,475,975)	(25,783,962)
Payments to acquire mutual funds, tax free bonds and preference shares	(3,013,386,633)	(2,417,945,883)
Proceeds on sale of mutual funds, tax free bonds and preference shares	3,824,967,315	1,539,528,553
Investment in subsidiary	(3,000,000)	(23,500,000)
Bank balance not considered as cash and cash equivalents - placed	(78,167,360)	-
Bank balance not considered as cash and cash equivalents - matured	-	329,793,104

Interest on fixed deposits and others received	57,200,698	90,960,472
Dividend received from non trade investments	59,144,357	65,653,433
Dividend on long term trade investment	11,894,459	129,760
Dividend from subsidiary company	138,900,750	-
Net cash from / (used in) investing activities (B)	945,077,611	(441,164,523)

C. Cash flow from financing activities

Dividend paid (including corporate dividend tax)	(166,850,828)	-
Buyback of equity shares	(1,170,050,000)	-
Net cash from / (used in) in financing activities (C)	(1,336,900,828)	-

Net increase / (decrease) in cash and cash equivalents (A+B+C)	105,290,320	27,520,662
Opening cash and cash equivalents	109,361,226	40,019,162
Exchange difference on translation of foreign currency bank accounts	(4,366,228)	572,468
Closing cash and cash equivalents	210,285,318	68,112,292

Supplementary information		
Restricted cash	4,127,897	6,776,859

Notes:

i. Figures in brackets indicate cash outflow.

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

In terms of our report attached

For **B S R & ASSOCIATES LLP**
Chartered Accountants
Firm Registration Number : 116231W/W-100024

RAKESH DEWAN
Partner
Membership number : 092212

Place : Gurugram
Date : January 23, 2018

For and on behalf of the Board of Directors

SIDDHARTHA MAHAVIR ACHARYA
Chairman

VISHNU R DUSAD
Managing Director &
Chief Executive
Officer

ASHISH NANDA
Chief Financial Officer

POONAM BHASIN
AVP (Secretarial) &
Company Secretary

Place : Noida
Date : January 23, 2018

Note 1:

1.1 Company Overview

Nucleus Software Exports Limited ('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 June, 2017, 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, South Africa, Australia 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.

The Financial statements were approved for issue by the Board of Directors on July 20, 2017.

1.2. Significant accounting policies

i. Basis of preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2006 notified under Section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act under historical cost convention, except for certain financial instruments which are measured at fair values.

The financial statements up to and for the year ended 30 June 2017 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006, notified under section 133 of the Act and other relevant provisions of the Act.

The financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note no. 2.38 and 2.39.

ii. Use of estimates and judgements

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

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

Critical estimates and judgements

The areas involving critical estimates or judgements are:

- Estimation of current tax expense and payable
- Estimated useful life of fixed asset
- Estimation of defined benefit obligation
- Impairment of trade receivable
- Estimates of expected contract costs to be incurred to complete contracts

iii. 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 sale of licenses, where no customisation is required, is recognised upon delivery of these licenses which constitute transfer of all risks and rewards.

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.

In arrangements for software development and related services and maintenance services, the Company has applied the guidance in IndAS18, Revenue, by applying the revenue recognition criteria for each separately identifiable component of a single transaction. The arrangements generally meet the criteria for considering software development and related services as separately identifiable components. For allocating the consideration, the Company has measured the revenue in respect of each separable component of a transaction at its fair value, in accordance with principles given in Ind AS 18. The price that is regularly charged for an item when sold separately is the best evidence of its fair value. In cases where the Company is unable to establish objective and reliable evidence of fair value for the software development and related services, the company has used a residual method to allocate the arrangement consideration. In these cases the balance of the consideration, after allocating the fair values of undelivered components of a transaction has been allocated to the delivered components for which specific fair values do not exist.

iv. Other income

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

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

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

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

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit- impaired subsequent to initial recognition, interest

income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

v. Property, Plant and equipment

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

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 taking into account nature of the asset, the estimated usage of the asset and the operating conditions of the asset. Leasehold land is amortised over the period of lease. The leasehold improvements are amortised over the remaining period of 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.

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

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- end user devices such laptops, desktops etc.	3
Computers- servers and networking equipment	4
Vehicles	5
Furniture and fixtures	5
Temporary wooden structures	1
(included in furniture and fixtures)	

vi. Intangible assets

a) Recognition and measurement

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the tax authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates.

Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such

expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

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

vii. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out formula, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

viii. Financial instruments

a) Recognition and initial measurement

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

Transaction costs that are directly attributable to issue of financial assets and financial liabilities, that are not fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at a settlement date.

b) Classification and subsequent measurement

i) Financial assets are carried at amortised cost.

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii) Financial assets are carried at fair value through other comprehensive income.

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely for payments of principal and interest on the principal amount outstanding.

The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognised in other comprehensive income.

iii) Financial assets are carried at fair value through profit or loss.

A financial asset which is not classified in any of the above categories is subsequently fair valued through profit or loss.

iv) Investment in subsidiaries

Investment in subsidiaries is carried at cost.

v) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held- for- trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss.

c) Derivative financial instruments

The company holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

i) Financial assets or financial liabilities, at fair value through profit or loss.

This category has derivative financial assets or liabilities which are not designated as hedges.

Although the Company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in net profit or loss in the statement of Profit and Loss, when incurred. Subsequent to the initial recognition, these derivatives are measured at fair value through profit or loss is included in other income. Assets/liabilities in this category are presented as current assets/current liabilities if they are either held for trading or are expected to be realized within 12 months after the balance sheet date.

ii) Cash flow hedges

The Company designates certain foreign exchange forward and options contract as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transaction.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in OCI and accumulated in the other equity under 'effective portion of cash flow hedges'. The effective portion of changes in the fair value of the derivative that is recognized in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in profit or loss.

If a hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in other equity remains there until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss. If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in other equity are immediately reclassified to profit or loss

d) Derecognition

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the financial assets and the transfer qualifies for derecognition under Ind AS 109. The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire.

ix. Impairment

a) Financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in profit or loss.

b) Non-financial assets

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the

Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

x. Provisions (other than for employee benefits)

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

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.

xi. Foreign Currency

a) Functional and Presentation currency

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

b) Foreign currency 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. They are deferred in equity if they relate to qualifying cash flow hedges to the extent that the hedges are effective.

The assets and liabilities of foreign branches are translated into INR, the functional currency of the Company, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into INR at the exchange rates at the dates of the transactions.

xii. 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.

xiii. Taxation

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

a) Current tax

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

b) Deferred tax

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

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

- temporary differences related to investments in subsidiaries to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

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

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

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

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

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

xiv. Employee benefits

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 fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each year end. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

The retirement benefit obligation recognized in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost, as reduced by the fair value of scheme assets.

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 recognized 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 recognized as a liability at the present value of the defined benefit obligation as at the Balance Sheet date.

Employee stock option based compensation

The grant date fair value of equity settled share-based payment awards granted to employees is recognized as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date.

For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

xv. Cash Flow Statement

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

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 unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflation increases.

xvii. Research and development

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalized. The amount capitalized comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Fixed assets utilized for research and development are capitalized and depreciated in accordance with the policies stated for Fixed Assets.

STATEMENT OF CHANGES IN EQUITY

A. Equity Share Capital

(Amount in Rupees)

Balance as of 1 April 2017	Changes in equity share capital during the period	Balance as on 31 December, 2017
323,852,240	(33,430,000)	290,422,240

Balance as of 1 April 2016	Changes in equity share capital during the year	Balance as on 31 March 2017
323,852,240	-	323,852,240

(Amount in Rupees)

	Reserves and Surplus					Items of OCI			Total
	Capital reserve	Securities premium	Capital Redemption reserve	General reserve	Retained earnings	Hedging reserve	Equity instrument through other comprehensive income	Remeasurements of the defined benefit plans	
Balance as of 1 April 2017	8,900,230	21,901,489	-	822,708,220	3,618,963,919	13,628,172	103,475,000	(5,858,912)	4,583,718,118
Profit for the period	-	-	-	-	499,982,614	-	-	-	499,982,614
Final dividend on equity shares	-	-	-	-	(161,918,620)	-	-	-	(161,918,620)
Tax on dividend	-	-	-	-	(4,932,208)	-	-	-	(4,932,208)
Effective gain/(loss) on hedging instruments	-	-	-	-	-	(9,699,604)	-	-	(9,699,604)
Equity Instruments through Other Comprehensive Income (net of tax)	-	-	-	-	-	-	(8,700,000)	-	(8,700,000)
Remeasurements of the defined benefit plans	-	-	-	-	-	-	-	(4,010,251)	(4,010,251)
Addition for buy-back of equity shares (see note 2.16 vi)	-	-	33,430,000	-	-	-	-	-	33,430,000
Utilised for buy back of equity shares (see note 2.16 vi)	-	(21,901,489)	-	(822,708,220)	(325,440,291)	-	-	-	(1,170,050,000)
Balance as of 31 December, 2017	8,900,230	-	33,430,000	-	3,626,655,414	3,928,568	94,775,000	(9,869,163)	3,757,820,049

(Amount in Rupees)

	Reserves and Surplus					Items of OCI			Total
	Capital reserve	Securities premium		General reserve	Retained earnings	Hedging reserve	Equity instrument through other comprehensive income	Remeasurements of the defined benefit plans	
Balance as of 1 April 2016	8,900,230	21,901,489		822,708,220	3,101,129,128 517,834,791	2,386,600	43,875,000	-	4,000,900,667 517,834,791
Profit for the year	-	-		-	791	-	-	-	,791
Effective gain on hedging instruments	-	-		-	-	11,241,572	-	-	11,241,572
Equity Instruments through Other Comprehensive Income (net of tax)	-	-		-	-	-	59,600,000	-	59,600,000
Remeasurements of the defined benefit plans	-	-		-	-	-	-	(5,858,912)	(5,858,912)
Balance as of 31 March 2017	8,900,230	21,901,489		822,708,220	3,618,963,919	13,628,172	103,475,000	(5,858,912)	4,583,718,118

See accompanying notes forming part of the financial statements

In terms of our report attached

For **B S R & ASSOCIATES LLP**

Chartered Accountants

Firm Registration Number :

116231W/W-100024

For and on behalf of the Board of Directors

SIDDHARTHA MAHAVIR ACHARYA

Chairman

VISHNU R DUSADManaging Director &
Chief Executive Officer**RAKESH DEWAN**

Partner

ASHISH NANDA

Chief Financial Officer

POONAM BHASINAVP (Secretarial) &
Company Secretary

Membership number :

092212

Place : Gurugram

Date : October 17, 2017

Place : Noida

Date : January 23, 2018

NUCLEUS SOFTWARE EXPORTS LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2.1 Property, plant and equipment

PARTICULARS	GROSS CARRYING AMOUNT			ACCUMULATED DEPRECIATION			NET CARRY IN		
	As at 1 April, 2017	Additions	Deductions / adjustments	As at 31 December, 2017	As at 1 April, 2017	Depreciation for the period	Deductions / adjustments	As at 31 December, 2017	As at 31 March, 2017
(Amount in Rupees)									
Tangible assets									
	Freehold land	3,360,720 (3,360,720)	-	-	3,360,720 (3,360,720)	-	-	-	3,360,720 (3,360,720)
	Leasehold land	56,003,990 (56,003,990)	-	-	56,003,990 (56,003,990)	752,243 (752,243)	564,183 (752,243)	-	54,687,564 (55,251,747)
	Buildings	160,198,083 (158,002,792)	2,319,732 (2,195,291)	-	162,517,815 (160,198,083)	8,654,517	6,638,968 (8,654,517)	-	147,224,330 (151,543,566)
	Plant and equipment	16,250,568 (8,886,303)	2,667,854 (7,364,265)	-	18,918,422 (16,250,568)	11,626,969	1,828,589 (11,626,969)	-	5,462,864 (4,623,599)
	Office equipment	6,208,913 (2,872,984)	1,267,357 (3,349,692)	-	7,476,270 (6,208,913)	1,265,650	1,252,261 (1,265,650)	-	4,958,359 (4,943,263)
	Computer equipment	81,083,715 (65,915,358)	30,707,970 (15,189,140)	-	111,791,685 (81,083,715)	37,101,784	22,868,241 (37,101,784)	-	51,821,660 (43,981,931)
	Vehicles	21,182,456 (12,670,557)	4,962,476 (9,591,536)	3,413,324 (1,079,637)	22,731,608 (21,182,456)	5,329,444	4,370,470 (5,329,444)	1,709,227	14,740,921 (15,853,012)
	Furniture and fixtures	409,519 (410,150)	6,905,000	-	7,314,519 (409,519)	216,959	495,210 (216,959)	-	6,602,350 (192,560)
		344,697,964 (308,122,854)	48,830,389 (37,689,924)	3,413,324 (1,114,814)	390,115,029 (344,697,964)	64,947,566	38,017,922 (64,947,566)	1,709,227	288,858,768 (279,750,398)
Intangible assets									
	Software	55,944,797 (46,082,968)	7,580,759 (9,899,035)	-	63,525,556 (55,944,797)	37,705,063	10,734,148 (37,705,063)	-	15,086,345 (18,239,734)
Total	400,642,761 (354,205,822)	56,411,148 (47,588,959)	3,413,324 (1,152,020)	453,640,585 (400,642,761)	102,652,629	48,752,070	1,709,227	303,945,113 (297,990,132)	297,990,132 (354,205,822)

Note:

(i) Figures in bracket pertain to previous year ended 31 March 2017/2016.

2.2 A. NON-CURRENT INVESTMENTS

Particulars	As at 31 December 2017	As at 31 March 2017	As at 1 April 2016
	(Rupees)	(Rupees)	(Rupees)
Investments in equity shares of subsidiaries (unquoted)			
<i>Equity shares at cost</i>			
a. 625,000 (625,000) equity shares of Singapore Dollar 1 each, fully paid up, in Nucleus Software Solutions Pte. Ltd., Singapore	16,319,950	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	16,293,150	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)	(16,293,150)
c. 200 (200) equity shares of Japanese Yen 50,000 each, fully paid up, in Nucleus Software Japan Kabushiki Kaisha	4,092,262	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 [Of the above, 6 (6) equity shares are held by nominees on behalf of the Company]	10,000,000	10,000,000	10,000,000
e. 7,500 (7,500) equity shares of Euro 100 each, fully paid up, in Nucleus Software Netherlands B.V., Netherlands	48,903,000	48,903,000	48,903,000
Less: Provision for diminution in value of investment in Nucleus Software Netherlands B.V., Netherlands	(48,903,000)	(48,903,000)	(48,903,000)
f. 10,000,000 (10,000,000) equity shares of Rs. 10 each, fully paid up, in Nucleus Software Limited, India [Of the above, 6 (6) equity shares are held by nominees on behalf of the Company]	119,440,188	119,440,188	119,440,188
g. 100,000 (100,000) equity shares 1 AUD each, fully paid in Nucleus Software Australia Pty. Ltd., Australia	5,501,028	5,501,028	5,501,028
h. 10 (10) equity shares of ZAR 61,200 each fully paid up, in Nucleus Software South Africa (Pty.) Limited, South Africa	3,182,500	3,182,500	3,182,500
i. 10,666 (10,666) equity shares of Rs 10 each, fully paid up in Avon Mobility Solutions Private Limited (see note 2.45)	19,200,720	19,200,720	19,200,720
	177,736,648	177,736,648	177,736,648

Investment in equity instruments (Quoted)

Equity shares at FVOCI

250,000 (250,000) equity shares of Rs. 10 each, fully paid up, in Ujjivan Financial Services Limited	97,275,000	105,975,000	51,250,000
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Investments in preference shares of subsidiaries (unquoted)

Preference shares at Fair value through profit or loss (FVTPL)

2,650,000 (Nil) 11% Preference shares of Rs. 10 each fully paid up in Avon Mobility Solutions Private Limited.	26,500,000	23,500,000	-
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Investment in Preference Shares (quoted)

a. 8.15% L&T Preference Shares- 2020	148,050,481	139,628,535	99,068,431
b. 16.46% IL&FS - Preference Shares 2022	53,149,923	50,100,000	50,100,000
c. 17.38% IL&FS - Preference Shares 2021	10,644,049	10,858,630	-
d. 8.33% Tata Capital Ltd Preference Shares 2022	12,370,139	11,669,907	-

e.	9.00% L&T Finance Holdings Limited -Preference Shares 2018	-	102,147,533	-
f.	7.50% Tata Capital Preference Shares 2020	158,476,027	150,000,000	-
g.	8.33% Tata Capital Preference Shares 2021	53,537,410	50,469,636	-
h.	8.20% Tata Motors Finance Ltd CCPS 2020	52,178,277	-	-

Investment in bonds (quoted)

Bonds securities at Amortised cost

a.	7.18% Indian Railway Finance Corporation Limited Tax free bonds 2023	94,442,681	95,234,950	93,945,738
b.	8.23% Indian Railway Finance Corporation Limited Tax free bonds 2024	52,942,507	53,957,164	53,946,352
c.	8.09% Power Finance Corporation Tax Free Bonds 2021	47,132,146	48,227,118	48,470,957
d.	7.51% Power Finance Corporation Tax Free Bonds 2021	51,076,486	52,003,666	52,060,712
e.	8.00% Indian Railway Finance Corporation Limited Tax free bonds 2022	209,144,504	213,782,910	214,874,661
f.	8.01% India Infrastructure Finance Company Limited Tax Free Bonds 2023	101,097,260	103,072,329	103,063,934
g.	7.11% Power Finance Corporation Tax Free Bonds 2025	5,210,007	5,300,012	5,299,559
h.	7.21% India Infrastructure Finance Company Limited Tax Free Bonds 2022	50,703,257	51,622,847	51,676,769
i.	7.55% Indian Railway Finance Corporation Limited Tax Free Bonds 2021	30,501,600	31,112,658	31,131,603
j.	8.20% Power Finance Corporation Tax Free Bonds 2022	6,336,554	6,495,103	6,532,460
k.	7.28% Indian Railway Finance Corporation Limited Tax free bonds 2030	4,599,570	4,681,791	4,621,006
l.	7.49% Indian Renewable Energy Development Agency Limited (IREDA) Tax Free Bonds 2031	12,764,958	12,092,238	12,091,770
m.	7.39% Housing and Urban Development Corporation Limited (HUDCO) Tax Free Bonds 2031	14,941,815	14,161,543	14,161,139
n.	8.50% National Highways Authority of India (NHAI) Tax Free Bonds 2029	11,558,934	10,944,943	10,992,069
o.	7.39% National Highways Authority of India (NHAI) Tax Free Bonds 2031	15,699,964	15,987,171	15,487,492
p.	7.39% Housing and Urban Development Corporation Limited (HUDCO) Tax free bonds 2031	12,843,053	13,076,275	12,840,348
q.	7.21% Power Finance Corporation (PFC) Tax Free Bonds 2022	50,611,645	51,519,633	50,391,206
r.	7.35% Indian Railway Finance Corporation Tax Free Bonds 2031	11,939,298	12,154,741	11,778,249
s.	7.35% National Bank for Agriculture and Rural Development (NABARD) Tax Free Bonds 2031	21,186,069	20,076,320	20,072,199
t.	8.35% National Highways Authority of India (NHAI) Tax Free Bonds 2023	59,577,254	-	-

Investment in debentures (quoted)

Debentures securities at Amortised cost

a.	IIFL Wealth Finance Limited 500((Nil) Unsecured redeemable, non-convertible debentures of Rs 100,000 each fully paid up	54,405,480	51,391,781	-
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Investment in mutual funds (quoted)

Fixed maturity plan at Amortised cost

a.	HDFC FMP 1128D March 2015(1) Direct Growth series 33	-	58,818,681	54,273,832
b.	ICICI Prudential FMP Series 76-1108 Days Plan V-Direct-Growth	-	58,716,491	54,201,782
c.	HDFC FMP 370D September 2014 (2) Series 31 – Growth Option	-	-	11,514,972
d.	ICICI Prudential FMP Series 74 -369 Days Plan T Direct Plan Cumulative	-	-	115,597,398
e.	Reliance Fixed Horizon Fund- XXVI- Series 31- Growth Plan	-	-	57,642,950
f.	HDFC FMP 1169D February 2017 (1) - Series 37	53,190,903	50,539,851	-
g.	HDFC FMP 1150D February 2017 (1)	31,849,492	30,224,539	-
h.	UTI Fixed Term Income Fund-Series XIX-VIII Direct Growth Plan	-	-	11,531,947
i.	Birla Sun Life Fixed Term Plan-Series OT (1117 days)	51,494,904	-	-
j.	ICICI Prudential Fixed Maturity Plan - Series 81 - 1163 Days Plan Q	102,929,310	-	-
k.	ICICI Prudential FMP - Series 82 - 1225 Days Plan B	50,049,611	-	-
l.	UTI Fixed Term Income Fund Series XXVIII - IV (1204 Days) - Direct Plan- Growth Option	50,029,725	-	-
m.	Reliance Fixed Horizon Fund XXXV (1227 days) - Direct Plan- Growth Option	49,529,423	-	-
n.	Birla Sun Life Fixed Term Plan-Series OY (1218 days)	50,029,722	-	-

Investment in mutual funds (Unquoted)

Mutual funds at Fair value through profit or loss (FVTPL)

a.	Birla Sun Life ST Opp Direct	-	108,373,790	-
b.	Reliance Corp Bond-Direct-QDR	-	116,242,158	-
c.	Axis ST Direct- Weekly Dividend	64,777,569	62,803,679	-
d.	UTI ST Income-IP-Monthly Dividend	30,985,398	30,152,238	-
e.	HDFC Medium Term Opp-Direct	24,508,062	23,921,266	-
f.	DSP BlackRock Banking & PSU Debt Fund - Growth- Direct	49,851,295	-	-
g.	ICICI Prudential Income Opportunities Fund - Growth-Direct	49,859,836	-	-
h.	IDFC Corporate Bond Fund - Growth- Direct	62,904,185	-	-
i.	L&T Short Term Opportunities Fund - Growth- Direct	49,973,952	-	-
j.	Reliance FRF - ST - Growth- Direct	49,850,587	-	-

2,228,935,322 1,921,562,127 1,267,369,535

Aggregate amount of non-current investments

2,530,446,970 2,228,773,775 1,496,356,183

Aggregate book value of quoted investments	1,943,499,439	1,686,043,996	1,318,619,538
Aggregate market value of quoted investments	1,975,256,880	1,655,983,010	1,266,589,300
Aggregate value of unquoted investments	586,947,531	542,729,780	228,986,648
Aggregate amount of impairment in value of investments	65,196,150	65,196,150	65,196,150

B. Equity shares designated as at fair value through other comprehensive income

As at 1 April 2016, the Company designated the investments shown below as equity shares at FVOCI because these equity shares represent investments that company intends to hold for long- term for strategic purpose

	Fair value as at 31 December, 2017	Dividend income recognised during Quarter ended 31 December, 2017	Fair value as at 31 March 2017	Fair value as at 1 April 2016
Investment in Ujjivan Financial Services Limited	97,275,000		105,975,000	51,250,000
No strategic investments were disposed off during 16-17 and there were no transfers of any cumulative gain or loss within equity relating to these investments.				

Particulars	As at 31 December 2017 (Rupees)	As at 31 March 2017 (Rupees)	As at 1 April 2016 (Rupees)
2.3 NON - CURRENT TRADE RECEIVABLES (Unsecured)			
TRADE RECEIVABLES (Unsecured)			
- Considered good	59,669,784	56,457,779	79,247,746
	59,669,784	56,457,779	79,247,746
2.4 LONG-TERM LOANS (Unsecured considered good unless otherwise stated)			
a. Loans and advances to employees			
- Staff Loans	1,395,818	1,333,911	1,941,652
b. Loan to subsidiary (considered doubtful)	73,177,409	73,177,409	66,828,684
	74,573,227	74,511,320	68,770,336
Less: Provision for doubtful loan to subsidiary	(73,177,409)	(73,177,409)	-
	1,395,818	1,333,911	68,770,336
2.5 OTHER NON-CURRENT FINANCIAL ASSETS (Unsecured considered good unless otherwise stated)			
Security deposits	13,719,424	13,505,169	12,983,245
Long-term bank deposits	83,494,173	21,513,150	114,593,668
	97,213,597	35,018,319	127,576,913

Note:

[Long term bank deposits include deposits held with bank for maturity more than 12 months from balance sheet date Rs 1,718,722 (31 March 2017 Rs 1,120,902 and 1 April 2016 Rs 2,698,799) under lien with banks and are restricted from being settled for more than 12 months from the balance sheet date.]

2.6 DEFERRED TAX ASSETS (NET)

A. Amounts recognised in profit or loss

Particulars	Nine months ended 31 December, 2017 (Rupees)	Nine months ended 31 December, 2016 (Rupees)
Current tax	106,284,604	63,864,247
Deferred tax	356,581	(120,175)
Net tax expense	106,641,185	63,744,072

B. Income tax recognised in other comprehensive income

	Before tax	Tax expense / (benefit)	Net of tax
Remeasurements of net defined benefit plans	(4,833,602)	(823,351)	(4,010,251)
Effective portion of gain/ (loss) on hedging instruments of effective cash flow hedges(net of tax)	(7,620,451)	2,079,153	(9,699,604)
Income tax recognised in other comprehensive income	(12,454,053)	1,255,802	(13,709,855)

C. Reconciliation of effective tax rate

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

Particulars	Percentage	For the period ended 31 December, 2017	Percentage	For the period ended 31 December, 2016
Profit before tax		606,623,799		430,534,478
Domestic tax rate	34.608%	209,940,364	34.61%	148,999,372
Tax exempt income	(11.28%)	(68,450,750)	(9.88%)	(42,551,365)
Tax disallowances	1.0%	5,827,842	1.50%	6,447,096
R & D Tax incentives	(4.43%)	(26,881,474)	(10.51%)	(45,262,053)
Lower tax for LTCG on FMP	(1.23%)	(7,469,109)	(1.57%)	(6,753,595)
Lower tax for dividend from foreign company	(1.97%)	(11,948,916)	0.00%	-
Prior period taxes and WHT charged off	0.7%	4,444,007	0.7%	2,864,247
Branch tax	0.2%	1,179,221	0.00%	-
Effective tax	17.58%	106,641,185	14.81%	63,743,702

D. Movement in temporary differences

Particulars	Balance as at 1 April 2017	Recognised [(Credited)/ Charge] in profit or loss during the period	Recognised [(Credited)/ Charge] in OCI during the period	Balance as at 31 December, 2017	Balance as at 1 April 2016
(i) Deferred tax assets					
Provisions- compensated absences, gratuity and other employee benefits	29,750,053	(4,756,378)	(823,351)	35,329,782	22,537,334
Provision for doubtful trade receivables / Loans and service income accrued but not due	48,349,818	1,917,653	-	46,432,166	21,809,996
MAT credit entitlement	32,020,871	(539,150)	-	34,660,021	38,129,377
	110,120,742	(3,377,875)	(823,351)	116,421,969	82,476,707
(ii) Deferred tax liabilities					
Property, plant and equipment	14,750,954	(3,775,855)		10,975,099	25,988,014
Forward contracts	(4,777,775)	4,777,775	(2,079,153)	2,079,153	-
Deferred Tax adjustment on transitional entries	2,660,548	2,732,534	-	5,393,082	(971,586)
	12,633,727	3,734,454	(2,079,153)	18,447,334	25,016,428
(iii) Net deferred tax asset	97,487,015	356,579	1,255,802	97,974,635	57,460,279

Particulars	As at 31 December 2017	As at 31 March 2017	As at 1 April 2016
	(Rupees)	(Rupees)	(Rupees)

2.7 INCOME TAX ASSETS (NET)

Balances with government authorities			
- Advance tax [net of provision of Rs. 273020142 (previous year Rs. 331,613,197 and as on 1 April, 2016 Rs. 319,900,505)]	103,358,026	98,944,832	93,612,383
	103,358,026	98,944,832	93,612,383

2.8 OTHER NON- CURRENT ASSETS

(Unsecured considered good unless otherwise stated)

a. Employee advances	3,742,752	3,742,752	-
b. Capital advances	1,551,411	882,786	620,980
Less : Provision for doubtful advances	(1,372,636)	-	-
	178,775	882,786	620,980
c. Prepaid expenses	48,743	130,919	1,962,857
d. Deferred rent	32,380	131,318	131,318
e. Deferred payroll	-	216,272	216,273
	4,002,650	5,104,047	2,931,428

2.9 Current investments

Investment in mutual funds

Name	As at 31 December, 2017 (Rupees)	As at 31 March, 2017 (Rupees)	As at 1 April, 2016 (Rupees)
-Investment in Mutual Funds (Unquoted)			
<i>Mutual funds at Fair value through profit or loss (FVTPL)</i>			
Axis Liquid Fund- Direct Plan- Daily Dividend Reinvestment	4,884,465	43,178,720	-
Baroda Pioneer Treasury Advantage- DDR - Direct	164,943,722	-	-
Birla Sunlife Enhanced Arbitrage- MDR - Direct	21,019,707	20,069,288	-
Birla Sunlife Floating Rate Fund-STP- DDR - Direct	21,029,647	-	-
Birla Sunlife Floating Rate Fund- DDR - Direct	8,271,120	88,954,581	-
Birla Sunlife Savings Fund- DDR - Direct	51,490,838	105,381,902	166,092,642
DSP BlackRock Ultra Short Term Fund - DDR - Direct	-	66,170,783	30,295,981
HDFC Arbitrage Fund - Normal DR- Direct	100,995,622	96,701,230	70,696,578
HDFC Floating Rate - Short term plan- Wholesale – Direct - Daily Dividend-Reinvestment option.	62,750,944	58,998,483	55,552,307
ICICI Prudential Equity Arbitrage Fund- Direct Plan- Monthly Dividend-Reinvestment option	2,766,578	2,643,756	-
ICICI Prudential Flexible Income Plan - DDR - Direct	3,599,004	74,093,426	69,978,636
ICICI Prudential Ultra Short Term Plan- Direct Plan- Daily Dividend-Reinvestment option	-	95,997,203	52,781,645
IDFC Arbitrage Fund Direct Plan- Monthly DR- Direct	65,779,190	62,916,523	55,632,530
IDFC Banking Debt Fund Regular Plan- Dividend	-	-	24,776,243
IDFC Money Manager Direct Plan- DDR- Direct	-	216,605,265	-
IDFC Ultra Short Term Fund- DDR - Direct	-	40,168,563	-
Invesco Ultra Short Fund Direct Plan- DDR- Direct	-	69,654,670	-
Kotak Equity Arbitrage Fund- Fortnightly DR- Direct	304,244,341	290,214,945	-
Kotak Equity Arbitrage Fund- Monthly DR- Direct	-	-	75,272,658
Kotak Floater Short Term Fund-Direct Plan-Daily Dividend- Reinvestment Option	-	-	140,167,631
L&T Ultra Short Direct Plan-Daily Dividend-Reinvestment Option	-	36,029,532	-
LIC Saving Plus Fund - DDR - Direct	-	151,033,875	-
Mahindra Liquid Fund-Direct Plan-Daily Dividend- Reinvestment Option	19,010,855	50,561,379	-
Reliance Arbitrage Advantage Fund-Monthly DR- Direct	107,228,583	102,539,070	45,582,618
Reliance Medium Term Fund - Daily Dividend -Reinvestment option-Direct	144,702	53,361,701	155,279,073
Sundaram Ultra Short Term Fund - DDR - Direct	-	26,056,458	-
UTI-Treasury Advantage Fund - Institutional Plan - DDR - Direct	-	142,562,106	-
UTI Floating Rate Fund STP – Daily Income Option- Reinvestment-Direct	-	137,102,532	47,377,198
SBI Ultra Short Term Debt Fund - DDR - Direct	-	-	5,041,176
Sundaram Ultra Short Term Fund - DDR - Direct	-	-	44,882,928

-Fixed Maturity Plans/Interval Plans (quoted)

Fixed maturity plan at Amortised cost

Reliance Fixed Horizon Fund XXX – Series 9-Direct-Div Payout	-	-	37,476,319
UTI FIIF-QIP-III-Direct-Div Payout	-	-	50,277,059
HDFC FMP 370D June 2014 (2) Series 31 – Growth Option	-	12,477,098	-
ICICI Prudential FMP Series 72 -368 Days Plan A Growth	-	-	60,209,395
ICICI Prudential FMP Series 74 -369 Days Plan T Growth	-	125,247,216	-
Reliance Fixed Horizon Fund- XXVI- Series 31- Growth Option	-	62,457,402	-
UTI Fixed Term Income Fund-Series XIX-VIII (368 Days) Growth	-	12,498,667	-
HDFC FMP 1128D March 2015(1) Direct Growth	62,536,202	-	-
ICICI Prudential FMP Series 76-1108 Days Plan V-Direct-Growth	62,411,370	-	-

Investment in Preference Shares (quoted)

9% L&T Finance Holdings Limited -Preference Shares 2018	107,989,675	-	-
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Aggregate amount of investment	1,171,096,565	2,243,676,374	1,187,372,617
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Aggregate book value of quoted investments	232,937,247	212,680,383	147,962,773
Aggregate market value of quoted investments	232,061,500	214,420,700	148,585,670
Aggregate value of unquoted investments	938,159,318	2,030,995,991	1,039,409,844

Particulars		As at 31 December 2017 (Rupees)	As at 31 March 2017 (Rupees)	As at 1 April 2016 (Rupees)
2.10	CURRENT TRADE RECEIVABLES			
	(Unsecured)			
	Trade receivables			
	- Considered good	632,925,867	534,040,445	781,119,460
	- Considered doubtful	25,443,570	34,279,260	36,614,951
		658,369,437	568,319,705	817,734,411
	Less: Allowances for doubtful debts-trade receivables	(25,443,570)	(34,279,260)	(36,614,951)
	Total	632,925,867	534,040,445	781,119,460
	Note :			
	Includes dues from subsidiaries (see note 2.36)			
2.11	Cash and cash equivalents			
a.	Cash on hand	27,968	60,603	14,156
b.	Remittance in transit	8,227,215	-	-
b.	Cheques on hand	-	-	341,286
c.	Balances with scheduled banks:			
	- in current accounts	11,020,859	20,121,492	17,517,010
	- in EEFC accounts	167,664,320	70,250,241	13,603,072
d.	Balance with non scheduled banks in current accounts:			
	- Citibank, United Kingdom	2,006,630	906,038	948,451
	- Citibank, United Arab Emirates	1,487,730	2,194,767	1,364,186
	- Citibank, USA	2,650,596	3,503,353	1,028,035
e.	Balances with scheduled banks in deposit accounts with original maturity of less than 3 months	17,200,000	12,324,732	5,202,966
	Total - Cash and cash equivalents	210,285,318	109,361,226	40,019,162

2.12 OTHER BANK BALANCES

a.	Balances with scheduled banks in earmarked accounts:			
	- unclaimed dividend accounts	2,434,864	2,854,790	4,363,477
b.	Balances with scheduled banks in deposit accounts			
	- Maturity with in 12 months	262,559,206	222,540,649	974,886,474
Total - Other bank balances		264,994,070	225,395,439	979,249,951

Note:

[Balance with scheduled banks in deposit accounts include Rs 4,127,897 (31 March 2017 Rs 4,370,767 and 1 April, 2016 Rs 4,794,311) which are under lien and restricted from being settled with in 12 months from the balance sheet date.]

2.13 SHORT-TERM LOANS

(Unsecured considered good unless otherwise stated)

Loans and advances to employees

- Staff Loans

3,409,731	3,280,647	10,364,413
3,409,731	3,280,647	10,364,413

2.14 OTHER CURRENT FINANCIAL ASSETS

(Unsecured considered good unless otherwise stated)

a.	Security deposit	450,000	156,880	962,874
b.	Mark-to-market gain on forward contracts	6,007,723	13,628,172	31,200
c.	Expenses recoverable from customers	2,514,290	4,159,161	2,591,072
d.	Application money for Mutual fund and Preference shares (considered good)	-	-	42,490,000
e.	Others	-	-	1,332,013
		8,972,013	17,944,213	47,407,159

2.15 OTHER CURRENT ASSETS

(Unsecured considered good unless otherwise stated)

a.	Service income accrued but not due			
	- Considered good	100,382,565	61,867,476	76,111,947
	- Considered doubtful	21,985,513	25,317,577	28,506,796
		122,368,078	87,185,053	104,618,743
Less : Provision for service income accrued but not due		(21,985,513)	(25,317,577)	(28,506,796)
		100,382,565	61,867,476	76,111,947
b.	Employee advances	5,287,878	5,124,413	2,509,167
c.	Prepaid expenses	25,910,343	25,220,389	33,739,491
d.	Balances with government authorities			
	-GST/ VAT credit receivable	7,592,177	4,600,632	8,071,410
e.	Others			
	- Supplier advances			
	- Considered good	4,829,794	21,848,928	23,763,815
	- Considered doubtful	-	361,073	511,073
		4,829,794	22,210,001	24,274,888
Less : Provision for doubtful advances		-	361,073	511,073
		4,829,794	21,848,928	23,763,815
f.	Deferred payroll	527,883	317,562	273,565
g.	Deferred rent	-	-	323,249
		144,530,640	118,979,400	144,792,644

Particulars	As at 31 December 2017 (Rupees)	As at 31 March 2017 (Rupees)	As at 1 April 2016 (Rupees)
2.16 SHARE CAPITAL			
a. Authorised			
Equity shares			
40,000,000 (40,000,000) equity shares of Rs. 10 each	<u>400,000,000</u>	<u>400,000,000</u>	<u>400,000,000</u>
b. Issued, Subscribed and Paid-Up			
Issued			
32,386,524 (32,386,524) equity shares of Rs. 10 each			
Subscribed and Paid-Up			
29,040,724 (32,383,724) equity shares of Rs. 10 each, fully paid up	290,407,240	323,837,240	323,837,240
Add: 2,800 (2,800) forfeited equity shares pending reissue (see note (iv) below)	15,000	15,000	15,000
	<u>290,422,240</u>	<u>323,852,240</u>	<u>323,852,240</u>

Refer notes (i) to (vi) 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 / Extinguishment of shares under buy back (see note 2.16 vi)	Closing balance
a. For the period ended 31 December, 2017			
- Number of shares	32,383,724	(3,343,000)	29,040,724
- Amount	323,837,240	(33,430,000)	290,407,240
b. For the year ended 31 March, 2017			
- Number of shares	32,383,724	-	32,383,724
- Amount	323,837,240	-	323,837,240

- (ii) 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 is paid on the approval of the shareholders in the Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

- (iii) **Number of shares held by shareholders holding more than 5% of the aggregate shares in the Company :-**

Particulars	As at 31 December, 2017		As at 31 March, 2017	
	(Number)	(Percentage)	(Number)	(Percentage)
Karmayogi Holdings Private Limited	9,000,000	30.99%	9,000,000	27.79%
Nucleus Software Engineers Private Limited	2,385,882	8.22%	2,385,882	7.37%
Madhu Dusad	3,066,248	10.56%	3,066,248	9.47%
Fidelity Puritan Trust- Fidelity Low-Priced Stock Fund	1,082,129	3.73%	2,200,000	6.79%
Vishnu R Dusad	1,603,492	5.52%	1,603,492	4.95%

(iv) **Details of forfeited shares**

Particulars	As at 31 December, 2017		As at 31 March, 2017	
Equity shares with voting rights	2,800	15,000	2,800	15,000

(v) **Employees Stock Option Plan ("ESOP")**

- a. Employee Stock Option Scheme and SEBI (Share Based Employee Benefits) Regulations, 2014, is effective for regulation of all schemes by the Company for the benefits for its employees dealing in shares, directly or indirectly from October 28, 2014. In accordance with these Guidelines, the excess 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.
- b. The Company currently has one ESOP scheme- ESOP Scheme - 2015 (instituted in 2015) which was duly approved by the Board of Directors and Shareholders. The ESOP Scheme 2015 provides for 500,000 options to eligible employees. As per ESOP scheme 2015, equity shares would be transferred to eligible employees on exercise of options through Nucleus Software Employee Welfare Trust. The scheme is administered by the Compensation Committee comprising three members, the majority of whom are independent directors.
- c. There are no options granted, forfeited and exercised during the period under ESOP Scheme 2015.
- (vi) The Board of Directors of the Company, at its meeting held on April 25, 2017 has approved a proposal to buy-back not exceeding Rs 117.79 crore, at maximum price of Rs. 350 per equity share.

The Shareholders of the Company have approved the scheme of Buyback of 33,43,000 (Thirty Three Lakhs Forty Three Thousand) equity shares of the face value of Rs.10/- each fully paid up at a price of Rs. 350/- (Rupees Three Hundred and Fifty Only) (the "Buyback Price") payable in cash aggregating upto Rs. 117,00,50,000/- (Rupees One Hundred and Seventeen Crore and Fifty Thousand only) through Postal Ballot on June 15, 2017. The Company has made the Public Announcement of the same which was published on June 19, 2017.

Further pursuant to Shareholders' approval vide Postal Ballot in June 2017, the Buy Back Committee of Board of Directors on 16th June 2017 approved the Buyback of 33,43,000 of fully paid up Equity Shares of face value of Rs. 10/- each of the Company at price of Rs. 350/- per Equity share, payable in cash for an aggregate consideration not exceeding Rs. 1,170,050,000. The settlement of the Buyback was done on 8th September, 2017 and 33,43,000 Equity shares bought back were extinguished on 14th September, 2017.

Capital Redemption Reserve was created to the extent of share capital extinguished Rs 3.34 crores. An amount of Rs 32.54 crores from Retained Earnings was used to offset the excess of buy-back cost of Rs 117.005 crores over par value of shares after adjusting the balance lying in Security Premium of Rs 2.19 crores and General Reserve of Rs 82.27 crores.

Particulars	As at 31 December 2017 (Rupees)	As at 31 March 2017 (Rupees)	As at 1 April 2016 (Rupees)
2.17 OTHER EQUITY			
a. Capital reserve			
Opening balance	8,900,230	8,900,230	8,900,230
Closing balance	8,900,230	8,900,230	8,900,230
b. Securities premium account			
Opening balance	21,901,489	21,901,489	21,901,489
Utilised for buy back of equity shares (see note 2.16 vi)	(21,901,489)	-	-
Closing balance	-	21,901,489	21,901,489

c. Capital Redemption reserve			
Opening Balance	-	-	-
Addition during the period (see note 2.16 vi)	33,430,000		
Closing balance	33,430,000	-	-
d. General reserve			
Opening balance	822,708,220	822,708,220	822,708,220
Utilised for buy back of equity shares (see note 2.16 vi)	(822,708,220)		
Closing balance	-	822,708,220	822,708,220
e. Surplus in Statement of Profit and Loss			
Opening balance	3,618,963,919	3,101,129,128	2,763,142,154
Utilised for buy back of equity shares (see note 2.16 vi)	(325,440,291)	-	-
Add: Profit for the period	499,982,614	517,834,791	482,601,294
- Final dividend on equity shares [see note (i) below]	(161,918,620)	-	-
- Interim Dividend	-		(161,918,620)
-Corporate Dividend tax	(4,932,208)	-	17,304,300
Closing balance	3,626,655,414	3,618,963,919	3,101,129,128
f. Other comprehensive Income			
Equity instrument through other comprehensive income			
Opening balance	103,475,000	43,875,000	-
Add: Equity Instruments through Other Comprehensive Income (net of tax)	(8,700,000)	59,600,000	43,875,000
Closing balance	94,775,000	103,475,000	43,875,000
Hedging reserve [see note 2.31]			
Opening balance	13,628,172	2,386,600	6,487,284
Add / (Less) : Effect of foreign exchange rate variations on hedging instruments outstanding at the end of the year	(9,699,604)	11,241,572	(4,100,684)
Closing balance	3,928,568	13,628,172	2,386,600
Remeasurement of net defined benefit plans			
Opening balance	(5,858,912)	-	-
Add: Remeasurement of net defined benefit plans	(4,010,251)	(5,858,912)	-
Closing balance	(9,869,163)	(5,858,912)	-
	88,834,405	111,244,260	46,261,600
	3,757,820,049	4,583,718,118	4,000,900,667

Note :

- (i) The Board of Directors recommended a Final Dividend of Rs. 5 per share (on equity share of par value of Rs. 10 each) for the year ended March 31, 2017. The payment was approved in the Annual General Meeting held on 8th July 2017.

	Particulars	As at 31 December 2017 (Rupees)	As at 31 March 2017 (Rupees)	As at 1 April 2016 (Rupees)
2.18	OTHER NON- CURRENT FINANCIAL LIABILITIES			
	Annual incentive payable	9,101,717	4,207,256	-
		9,101,717	4,207,256	-
2.19	NON-CURRENT PROVISIONS			
	Provision for employee benefits			
	- Provision for compensated absences	51,549,245	44,906,170	38,152,090
		51,549,245	44,906,170	38,152,090
2.20	OTHER NON- CURRENT LIABILITIES			
	Advance from customers / Advance billings	-	-	31,993,885
		-	-	31,993,885
2.21	TRADE PAYABLES			
a.	Trade Payables (see note below)	370,613,011	261,487,006	221,940,567
b.	Due to subsidiaries (see note 2.36)	40,944,703	27,821,706	62,583,703
		411,557,714	289,308,712	284,524,270
	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.			
2.22	OTHER CURRENT FINANCIAL LIABILITIES			
a.	Unpaid dividends	2,434,864	2,854,790	4,359,490
b.	Payable for purchase of fixed assets	-	1,316,554	1,316,554
		2,434,864	4,171,344	5,676,044
2.23	CURRENT PROVISIONS			
	Provision for employee benefits			
	- Provision for compensated absences	17,728,762	15,444,083	13,881,550
		17,728,762	15,444,083	13,881,550
2.24	INCOME TAX LIABILITIES			
	Provision for tax [net of advance tax of Rs. Nil (previous year Rs. Nil and as on 1st April, 2016 Rs. 63,653,267)]	2,379,221	2,192,450	14,446,733
		2,379,221	2,192,450	14,446,733
2.25	OTHER CURRENT LIABILITIES			
a.	Advance from customers / Advance billings	544,297,248	323,027,964	358,915,742
b.	Deferred revenue	460,603,398	426,489,705	367,100,368
c.	Other payables - statutory liabilities	44,166,128	38,642,767	31,060,859
d.	Payable to gratuity trust (see note 2.39)	42,160,211	21,017,035	10,986,460
		1,091,226,985	809,177,471	768,063,429

Particulars	Quarter ended 31 December 2017 (Rupees)	Quarter ended 31 December 2016 (Rupees)	For nine months ended 31 December 2017 (Rupees)	For nine months ended 31 December 2016 (Rupees)
2.26 INCOME FROM SOFTWARE PRODUCTS AND SERVICES				
a. Software development services and products				
- Domestic	330,558,360	256,527,665	909,715,655	721,320,840
- Overseas	546,452,949	494,525,443	1,544,416,807	1,516,594,323
	877,011,309	751,053,108	2,454,132,462	2,237,915,163
2.27 OTHER INCOME				
a. Interest income on financial assets- carried at amortised cost :				
- Deposits with banks	6,785,733	16,915,025	23,832,221	59,932,256
- Loan to subsidiary	-	1,587,181	-	4,761,543
- Tax free bonds	16,294,732	15,210,201	46,489,244	45,352,044
- Debentures	1,008,219	405,479	3,013,699	405,479
- Non- current trade receivable	1,018,249	2,224,433	5,119,306	6,849,158
- Fixed maturity plan	6,691,810	7,772,599	22,319,218	23,750,545
- Income tax refund	-	18,287,666	-	18,287,666
- preference shares	10,917,147	8,425,924	31,180,371	16,649,530
- others	39,807	204,613	357,552	582,056
b. Interest income on Income tax refund	-	-	6,168,581	-
c. Dividend income from				
- Current, non trade investments	12,362,783	23,409,273	59,144,357	64,575,664
- Non-current, non trade investment	1,332,063	-	11,894,459	129,760
- Subsidiary companies	-	-	138,900,750	-
d. Net gain / (loss) on sale of investments				
- Long term trade investment				
-Current, non trade investments	(194,165)	1,034,602	(150,632)	2,127,105
- Reclassification of Investments from Current to long term			-	-
e. MTM gain or (loss) on mutual funds	474,675	-	572,234	-
f. - Gain / (Loss) on exchange fluctuation	(3,532,569)	4,604,994	(2,968,621)	884,565
g. Other non-operating income				
- Net profit on sale of fixed assets/discarded assets	-	31,255	357,340	3,488,973
- Miscellaneous income	464,172	58,641	783,825	1,053,483
	53,662,656	100,171,886	347,013,904	248,829,827
2.28 EMPLOYEE BENEFIT EXPENSE				
a. Salaries and wages	486,468,380	397,860,614	1,411,237,532	1,225,431,527
b. Contribution to provident and other funds	25,459,725	21,875,139	73,388,251	64,147,365
c. Gratuity expense	5,787,129	5,811,558	17,361,388	17,434,673
d. Staff welfare expenses	9,840,541	8,152,659	28,152,147	24,732,468
	527,555,775	433,699,970	1,530,139,318	1,331,746,033

2.29 OPERATING AND OTHER EXPENSES

a.	Outsourced technical service expense	22,857,861	28,337,420	74,563,232	92,562,062
b.	Cost of software purchased for delivery to clients	5,046,397	4,753,125	14,639,391	10,449,336
c.	Power and fuel	9,312,621	9,739,124	33,056,907	33,090,793
d.	Rent (see note 2.32)	7,218,865	7,687,101	21,914,015	25,434,279
e.	Repair and maintenance				
	- Buildings	1,499,710	1,229,892	2,734,092	2,462,288
	- Others	7,285,093	6,872,182	20,957,361	21,189,613
f.	Insurance	1,066,046	1,430,375	3,162,653	4,124,319
g.	Rates and taxes	507,443	1,973,985	9,251,397	3,390,827
h.	Travel expenses				
	- Foreign	25,573,316	21,085,791	77,756,827	66,122,309
	- Domestic	9,191,825	5,338,329	26,688,746	15,305,464
i.	Advertisement, business development and promotion	4,644,778	2,507,037	10,092,409	7,726,597
j.	Legal and professional (see note 2.34)	9,479,559	22,850,847	34,143,603	44,443,795
k.	Directors remuneration	2,980,001	2,305,000	9,143,601	7,259,700
l.	Conveyance	4,759,937	3,980,518	13,921,394	12,752,554
m.	Communication	4,589,787	4,027,291	12,901,803	12,551,159
n.	Training and recruitment	8,682,530	6,694,845	26,481,629	19,862,180
o.	Net loss on sale of fixed assets/discarded assets	987,725	-	987,725	-
p.	Adjustment to the carrying amount of investments	-	5,552,345	-	4,736,020
q.	Conference, exhibition and seminar	4,685,765	1,541,681	12,364,747	14,959,985
r.	Information technology expenses	20,518,851	11,062,447	53,087,866	32,672,854
s.	Provision for doubtful debts/advances/other current assets	1,908,105	(1,041,227)	444,936	(3,609,939)
t.	Commission to channel partners	7,198,610	934,256	11,785,654	5,043,580
u.	Expenditure on corporate social responsibility (see note 2.42)	2,850,000	3,010,000	8,200,000	11,010,000
v.	Sales and marketing fee	31,979,472	47,855,259	99,155,665	156,733,104
w.	Miscellaneous expenses	16,029,813	14,851,674	35,624,368	36,086,297
		210,854,108	214,579,297	613,060,021	636,359,176

2.30 FINANCE COST

Bank Charges	677,360	824,120	2,571,158	2,460,789
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2.31 Financial Instruments

a) Financial Instruments by category

The carrying value and fair value of financial instruments by categories of December 31, 2017 were as follows:

Particulars	Amortised cost	Financial assets/liabilities at fair value through profit or loss	Financial assets/liabilities at fair value through OCI	Total carrying value	Total fair value
Assets:					
Cash and cash equivalents (2.11)	210,285,318	-	-	210,285,318	210,285,318
Other bank balances (2.12)	264,994,070	-	-	264,994,070	264,994,070
Investments (2.2 and 2.9)					

Equity Instruments (Other than subsidiaries)	-	-	97,275,000	97,275,000	97,275,000
Tax free bonds	864,309,563	-	-	864,309,563	912,909,180
Mutual funds (other than FMPs)	-	1,320,870,201	-	1,320,870,201	1,320,870,201
Fixed maturity plans (FMPs)	564,050,663	-	-	564,050,663	561,407,600
Debentures	54,405,480	-	-	54,405,480	50,000,000
Preference shares	596,395,981	26,500,000	-	622,895,981	612,226,600
Trade receivables (2.3 and 2.10)	692,595,651	-	-	692,595,651	692,595,651
Loans (2.4 and 2.13)	4,805,549	-	-	4,805,549	4,805,549
Other financial assets (2.5 and 2.14)	106,185,610	-	-	106,185,610	106,185,610
	3,358,027,884	1,347,370,201	97,275,000	4,802,673,086	4,833,554,779

Liabilities:

Trade payables (2.21)	411,557,714	-	-	411,557,714	411,557,714
Other financial liabilities (2.18 and 2.22)	11,536,581	-	-	11,536,581	11,536,581
	423,094,295	-	-	423,094,295	423,094,295

The carrying value and fair value of financial instruments by categories of March 31, 2017 were as follows:

Particulars	Amortised cost	Financial assets/liabilities at fair value through profit or loss	Financial assets/liabilities at fair value through OCI	Total carrying value	Total fair value
Assets:					
Cash and cash equivalents (2.11)	109,361,226	-	-	109,361,226	109,361,226
Other bank balances (2.12)	225,395,439	-	-	225,395,439	225,395,439
Investments (2.2 and 2.9)					
Equity Instruments (Other than subsidiaries)	-	-	105,975,000	105,975,000	105,975,000
Tax free bonds	815,503,412	-	-	815,503,412	820,051,810
Mutual funds (other than FMPs)	-	2,372,489,123	-	2,372,489,123	2,372,489,123
Fixed maturity plans (FMPs)	410,979,944	-	-	410,979,944	413,709,400
Debentures	51,391,781	-	-	51,391,781	50,000,000
Preference shares	514,874,241	23,500,000		538,374,241	504,305,000
Trade receivables (2.3 and 2.10)	590,498,224	-	-	590,498,224	590,498,224
Loans (2.4 and 2.13)	4,614,558	-	-	4,614,558	4,614,558
Other financial assets (2.5 and 2.14)	52,962,532	-	-	52,962,532	52,962,532
	2,775,581,357	2,395,989,123	105,975,000	5,277,545,480	5,249,362,312
Liabilities:					
Trade payables (2.21)	289,308,712	-	-	289,308,712	289,308,712
Other financial liabilities (2.18 and 2.22)	8,378,600	-	-	8,378,600	8,378,600
	297,687,312	-	-	297,687,312	297,687,312

The carrying value and fair value of financial instruments by categories of April 1, 2016 were as follows:

Particulars	Amortised cost	Financial assets/liabilities at fair value through profit or loss	Financial assets/liabilities at fair value through OCI	Total carrying value	Total fair value
Assets:					
Cash and cash equivalents (2.11)	40,019,162	-	-	40,019,162	40,019,162
Other bank balances (2.12)	979,249,951	-	-	979,249,951	979,249,951
Investments (2.2 and 2.9)					
Equity Instruments (Other than subsidiaries)	-	-	51,250,000	51,250,000	51,250,000
Tax free bonds	813,438,225	-	-	813,438,225	810,946,000
Mutual funds (other than FMPs)	-	1,039,409,844	-	1,039,409,844	1,039,409,844
Fixed maturity plans (FMPs)	452,725,655	-	-	452,725,655	455,128,970
Preference shares	149,168,431	-	-	149,168,431	149,100,000
Trade receivables (2.3 and 2.10)	860,367,206	-	-	860,367,206	860,367,206
Loans (2.4 and 2.13)	79,134,749	-	-	79,134,749	79,134,749
Other financial assets (2.5 and 2.14)	174,984,072	-	-	174,984,072	174,984,072
	3,549,087,451	1,039,409,844	51,250,000	4,639,747,295	4,639,589,954
Liabilities:					
Trade payables (2.21)	284,524,270	-	-	284,524,270	284,524,270
Other financial liabilities (2.18 and 2.22)	5,676,044	-	-	5,676,044	5,676,044
	290,200,314	-	-	290,200,314	290,200,314

The carrying amount of current trade receivables, short term loan, current security deposit, trade payables, current financial liabilities and cash and cash equivalent are considered to be same as their fair values, due to their short-term nature.

The fair value of Non-current trade receivables, long term loan, Non-current security deposit and non-current financial liabilities were calculated based on cashflows discounted using a transition date lending rate as there is no material change in the lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusions of unobservable inputs including counterparty credit risk.

b) Fair value hierarchy

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

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

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

Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

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

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of December 31, 2017:

Particulars	As of 31 December, 2017	Level 1	Level 2	Level 3
Financial assets				
Mutual fund units (2.2 and 2.9)	1,320,870,201		1,320,870,201	-
Fixed maturity plans (2.2 and 2.9)	561,407,600	561,407,600	-	-
Tax free bonds (2.2 and 2.9)	912,909,180	912,909,180	-	-
Debentures (2.2 and 2.9)	50,000,000	50,000,000	-	-
Preference shares (2.2)	612,226,600	585,726,600	-	26,500,000
Equity Instruments (Other than subsidiaries)	97,275,000	97,275,000	-	-
Derivative financial instruments-foreign currency forward contracts (2.14)	6,007,723	-	6,007,723	-
Application money for Mutual fund (2.14)	-	-	-	-
Non - Current Financial Assets- Trade receivables (2.3)	59,669,784	-	-	59,669,784
Non - Current Financial Assets- Loans to employees (2.4)	1,395,818	-	-	1,395,818
Non - Current Financial Assets- Security deposits (2.5)	13,719,424	-	-	13,719,424
Financial liabilities				
Other Non-current financial liabilities (2.18)	9,101,717	-	-	9,101,717

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2017:

Particulars	As of 31 March, 2017	Level 1	Level 2	Level 3
Financial assets				
Mutual fund units (2.2 and 2.9)	2,372,489,123	-	2,372,489,123	-
Fixed maturity plans (2.2 and 2.9)	413,709,400	413,709,400	-	-
Tax free bonds (2.2 and 2.9)	820,051,810	820,051,810	-	-
Debentures (2.2 and 2.9)	50,000,000	50,000,000	-	-
Preference shares (2.2)	504,305,000	480,805,000	-	23,500,000
Equity Instruments (Other than subsidiaries)	105,975,000	105,975,000	-	-
Derivative financial instruments-foreign currency forward contracts (2.14)	13,628,172	-	13,628,172	-
Non - Current Financial Assets- Trade receivables (2.3)	56,457,779	-	-	56,457,779
Non - Current Financial Assets- Loans to employees (2.4)	1,333,911	-	-	1,333,911
Non - Current Financial Assets- Security deposits (2.5)	13,505,169	-	-	13,505,169
Financial liabilities				
Other Non-current financial liabilities (2.18)	4,207,256	-	-	4,207,256

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of April 1, 2016:

Particulars	As of 1 April, 2016	Level 1	Level 2	Level 3
Financial assets				
Mutual fund units (2.2 and 2.9)	1,039,409,844	-	1,039,409,844	-
Fixed maturity plans (2.2 and 2.9)	455,128,970	455,128,970	-	-
Tax free bonds (2.2 and 2.9)	810,946,000	810,946,000	-	-
Equity Instruments (Other than subsidiaries)	51,250,000	-	-	51,250,000
Preference shares (2.2)	149,100,000	149,100,000	-	-
Derivative financial instruments-foreign currency forward contracts (2.14)	31,200	-	31,200	-
Non - Current Financial Assets- Trade receivables (2.3)	79,247,746	-	-	79,247,746
Non - Current Financial Assets- Loans to employees (2.4)	1,941,652	-	-	1,941,652
Non - Current Financial Assets- Security deposits (2.5)	12,983,245	-	-	12,983,245

c) Financial risk management

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

- **Market risk,**
- **Credit risk and**
- **Liquidity risk**

Risk Management Committee (RMC) is responsible for identification and review of risks and mitigation plans. The Committee meets on a quarterly basis for identification and prioritization of risks. RMC conducts risk survey with the senior and middle level management of the Company to identify risks and rate them appropriately. Top risks are identified and remaining are categorized as other risks. The RMC then places updates to the Board on a quarterly basis, on key risks facing the Company, along with their mitigation plans.

i) Market risk

a) Hedge accounting

The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk. . The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers.

The Company operates internationally and a major portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk through its sales and services and purchases from overseas suppliers in various foreign currencies. The Company holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The exchange rate between the rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Company's operations are adversely affected as the rupee appreciates/ depreciates against these currencies.

The Company's risk management policy is to hedge 40 to 55% of its estimated foreign currency exposure in respect of forecast sales over the following 12 months at any point in time. The Company uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date. Such contracts are generally designated as cash flow hedges.

The Company determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of their respective cash flows.

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

Currency	As at 31 December 2017		As at 31 March, 2017		As at 1 April, 2016	
	Amount in foreign currency	Amount in Rupees	Amount in foreign currency	Amount in Rupees	Amount in foreign currency	Amount in Rupees
Receivable						
USD (Please refer note 1 below)	5,367,896	342,055,600	5,092,792	329,223,934	5,906,413	391,329,381
EURO	270,806	20,723,442	197,845	13,709,152	292,572	21,767,343
MYR	3,040,829	47,999,004	659,206	9,670,172	171,875	2,916,718
SGD	32,715	1,564,186	92,012	4,270,507	59,610	2,936,985
JPY	35,061,429	19,905,250	31,841,582	18,576,285	34,220,783	20,185,129
ZAR	1,390,901	6,892,667	664,888	3,012,485	5,893,060	26,518,768
AED	420,666	7,315,381	371,831	6,564,673	1,073,169	19,357,277
CHF	10,646	697,302	3,691	239,237	3,530	243,529
GBP	197,017	16,999,129	-	-	171,981	16,419,030
AUD	-	-	218,219	10,818,739	253,123	12,904,230
NGN						
Note 1-Forward contract outstanding USD 54,00,000 Rs. 355,590,000 (previous year 31 March 2017 USD 41,50,000/-, Rs 26,91,27,500/-,previous year 31 March,2016 USD 5,875,000 Rs 389,277,500) against receivables)						
Payable						
USD	8,826,138	563,813,720	5,755,851	373,266,911	10,365,306	686,753,319
EUR	179,219	13,715,667	176,318	12,217,515	272,199	20,251,635
MYR	1,172,174	18,496,907	846,905	12,409,275	611,085	10,370,105
GBP	22,245	1,919,299	35,775	2,894,287	91,463	8,731,985
SGD	356,975	17,066,979	359	16,662	462,588	22,789,390
CHF	4,378	286,784	3,847	249,393	17,427	1,202,135
AED	479,140	8,332,237	247,064	4,361,918	328,342	5,922,469
ZAR	2,437,472	12,650,477	5,945,705	28,836,670	4,830,187	21,735,842
JPY	14,098,567	8,003,756	8,176,524	4,742,588	30,494,984	17,987,466
SEK				-	62,844	513,593
AUD	942,494	47,077,562	901,946	44,716,206	738,974	37,672,889
NGN			828,443	175,469	-	-
THB						
SAR	16,660	283,720	4,741	81,972	-	-

For the period ended December 31, 2017 March 31, 2017 and March 31, 2016, 10% depreciation / appreciation in the exchange rate between the Indian rupee and Foreign currencies, would have affected the Company's incremental profit by Rs. 2,2749,515 ,Rs. 8,788,368 and Rs. 70,862,994

Sensitivity analysis is computed based on the changes in the income and expenses in foreign currency upon conversion into functional currency, due to exchange rate fluctuations between the previous reporting period and the current reporting period.

b) Price risk

(a) Exposure

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

(b) Sensitivity

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

	Impact on profit before tax			Impact on other components of equity		
	31 December 2017	31 March 2017	1 April 2016	30 June 2017	31 March 2017	1 April 2016
Increase 2% Mutual funds Equity instruments (other than subsidiaries)	26,417,404 -	47,449,782 -	20,788,197 -	1,945,500	- 2,119,500	- 1,025,000
Decrease 2% Mutual funds Equity instruments (other than subsidiaries)	(26,417,404) 4)	(47,449,782) -	(20,788,197) -	- (1,945,500)	- (2,119,500)	- -1025000

Derivative financial instruments

The Company holds derivative financial instruments such as foreign currency forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank or a financial institution. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace.

The following table gives details in respect of outstanding foreign exchange forward and option contracts:

Forward contracts

Forward contract outstanding	Buy/ Sell	As at 31 December , 2017	Equivalent amount in Rupees 31 December, 2017	As at 31 March, 2017	Equivalent amount in Rupees 31 March, 2017	As at 1 April, 2016	Equivalent amount in Rupees 31 March, 2016
In USD	Sell	5,400,000	355,590,000	4,150,000	269,127,500	5,875,000	389,277,500

The foreign exchange forward contracts mature within six months. The table below analyzes the derivative financial instruments into relevant maturity groupings based on the remaining period as of the

Particulars	As at 31 December , 2017	Equivalent amount in Rupees 31 December, 2017	As at 31 March, 2017	Equivalent amount in Rupees 31 March, 2017	As at 1 April, 2016	Equivalent amount in Rupees 31 March, 2016
Not later than one month	750,000	49,387,500	700,000	45,395,000	1,325,000	87,794,500
Later than one month and not later than three months	2,600,000	171,210,000	1,550,000	100,517,500	3,750,000	248,475,000
Later than three months and not later than one year	2,050,000	134,992,500	1,900,000	123,215,000	800,000	53,008,000

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument, including whether the hedging instrument is expected to offset changes in cash flows of hedged items. The following table provides the reconciliation of cash flow hedge reserve for the year ended March 31, 2017:

Particulars

	Period ended December 31, 2017	Year ended March 31, 2017
Balance at the beginning of the period	13,628,172	2,386,600
Gain / (Loss) recognised in other comprehensive income during the period, net of taxes	(9,699,604)	11,241,572
Balance at the end of the period	3,928,568	13,628,172

'The company offsets a financial asset and a financial liability when it currently has a legally enforceable right to set off the recognized amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The following table provides quantitative information about offsetting of derivative financial assets

Particulars	As at 31 December 2017	As at 31 March 2017	As at 1 April 2016
Gross amount of recognized financial asset	6,007,723	13,628,172	31,200
Amount set off	-	-	-
Net amount presented in balance sheet	6,007,723	13,628,172	31,200

ii) Credit risk

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

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

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

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to Rs. 692,595,651 Rs. 590,498,223 and Rs. 860,367,206 as of December 31, 2017, March 31, 2017 and March 31, 2016, respectively and unbilled revenue amounting to Rs. 100,382,565, Rs. 61,867,746 and Rs. 76,111,947 as of December 31, 2017, March 31, 2017 and March 31, 2016, respectively. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenues. The provision matrix takes into account available external and internal credit risk factors such as Company's historical experience for customers.

The following table gives details in respect of percentage of revenues generated from top customer and top five customers:

Particulars	Period ended 31 December 2017 (in %)	Year ended 31 March 2017 (in %)	Year ended 31 March 2016 (in %)
Revenue from top customer	11.19	15.96	13.49
Revenue from top five customers	28.10	37.6	36.22

Credit risk exposure

The reversal for lifetime expected credit loss on customer balances for the nine month ended 31 December 2017 is Rs. 8,835,690 and for the year ended March 31, 2017 was Rs. 2,335,692. The reversal for lifetime expected credit loss on customer balances for the year ended March 31, 2016 was Rs. 8,430,878.

	Period ended 31 December 2017	Year ended 31 March 2017	Year ended 31 March 2016
Balance at the beginning	34,279,260	36,614,951	45,045,829
Impairment loss recognised/ reversed	(4,138,519)	(2,335,691)	(8,430,878)
Amounts written off	(4,697,170)	-	-
Balance at the end	25,443,571	34,279,260	36,614,951

Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in mutual fund units, quoted bonds issued by government, preference shares and non convertible debentures.

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

As at 31 December 2017

Particulars		Asset group	Estimated gross carrying amount at default	Expected probability of default	Expected credit loss	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit loss	Financial assets for which credit risk has not increased significantly since initial recognition	Investment at amortised cost	1,846,224,439	0%	-	1,846,224,439
		Loans to employee	1,395,818	0%	-	1,395,818
		Security deposits	13,719,424	0%	-	13,719,424
Loss allowance measured at life-time expected credit loss	Financial assets for which credit risk has increased significantly and not credit –impaired	NA	NA	NA	NA	NA
	Financial assets for which credit risk has increased significantly and credit –impaired	Loans to subsidiaries	73,177,409	100%	(73,177,409)	-

As at 31 March 2017

Particulars		Asset group	Estimated gross carrying amount at default	Expected probability of default	Expected credit loss	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit loss	Financial assets for which credit risk has not increased significantly since initial recognition	Investment at amortised cost	1,580,068,996	0%	-	1,580,068,996
		Loans to employee	4,614,558	0%	-	4,614,558
		Security deposits	13,505,169	0%	-	13,505,169
Loss allowance measured at life-time expected credit loss	Financial assets for which credit risk has increased significantly and not credit –impaired	NA	NA	NA	NA	NA
	Financial assets for which credit risk has increased significantly and credit –impaired	Loans to subsidiaries	73,177,409	100%	(73,177,409)	-

a) Expected credit loss for trade receivables under simplified approach

As at 31 December 2017

Ageing	Not due	0-90 days past due	90-180 days past dues	180-270 days past dues	270-360 days past dues	More than 360 days past dues	Total
Gross carrying amount	450,863,678	122,928,367	31,834,725	28,573,378	11,286,055	72,553,017	718,039,221
Expected credit losses (Loss allowance provision)				2,070,000	235,432	23,138,138	25,443,570
carrying amount of trade receivables (net of impairment)	450,863,678	122,928,367	31,834,725	26,503,378	11,050,623	49,414,879	692,595,651

As at 31 March 2017

Ageing	Not due	0-90 days past due	90-180 days past dues	180-270 days past dues	270-360 days past dues	More than 360 days past dues	Total
Gross carrying amount	474,872,597	39,354,616	66,349,641	6,736,122	3,185,247	34,279,260	624,777,483
Expected credit losses (Loss allowance provision)						34,279,260	34,279,260
carrying amount of trade receivables (net of impairment)	474,872,597	39,354,616	66,349,641	6,736,122	3,185,247	-	590,498,223

iii) Liquidity risk

The company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The company has no outstanding bank borrowings. The company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

As of December 31, 2017, the Company had a working capital of Rs. 910,886,659 including cash and cash equivalent of Rs. 210,285,318 and current investment of Rs. 1,171,096,565 (31 March 2017 Rs. 2,132,383,684 including cash and cash equivalents of Rs 109,361,226 and current investments of Rs. 2,243,676,374).

The table below provides details regarding the contractual maturities of significant financial liabilities as of December 31, 2017:

Particulars	Less than 1 year	1-2 years	Total
Trade payables	411,557,714		411,557,714
Other financial liabilities	2,434,864	9,101,717	11,536,581

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2017:

Particulars	Less than 1 year	1-2 years	Total
Trade payables	289,308,712	-	289,308,712
Other financial liabilities	4,171,344	4,207,256	8,378,600

The table below provides details regarding the contractual maturities of significant financial liabilities as of April 1, 2016:

Particulars	Less than 1 year	1-2 years	Total
Trade payables	284,524,270	-	284,524,270
Other financial liabilities	5,676,044	-	5,676,044

d) Capital Management

The Company's objectives when managing capital are to:

- safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and

- maintain an appropriate capital structure

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

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

The Company monitors capital using gearing ratio which is adjusted net debt divided by total equity. Adjusted net debt comprises of long term and short term liabilities less cash and cash equivalent. Equity includes equity share capital and reserves that are managed as capital. The gearing ratio at the end of the reporting periods was as follows:

	As at 31 December, 2017	As at 31 March, 2017	As at 1 April, 2016
Total Liabilities	1,585,978,508	1,169,407,486	1,156,738,001
Less: Cash and cash equivalents	210,285,318	109,361,226	40,019,162
Adjusted debt	1,375,693,190	1,060,046,260	1,116,718,839
Total equity	4,048,242,289	4,907,570,358	4,324,752,907
Adjusted net debt to equity ratio	0.34	0.22	0.26

(i) Risk management

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

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

(ii) Dividends

Particulars	31 December 2017	31 March 2017	31 March 2016
(i) Equity Shares			
Final dividend for the year ended 31 March 2017 of Rs. 5 (31 March 2016 of Rs. Nil) Per fully paid up	161,918,620	-	-
Interim dividend for the year ended 31 March 2017 of Rs. Nil (31 March 2016 of Rs. 5) Per fully paid up	-	-	161,918,620
(ii) Dividends not recognised at the end of reporting period	-	161,918,620	-
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of Rs. 5. Per fully paid equity share. This proposed dividend is approved by shareholders in the ensuing annual general meeting held on 8 July 2017.			

2.32 OPERATING LEASE**Obligations on long-term, non-cancellable operating leases**

The Company has acquired office premises under cancellable and non-cancellable operating lease. Operating lease rentals paid during the quarter ended 31 December, 2017 is Rs. 72,18,865/- (quarter ended 31 December, 2016 is Rs. Rs. 76,01,135/-)

2.33 Contingent liabilities and Commitments (to the extent not provided for)

Particulars	As at 31 December, 2017 (Rupees)	As at 31 March, 2017 (Rupees)	As at 1 April 2016 (Rupees)
a. Contingent liabilities			
Claims against the Company not acknowledged as debts	6,922,050	6,922,050	6,922,050
b. 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).	10,113,848	3,203,204	3,180,687
c. Other Commitments			

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

- The Company does not have any pending litigation which would impact its financial position.
- The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

Particulars	Quarter ended 31 December 2017	Quarter ended 31 December 2016	For nine months ended 31 December 2017	For nine months ended 31 December 2016
	(Rupees)	(Rupees)	(Rupees)	(Rupees)
2.34 Auditors Remuneration (excluding service tax)				
a. As auditors - statutory audit, including quarterly audits	1,175,000	800,000	3,150,000	2,400,000
b. For other services	300,000	500,000	500,000	500,000
c. Reimbursement of expenses	110,000	99,862	355,910	237,510
	1,585,000	1,399,862	4,005,910	3,137,510
2.35 Earnings per share				
Particulars	Quarter ended 31 December 2017	Quarter ended 31 December 2016	For nine months ended 31 December 2017	For nine months ended 31 December 2016
	(Rupees)	(Rupees)	(Rupees)	(Rupees)
a. Profit after taxation available to equity shareholders (Rupees)	140,959,954	144,005,704	499,982,614	366,790,406
b. Weighted average number of equity shares used in calculating basic earnings per share	29,040,724	32,383,724	31,058,680	32,383,724
c. Effect of dilutive issue of shares	-	-	-	-
d. Weighted average number of equity shares used in calculating diluted earnings per share	29,040,724	32,383,724	31,058,680	32,383,724
e. Basic earnings per share (Rupees)	4.85	4.45	16.10	11.33
f. Diluted earnings per share (Rupees)	4.85	4.45	16.10	11.33

2.36 RELATED PARTY TRANSACTIONS

List of related parties – where control exists

a. 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
- Nucleus Software Australia Pty. Ltd., Australia
- Nucleus Software South Africa Pty. Limited, South Africa (incorporated on 10 February, 2015)
- Avon Mobility Solutions Private Limited (acquired on 17 March 2016)

b. Other related parties:

Key managerial personnel:

- Vishnu R Dusad (Managing Director and Chief Executive Officer)
- Ravi Pratap Singh (Whole time Director)
- Nucleus Software Foundation (see note 2.42)
- Avon Solutions & Logistics Pvt Ltd

Transactions with related parties

Particulars	Quarter ended 31 December 2017	Quarter ended 31 December 2016	For nine months ended 31 December 2017	For nine months ended 31 December 2016
	(Rupees)	(Rupees)	(Rupees)	(Rupees)
a. Software development services and products				
- Nucleus Software Japan Kabushiki Kaisha, Japan	15,366,536	11,925,276	41,039,843	31,026,504
- Nucleus Software Solutions Pte Ltd, Singapore	22,969,057	28,472,292	72,635,124	79,117,405
- Nucleus Software Inc., USA	-	2,317,875	1,477,845	6,867,884
- Nucleus Software Netherlands B.V., Netherlands	-	1,720,483	74,676	4,753,518
	38,335,593	44,435,926	115,227,488	121,765,311
b. Other income				
Dividend income				
- VirStrai -Technology Services Limited, India	-	-	50,000,000	-
- Nucleus Software Solutions Pte Ltd, Singapore	-	-	43,743,750	-
- Nucleus Software Inc., USA	-	-	45,157,000	-
	-	-	138,900,750	-

2.36 RELATED PARTY TRANSACTIONS (CONT'D)

Transactions with related parties

Particulars	Quarter ended 31 December 2017	Quarter ended 31 December 2016	For nine months ended 31 December 2017	For nine months ended 31 December 2016
	(Rupees)	(Rupees)	(Rupees)	(Rupees)
a. Salary and other benefits to Key managerial personnel				
Short-term employee benefits	4,802,064	3,492,239	19,244,593	14,027,319
Contribution to provident and other funds	314,484	240,660	943,451	721,980
	5,116,548	3,732,899	20,188,044	14,749,299
b. Cost of software purchased for delivery to clients				
- Nucleus Software Solutions Pte Ltd, Singapore	672,277	694,375	1,979,545	2,099,090
c. Outsourced technical service expense				
- Nucleus Software Japan Kabushiki Kaisha, Japan	-	-	-	6,141,953
- Nucleus Software Australia Pty Ltd.	8,136,776	13,418,559	24,555,895	36,767,776
	8,136,776	13,418,559	24,555,895	42,909,729
d. Expenditure on Corporate Social Responsibility				
Nucleus Software Foundation (see note 2.44)	2,850,000	3,010,000	8,200,000	11,010,000

e. Lease rent paid				
- Nucleus Software Limited, India	2,730,188	2,730,186	8,190,560	8,190,558
f. Reimbursement of expenses from				
- Nucleus Software Solutions Pte Ltd, Singapore	413,673	878,072	1,873,077	3,631,408
- Nucleus Software Japan Kabushiki Kaisha, Japan	13,055,233	13,944,444	38,805,614	43,208,347
- Nucleus Software Inc., USA	-	-	181,291	33,098
- Nucleus Software Netherlands B.V., Netherlands	-	-	60,591	5,625
- VirStra i-Technology Services Limited, India	-	-	-	212,215
- Nucleus Software South Africa Pty Ltd, South Africa	-	-	9,760	36,485
- Nucleus Software Australia Pty Ltd., Australia	35,289	350,714	313,738	1,536,152
	13,504,195	15,173,230	41,244,071	48,663,330
g. Reimbursement of expenses to				
- Nucleus Software Solutions Pte Ltd, Singapore	-	115,260	-	120,668
- Nucleus Software Japan Kabushiki Kaisha, Japan	107,190	-	214,380	3,636
	107,190	188,493	214,380	197,536
h. Sales & marketing fee				
- Nucleus Software Japan Kabushiki Kaisha, Japan	7,826,240	13,553,248	29,428,935	38,152,809
- Nucleus Software Solutions Pte Ltd, Singapore	20,984,185	20,065,397	51,057,248	69,816,483
- Nucleus Software Inc., USA	-	-	-	5,491,923
- Nucleus Software Australia Pty Ltd.	3,805,572	6,387,152	9,759,695	24,522,139
- Nucleus Software South Africa Pty Ltd	(636,525)	7,849,463	8,909,788	18,749,749
	31,979,472	47,855,260	99,155,666	156,733,103
- Avon Mobility Solutions Private Limited				
i. Communication Expenses				
- Avon Solutions & Logistics Pvt Ltd	678,839	-	678,839	-
j. Investment in Preference Shares				
- Avon Mobility Solutions Private Limited	-	2,000,000	-	2,000,000
k. Salary to Ms Kritika Dusad (Relative of Key Managerial personnel)				
	1,067,909	-	1,067,909	-

Outstanding balances as at period end

Particulars	As at 31 December, 2017	As at 31 March, 2017	As at 1 April, 2016
	(Rupees)	(Rupees)	(Rupees)
a. Trade receivables			
- Nucleus Software Solutions Pte Ltd, Singapore	7,494,487	9,353,614	9,869,215
- Nucleus Software Japan Kabushiki Kaisha, Japan	19,905,250	18,468,914	16,246,908
- Nucleus Software Inc., USA	-	-	3,954,098
- VirStra i -Technology Services Limited, India	-	-	339,193
- Nucleus Software Limited, India	-	-	155,213
- Nucleus Software Australia Pty Ltd., Australia	34,812	-	(171,701)
	27,434,549	27,822,528	30,392,926
b. Trade payables			
- Nucleus Software Solutions Pte Ltd, Singapore	9,793,123	(655,702)	24,763,484
- Nucleus Software Japan Kabushiki Kaisha, Japan	7,743,381	12,484,006	16,350,954
- Nucleus Software Australia Pty Ltd., Australia	13,457,184	11,633,732	13,338,096
- Nucleus Software Limited, India	819,056	900,961	5,787
- Nucleus Software South Africa Pty Ltd, South Africa	3,391,219	3,458,709	3,290,290
- Nucleus Software Inc., USA	-	-	4,835,092
- Avon Solutions & Logistics Pvt Ltd	-	45,000	-
	35,203,963	27,866,706	62,583,703
c. Loans to subsidiaries			
- Nucleus Software Limited, India	73,177,409	73,177,409	80,110,221
d. Provision for doubtful loan			
- Nucleus Software Limited, India	73,177,409	73,177,409	-
e. Deferred revenue			
- Nucleus Software Inc., USA	-	1,487,596	5,185,002
- Nucleus Software Netherlands B.V., Netherlands	-	89,575	1,276,214
	-	1,577,171	6,461,216
f. Investments in subsidiary companies (net of provision) (see note 2.2)	177,736,648	177,736,648	177,736,648
g. Investments in preference shares of subsidiary companies			
- Avon Solutions & Logistics Pvt Ltd	26,500,000	23,500,000	-
h. Advance/Prepayment to subsidiaries			
- Nucleus Software Solutions Pte Ltd, Singapore	-	2,046,023	2,099,090
i. Expenses Payable to Subsidiaries			
- Nucleus Software Limited, India	5,741,421	-	-

2.37 Research and development expenditure

Particulars	Quarter ended 31 December 2017 (Rupees)	Quarter ended 31 December 2016 (Rupees)	For nine months ended 31 December 2017 (Rupees)	For nine months ended 31 December 2016 (Rupees)
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Expenditure on research and development as per Ind AS 38

Revenue Expenditure	86,409,519	58,578,285	210,373,687	171,562,560
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The Company had been accorded initial recognition for the in-house Research and Development (R&D) unit by the Department of Scientific and Industrial Research (DSIR) for its R&D center at Noida effective 31 December, 2012 which was valid till 31 March, 2015. The Company has further received renewal of recognition for its R&D center for three years starting from 1 April, 2015.

2.38 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 Ind AS 108. The segmentation is based on the Geographies (reportable business segment) in which the Company operates and internal reporting systems. The geographical segmentation is based on the nature and type of services rendered. Based on the "management approach" as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographical segments.

b. Composition of reportable segments

The Company operates in seven main geographical segments: India, Far East, South East Asia, Europe, Middle East, Africa and Australia 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 geographical segmentation is based on the nature and type of services rendered. Accordingly, geographical 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 business segment

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

a. For the Quarter ended 31 December , 2017

Description	(Amount in Rupees)								
	India	Far East	South East Asia	Europe	Middle East	Africa	Australia	Others	Total
Revenue from operations	330,558,360	77,682,169	125,197,352	88,851,095	175,679,375	38,290,627	26,432,254	14,320,076	877,011,309
Expenses	160,371,682	26,608,825	129,929,971	74,330,807	104,894,577	23,363,224	16,654,842	8,355,016	544,508,944
Segment result	170,186,678	51,073,345	(4,732,619)	14,520,288	70,784,799	14,927,404	9,777,412	5,965,060	332,502,366
Unallocated corporate expenditure									211,309,899
Operating profit before taxation									121,192,467
Other income									53,662,656
Profit before taxation									174,855,123
Tax Expense									
Net current tax expense									33,884,812
Net deferred tax credit									10,357
									33,895,168
Profit for the quarter									140,959,955

b. For the Quarter ended 31 December , 2016

Description	(Amount in Rupees)								
	India	Far East	South East Asia	Europe	Middle East	Africa	Australia	Others	Total
Revenue from operations	256,527,665	60,499,333	100,465,147	123,098,674	130,817,488	17,970,388	46,542,631	15,131,782	751,053,108
Expenses	135,394,158	30,157,243	98,504,305	79,736,804	65,308,068	13,877,605	23,594,994	8,722,308	455,295,484
Segment result	121,133,508	30,342,090	1,960,842	43,361,870	65,509,420	4,092,784	22,947,637	6,409,474	295,757,623
Unallocated corporate expenditure									224,255,456
Operating profit before taxation									71,502,168
Other income									100,171,886
Profit before taxation									171,674,054
Tax Expense									
Net current tax expense									23,997,440
Net deferred tax credit									3,670,910
									27,668,350
Profit for the quarter									144,005,704

c. For Nine Month ended 31 December, 2017

Description	(Amount in Rupees)								
	India	Far East	South East Asia	Europe	Middle East	Africa	Australia	Others	Total
Revenue from operations	909,715,655	214,036,797	341,879,927	301,942,203	471,653,128	81,040,981	79,524,484	54,339,286	2,454,132,462
Expenses	457,057,476	93,964,363	373,640,681	238,544,516	280,906,209	37,842,834	51,766,315	24,863,241	1,558,585,635
Segment result	452,658,179	120,072,434	(31,760,754)	63,397,688	190,746,919	43,198,147	27,758,170	29,476,044	895,546,827
Unallocated corporate expenditure									635,936,932
Operating profit before taxation									259,609,895
Other income									347,013,904
Profit before taxation									606,623,799
Tax Expense									
Net current tax expense									106,284,604
Net deferred tax credit									356,581
									106,641,185
Profit for Nine Month									499,982,614

d. For Nine Month ended 31 December, 2016

Description	(Amount in Rupees)								
	India	Far East	South East Asia	Europe	Middle East	Africa	Australia	Others	Total
Revenue from operations	721,320,840	184,417,872	344,802,710	344,210,224	386,075,450	59,740,850	152,230,641	45,116,575	2,237,915,163
Expenses	421,514,855	93,537,916	281,608,696	245,368,132	207,352,007	39,722,381	78,320,540	32,732,016	1,400,156,544
Segment result	299,805,985	90,879,956	63,194,014	98,842,092	178,723,443	20,018,468	73,910,101	12,384,559	837,758,619
Unallocated corporate expenditure									656,053,969
Operating profit before taxation									181,704,650
Other income									248,829,827
Profit before taxation									430,534,477
Tax Expense									
Net current tax expense									63,864,247
Net deferred tax credit									(120,175)
									63,744,072
Profit for Nine Month									366,790,405

Assets and liabilities of reportable business segment are as follows:

a. As at December 2017

Description	(Amount in Rupees)							
	India	Far East	South East Asia	Europe	Middle East	Africa	Australia	Others
Segment assets	388,541,108	44,916,156	164,480,078	71,914,644	126,715,778	27,523,304	34,812	11,495,121
Unallocated corporate assets								835,621,000
								4,798,599,797
Total assets								5,634,220,797
Segment liabilities	578,043,027	38,157,397	421,003,106	77,548,305	267,412,671	64,634,693	53,933,635	4,824,051
Unallocated corporate liabilities								1,505,556,886
								80,421,622
Total liabilities								1,585,978,508
								4,048,242,289

b. As at 31 March, 2017

Description	(Amount in Rupees)							
	India	Far East	South East Asia	Europe	Middle East	Africa	Australia	Others
Segment assets	337,298,232	48,116,938	77,652,422	76,147,237	111,901,749	29,623,913	11,741,239	22,990,684
Unallocated corporate assets								715,472,415
								5,361,505,429
Total assets								6,076,977,844
Segment liabilities	456,699,017	43,935,537	195,379,894	75,625,293	212,836,467	72,033,144	50,914,747	15,086,702
Unallocated corporate liabilities								1,122,510,799
								46,896,687
Total liabilities								1,169,407,486
								4,907,570,358

2.39 Employee Benefit Obligations

Defined contribution plans

An amount of Rs 80,910,509 for the year ended 31 March, 2017 (Year ended 31 March, 2016 Rs 75,942,046), have been recognized as an expense in respect of Company's contribution for Provident Fund and Rs. 427,932 (Year ended 31 March, 2016 Rs. 118,035) for 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 compensated absence has been determined using the Projected Unit Credit method, with actuarial valuations being carried out at the balance sheet date.

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

Reconciliation of opening and closing balances of the present value of the defined benefit obligation as on 31 March, 2017 :

Particulars	As at 31 March, 2017 (Rupees)	As at 31 March, 2016 (Rupees)
a. Change in defined benefit obligations (DBO) during the year		
Obligation at beginning of the year	140,975,938	122,248,328
Current service cost	19,486,237	18,382,179
Interest cost	10,992,195	9,956,441
Actuarial losses/(gains)	5,704,202	8,474,080
Benefits paid	(11,721,172)	(18,085,090)
Obligation at year end	165,437,400	140,975,938
b. Change in plan assets		
Plan Assets at year beginning, at fair value	129,989,479	119,678,080
Expected return on asset plan	10,009,543	9,206,277
Contributions by employer	16,297,225	18,001,217
Actuarial (losses)/gains	(154,710)	1,188,995
Benefits paid	(11,721,172)	(18,085,090)
Plan assets at year end, at fair value	144,420,365	129,989,479
c. Net asset / (liability) recognised in the Balance Sheet		
Present value of defined benefit obligation	165,437,400	140,975,938
Fair value of plan assets	144,420,365	129,989,479
Funded status- Surplus/ (Deficit)	(21,017,035)	(10,986,459)
Unrecognised past service costs	-	-
Net liability recognised in the Balance Sheet	(21,017,035)	(10,986,459)

d. Gratuity cost for the year:

Particulars	Year ended 31 March, 2017 (Rupees)	Year ended 31 March, 2016 (Rupees)
Current service cost	19,486,237	18,382,179
Interest cost	10,992,195	9,956,441
Expected return on asset plan	(10,009,543)	(9,206,276)
Actuarial losses/(gains)	6,434,125	7,285,084
Net gratuity cost	26,903,014	26,417,428

e. Experience adjustment

Particulars	Year ended 31 March, 2013 (Rupees)	Year ended 31 March, 2014 (Rupees)	Year ended 31 March, 2015 (Rupees)	Year ended 31 March, 2016 (Rupees)	Year ended 31 March, 2017 (Rupees)
Defined benefit obligation	91,032,223	101,331,144	122,248,328	140,975,938	165,437,400
Plan assets	-	-	119,678,080	129,989,478	144,420,365
Surplus/(Deficit)	(91,032,223)	(101,331,144)	(2,570,248)	(10,986,460)	(21,017,035)
Experience adjustment on plan liabilities	(2,781,491)	3,407,556	110,250	6,196,728	680,635
Experience adjustment on plan assets	-	-	3,455,543	1,188,995	(154,710)

f. Economic assumptions :

	Actuarial assumptions for gratuity and long-term compensated absences	
	As at 31 March, 2017	As at 31 March, 2016
Discount rate	6.90%	7.55%
Salary escalation rate	7.50%	8.00%
Expected return on plan assets	8.00%	8.00%

Discount rate:

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

Salary escalation rate:

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

Expected return on plan assets:

The expected rate of return on plan assets is determined after considering several applicable factors such as the composition of the plan assets, investment strategy, market scenario, etc.

g. Demographic assumptions

Retirement age	58 years	58 years
Mortality table	IALM Mortality (2006-08)	IALM Mortality (2006-08)

h. Withdrawal rates

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

i. Category of asset

Insurer Managed Funds	144,420,365	129,989,479
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Actuarial valuation of the Company's liability on account of gratuity as at 31 March 2017 was carried out by an independent actuary. The Company has a policy of getting the actuarial valuation done on a annual basis. Accordingly, the actuarial valuation has not been carried out for the quarter and nine months ended 31 December, 2017. Accordingly, disclosures required under Ind-AS19 have been made for the year ended 31 March 2017.

2.40 FUNCTION WISE CLASSIFICATION OF STATEMENT OF PROFIT AND LOSS

Particulars	Quarter ended 31 December 2017 (Rupees)	Quarter ended 31 December 2016 (Rupees)	For Nine Months ended 31 December, 2017 (Rupees)	For Nine Months ended 31 December, 2016 (Rupees)
Income from software services and products	877,011,309	751,053,108	2,454,132,462	2,237,915,163
Software development expenses	562,445,243	461,732,228	1,627,793,662	1,400,408,156
Gross Profit	314,566,066	289,320,880	826,338,800	837,507,008
Selling and marketing expenses	94,959,507	98,391,262	266,206,735	337,343,173
General and administration expenses	81,682,494	88,979,897	251,770,100	232,814,672
Operating profit before depreciation	137,924,066	101,949,721	308,361,965	267,349,164
Depreciation and amortisation expense	16,731,599	30,447,553	48,752,070	85,644,514
Operating profit after depreciation	121,192,467	71,502,168	259,609,895	181,704,650
Other income	53,662,656	100,171,886	347,013,904	248,829,828
Profit before tax	174,855,123	171,674,054	606,623,799	430,534,478
Tax expense:				
Net current tax expense	33,884,812	23,997,440	100,684,604	62064247.49
Deferred tax (credit) /charge	10,357	3,670,910	5,956,581	1679824.742
	33,895,169	27,668,350	106,641,185	63,744,072
Profit for the period	140,959,954	144,005,704	499,982,614	366,790,406

2.41 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 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 statements, particularly on the amount of tax expense and that of provision for taxation.

2.42 EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY

Particulars	For nine months ended 31 December 2017 (Rupees)	For nine months ended 31 December 2016 (Rupees)
Gross amount required to be spent by Company during the year ended 31 March, 2018 / 31 March, 2017 :	11,111,874	11,007,798
Amount spent during the year on purposes other than Construction/acquisition of any asset	8,200,000	11,010,000
Details of related party transactions:		
Nucleus Software Foundation (See note 2.36)	8,200,000	11,010,000

2.43 On March 17, 2016, the Company has acquired 96% stake in Avon Mobility Solutions Pvt. Ltd. ('Avon'), a Mobile Technology Solutions provider for a purchase consideration of Rs 19,200,720. The Company has also taken over Avon's net liabilities aggregating to Rs. 12,504,061. Further, the Company has an option to acquire the remaining 4% shares of Avon as per terms and conditions of share purchase agreement executed with the shareholders of Avon. During the year ended March 31 2017, the Company has further subscribed 2,650,000 11% redeemable preference shares of face value of Rs. 10 per share, for a minimum tenor of 5 years and maximum tenor of 20 years.

2.44 First-time adoption of Ind-AS

These standalone interim financial statements of Nucleus Software Exports Limited for the quarter and nine months ended 31 December, 2017 have been prepared in accordance with Ind AS. For the purposes of transition to Ind AS, the Company has followed the guidance prescribed in Ind AS 101 - First Time adoption of Indian Accounting Standard, with April 1, 2016 as the transition date and IGAAP as the previous GAAP.

The transition to Ind AS has resulted in changes in the presentation of the financial statements, disclosures in the notes thereto and accounting policies and principles. The accounting policies set out in Note 1 have been applied in preparing the standalone financial statements for the quarter and nine months ended 31 December, 2017 and the comparative information. An explanation of how the transition from previous GAAP to Ind AS has affected the Company's Balance Sheet, Statement of Profit and Loss, is set out in note 2.39.

Exemptions availed and exceptions applied on first time adoption of Ind-AS 101

In preparing these financial statements, the Company has applied the below mentioned optional exemptions and mandatory exceptions:

A Optional exemptions availed

1 Property plant and equipment and intangible assets

As permitted by Ind AS 101, the Company has elected to continue with the carrying values under previous GAAP as deemed cost for all the items of property, plant and equipment and Intangible assets.

2 Designation of previously recognised financial instruments

Under Ind AS 109, at initial recognition of a financial asset, an entity may make an irrevocable election to present subsequent changes in the fair value of an investment in equity instrument in other comprehensive income. Ind AS 101 allows such designation of previously recognised financial assets, as 'fair value through other comprehensive income' on the basis of the facts and circumstances that existed at the date of transition to Ind AS.

Accordingly, the company has designated its investments in certain equity instruments at fair value through other comprehensive income on the basis of the facts and circumstances that existed at the date of transition to Ind AS.

3 Investment in Subsidiaries

As per Ind AS 101, when an entity prepare separate financial statements, Ind AS 27 requires it to account for its investments in subsidiaries either:

- (a) at cost or
- (b) in accordance with Ind AS 109.

The Company has chosen to avail the option to measure the investment in subsidiaries at cost.

4 Share- Based payment transactions

The Company can apply Ind AS 102 Share- based payment to equity instruments that vested before date of transition to Ind ASs. However, if an entity elects to apply Ind AS 102 to such equity instruments, it may do so only if it has disclosed publicly the fair value of those equity instruments. The Company has chosen not to apply Ind AS 102 to equity instruments that vested before date of transition.

B Mandatory exceptions

1 Estimates

As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS at the end of the comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimates made for the same date in accordance with the previous GAAP unless there is objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in accounting policies.

As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).

The Company's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the financial statements that were not required under the previous GAAP are listed below:

- fair valuation of financial instruments carried at FVTPL and/ or FVOCI.
- Impairment of financial assets based on the expected credit loss model.
- Determination of the discounted value for financial instruments carried at amortised cost.

2 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable. Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

3 Hedge Accounting

Hedge accounting can only be applied prospectively from the transition date to transactions that satisfy the hedge accounting criteria in Ind AS 109, at that date. Hedging relationships cannot be designated retrospectively, and the supporting documentation cannot be created retrospectively. As a result, only hedging relationships that satisfied the hedge accounting criteria as of 1 April 2016 are reflected as hedges in the Company's results under Ind AS. The Company had designated various hedging relationships as cash flow hedges under the previous GAAP. On date of transition to Ind AS, the entity had assessed that all the designated hedging relationship qualifies for hedge accounting as per Ind AS 109. Consequently, the Company continues to apply hedge accounting on and after the date of transition to Ind AS.

2.45 Reconciliations

a) Reconciliation of Total Equity

Particulars	Note	As at 31 March, 2017	As at 31 December, 2016	As at 1 April 2016
Equity as reported under Previous GAAP (A)		4,734,275,790	4,554,649,445	4,244,849,754
Impact of Ind AS opening adjustment (B)		79,903,153	177,405,611	-
Less:				
Investments in Mutual funds at Fair value through PL	1.1 f)	1,106,907	(450,803)	(574,776)
Profit on sale of long term investment-FMP	1.1 b)	14,338,000	-	-
(C)		15,444,907	(450,803)	(574,776)
Add:				
Movement in deposits at amortised cost		29,753	9,222	(54,599)
Discounting of Long term trade receivable	1.2	8,897,732	2,224,433	(22,327,266)
Interest on Investment in NSL	1.3 a)	6,348,725	1,587,181	16,447,157
Actuarial gain or loss reclassified to OCI				
Investments in tax free bonds at amortised cost -Interest income IRFCL bond	1.1 a)	1,280,183	322,676	-
Investments in tax free bonds at amortised cost - Interest income and amortised expense	1.1 a)	162,761	77,749	423,871
Investments in preference shares at amortised cost	1.1 c)	1,353,318	8,771,449	68,431
Investment in FMPs/ Interval plan at amortised cost	1.1 b)	30,068,611	7,772,599	45,249,336
Measurement of Staff loans at amortised cost	1.3 b)	66,999	17,443	88,368
Investment in NCDs-IIFL	1.1 g)	1,391,781	405,479	-
Discounting of annual pay incentive	1.7	1,210,781	(148,051)	-
NSL loan provision reversal	1.3 a)	6,932,812	-	-
Investments in unquoted equity instruments at fair value through OCI	1.1 d)	54,725,000	(31,062,500)	48,750,000
(D)		112,468,455	(10,022,320)	88,645,298
Equity in accordance with Ind AS (A-B+C+D)		4,911,202,491	4,722,483,538	4,334,069,828
Tax effects of adjustments	1.5	3,632,133	3,256,326	9,316,921
Total equity after tax adjustment in accordance with Ind AS		4,907,570,358	4,719,227,212	4,324,752,907
Movement in equity		173,294,568	164,577,767	79,903,153

2.45 Reconciliations

b) Reconciliation of total comprehensive income

Particulars	For the quarter ended 31 December, 2016	For the nine month ended 31 December, 2016	For the year ended 31 March, 2017
Profit as per Previous GAAP (A)	124,153,045	311,311,783	478,184,464
Less:			
Investments in Mutual funds at Fair value through PL	(450,803)	(2,744,693)	1,106,907
Profit on sale of long term investment-FMP	-	-	14,338,000
(B)	(450,803)	(2,744,693)	15,444,907
Add:			
Movement in deposits at amortised cost	9,222	21,214	29,753
Discounting of Long term trade receivable	2,224,433	6,849,158	8,897,732
Interest on Investment in NSL	1,587,181	4,761,544	6,348,725
Actuarial gain or loss reclassified to OCI	1,618,002	4,854,007	5,858,912
Investments in tax free bonds at amortised cost -			
Interest income IRFCL bond	322,676	961,014	1,280,183
Investments in tax free bonds at amortised cost -			
Interest income and amortised expense	77,749	160,802	162,761
Investments in preference shares at amortised cost	8,771,449	17,327,259	1,353,318
Investment in FMPs/ Interval plan at amortised cost	7,772,599	22,672,778	30,068,611
Measurement of Staff loans at amortised cost	17,443	51,484	66,999
Investment in NCDs-IIFL	405,479	405,479	1,391,781
Discounting of annual pay incentive	(148,051)	1,153,757	1,210,781
NSL loan provision reversal			6,932,812
(C)	22,658,182	59,218,496	63,602,368
Profit in accordance with Ind AS (B-C)	147,262,030	373,274,971	526,341,925
Tax effects of adjustments	3,256,326	6,484,566	8,507,133
Profit for the year after tax adjustment in accordance with Ind AS	144,005,704	366,790,405	517,834,792
Other Comprehensive Income (OCI)			
Add:			
Investments in unquoted equity instruments at fair value through OCI	(31,062,500)	29,175,000	54,725,000
Effective portion of gain (loss) on hedging instruments of effective cash flow hedges,net	(4,672,766)	(1,512,091)	11,241,572
	(35,735,266)	27,662,909	65,966,572
Less:			
Actuarial gain or loss reclassified from OCI	1,618,002	4,854,007	5,858,912
OCI	(37,353,268)	22,808,903	60,107,660
Deferred Tax adjustment on transitional entries	-	(4,875,000)	(4,875,000)
OCI after deferred tax adjustment	(37,353,268)	27,683,903	64,982,660
Total Comprehensive Income as per Ind AS	106,652,436	394,474,308	582,817,452

2.45 Reconciliations

c) Equity reconciliations

Particulars	Note	Opening Balance Sheet as at April 1, 2016			March 31, 2017			December 31, 2017		
		Reclassified IGAAP*	Effect of transition to Ind - AS	Ind AS	Reclassified IGAAP	Effect of transition to Ind - AS	Ind AS	Reclassified IGAAP	Effect of transition to Ind - AS	Ind AS
ASSETS										
Non-current assets										
Property, plant and equipment		308,122,854	-	308,122,854	279,750,398	-	279,750,398	284,013,511		284,013,511
Capital work in progress		11,004,412	-	11,004,412	3,190,290	-	3,190,290	3,190,290		3,190,290
Intangible assets		46,082,968	-	46,082,968	18,239,734	-	18,239,734	20,020,000		20,020,000
Financial assets										
Investments	1.1	1,392,910,811	103,445,372	1,496,356,183	2,086,524,260	142,249,515	2,228,773,775	1,538,035,251	160,758,675	1,698,793,926
Trade receivables	1.2	101,575,012	(22,327,266)	79,247,746	67,980,011	(11,522,232)	56,457,779	67,980,012	(15,478,108)	52,501,904
Loans	1.3	82,453,343	(13,683,007)	68,770,336	1,712,377	(378,466)	1,333,911	82,116,295	(8,942,592)	73,173,703
Other financial assets	1.4	128,086,079	(509,167)	127,576,912	35,174,483	(156,164)	35,018,319	72,092,306	(230,987)	71,861,319
Income tax asset		93,612,383		93,612,383	98,944,832	-	98,944,832	75,680,771		75,680,771
Deferred tax asset (net)	1.5	56,488,693	971,586	57,460,279	100,147,563	(2,660,548)	97,487,015	60,193,433	(637,981)	59,555,452
Other non-current assets		2,583,837	347,590	2,931,428	4,751,266	352,781	5,104,047	14,499,163	(8,958,814)	5,540,349
Current Assets										
Financial assets										
Investments	1.1	1,176,311,386	11,061,231	1,187,372,617	2,197,887,732	45,788,642	2,243,676,374	1,872,304,528	55,926,463	1,928,230,991
Trade receivables	1.2	781,119,460	-	781,119,460	535,947,746	(1,907,301)	534,040,445	753,323,381		753,323,381
Cash and cash equivalents		40,019,162	-	40,019,162	109,361,226	-	109,361,226	68,112,292		68,112,292
Other bank balances		979,249,951	-	979,249,951	225,395,439	-	225,395,439	653,786,332		653,786,332
Loans		10,364,413	-	10,364,413	3,280,647	-	3,280,647	4,144,931		4,144,931
Other financial assets		47,407,159	-	47,407,159	17,944,213	-	17,944,213	19,757,210	(15,747,937)	4,009,273
Other current assets	1.3 and 1.4	144,195,830	596,814	144,792,644	118,661,840	317,560	118,979,400	204,498,460	(3,264,708)	201,233,752
Total Assets		5,401,587,755	79,903,153	5,481,490,908	5,904,894,057	172,083,787	6,076,977,844	5,793,748,166	163,424,011	5,957,172,177
EQUITY & LIABILITIES										
EQUITY										
Equity Share capital		323,852,240	-	323,852,240	323,852,240	-	323,852,240	323,852,240		323,852,240
Other equity	1.6	3,920,997,514	79,903,153	4,000,900,667	4,410,423,550	173,294,568	4,583,718,118	4,230,797,205	164,577,767	4,395,374,972
LIABILITIES										
Non-current liabilities										
Financial liabilities										
Other financial liabilities	1.7	-	-	-	5,418,037	(1,210,781)	4,207,256	7,505,442	(1,153,756)	6,351,686
Provisions		38,152,090	-	38,152,090	44,906,170	-	44,906,170	44,189,168		44,189,168
Other non-current liabilities		31,993,885	-	31,993,885	-	-	-	48,746,251		48,746,251
Current liabilities										
Financial liabilities										
Trade payables		284,524,270	-	284,524,270	289,308,712	-	289,308,712	312,637,961		312,637,961
Other financial liabilities		5,676,044	-	5,676,044	4,171,344	-	4,171,344	2,846,333		2,846,333
Provisions		13,881,550	-	13,881,550	15,444,083	-	15,444,083	16,078,127		16,078,127
Income tax liabilities (net)		14,446,733	-	14,446,733	2,192,450	-	2,192,450	1,606,709		1,606,709
Other current liabilities		768,063,429	-	768,063,429	809,177,471	-	809,177,471	805,488,730		805,488,730
TOTAL EQUITY AND LIABILITIES		5,401,587,755	79,903,153	5,481,490,908	5,904,894,057	172,083,787	6,076,977,844	5,793,748,166	163,424,011	5,957,172,177

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note

Explanation for reconciliation of Profit and Loss as previously reported under IGAAP to Ind AS

1.1 Investments

a) Tax free bonds

Tax free bonds are carried at amortised cost under Ind AS. Premium paid for acquisition of tax free bonds shall be added to the Investment value and thereafter investment will be measured at amortised cost under Ind AS. However under Previous GAAP, premium on tax free bond was recorded separately and amortised over the life of an Investment. As a result of this change, profit for the quarter ended 31 December 2016 and year ended 31 March 2017 increased by Rs. 400,425 and Rs. 1,442,944 respectively and retained earning as at 31 March 2016 increased by Rs. 423,871.

b) Fixed Maturity Plans (FMPs)

Under Previous GAAP, Investments in FMPs were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at amortised cost. This change has resulted in an increase in profit for the quarter ended 31 December 2016 and year ended 31 March 2017 by Rs. 7,772,599 and Rs. 15,730,609 respectively and increase in retained earning as at 31 March 2016 by Rs. 45,249,336.

c) Preference Shares

Cumulative Preference shares are carried at amortised cost under Ind AS. Under Previous GAAP, Investments in Preference shares were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. This change has resulted in an increase in profit for the quarter ended 31 December 2016 and year ended 31 March 2017 by Rs. 8,771,449 and Rs. 1,353,318 respectively and increase in retained earning as at 31 March 2016 by Rs. 68,431.

d) Investment in Equity instruments other than subsidiaries

Under Previous GAAP, the company accounted for long term investments in equity shares of Ujjivan Financial Services Limited as investment measured at cost less provision for other than temporary diminution in the value of investments. Under Ind-AS, the company has designated this investments as FVTOCI investments. Ind-AS requires FVTOCI investments to be measured at fair value.

At the date of transition to Ind-AS, difference between the instruments fair value and Previous GAAP carrying amount has been recognised as a separate component of equity, in the FVTOCI reserve. This decreased other reserves by Rs. 31,062,500 as at 31 December 2016, increased other reserves by Rs. 54,725,000 as at 31 March 2017 (1 April 2016 - Rs. 48,750,000) and profit and other comprehensive income for the quarter ended 31 December 2016 decreased by Rs. 31,062,500 and year ended 31 March 2017 increased by Rs. 54,725,000.

e) Investment in Subsidiaries

The Company has the option to measure the investment in subsidiaries at either cost or in accordance with Ind AS 109. The Company has chosen to avail the option to measure the investment in subsidiaries at cost. There is no impact on the total equity or profit and loss as a result of this adjustment.

f) Investment in Mutual funds

Under Previous GAAP, Investments in Mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at Fair value through profit or loss. This change has resulted in an increase in profit for the quarter ended 31 December 2016 by Rs. 450,803 and decrease in the profit for the year ended 31 March 2017 by Rs. 1,106,907 and increase in retained earning as at 31 March 2016 by Rs. 574,776.

g) Investment in Non convertible debentures

Investments in Non Convertible debentures were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at amortised cost. This change has resulted in an increase in profit for the quarter ended 31 December 2017 by Rs. 405,479 year ended 31 March 2017 by Rs.1,391,781.

1.2 Long term trade receivables

Under Ind AS, Long term receivable should be reduced to the extent of the present value of money and interest income should be recognised over the period of receivable. Adjustments reflect the separation of financing component from the long term receivables. This adjustments increase the profit for the quarter ended 31 December 2016 and year ended 31 March 2017 by Rs. 2,224,433 and Rs. 8,897,232 respectively and reduced the retained earning as at 31 March 2016 by Rs. 22,327,266.

1.3 Long term Loans

Under Previous GAAP, employee loans and other long term advances to be settled in cash or another financial asset are recorded at cost.

However, under Ind AS, certain assets covered under Ind AS 32 meet the definition of financial assets which include employee loans and long term advances to subsidiaries are classified at amortized cost, further these financial assets have been given at nil interest rate , therefore, these have been discounted to present value.

a) Interest free Loans to subsidiaries

As loan given to Nucleus software Limited, 100% subsidiary at nil interest rate, the same should be accounted at amortized cost using prevalent market rate of interest by applying effective interest rate method. Further during the year ended 31 March 2017, under previous GAAP, the Company had made full provision against the loan but in accordance with Ind AS, provision reversed to the extent of excess provision over amortised cost as at 31 March 2017. An amount of Rs. 19,440,188 has been recognised as deemed investment and included in value of investment in Nucleus Software Limited.

As a result of this change, profit for the quarter ended 31 December 2016 and year ended 31 March 2017 increased by Rs. 1,587,181 and Rs. 6,348,725 respectively and reduced the retained earning as at 31 March 2016 by Rs. 16,447,158.

b) Interest free Loans to employees

Loan to employees are also given at nil interest rates, the same should be accounted at amortized cost using prevalent market rate of interest by applying effective interest rate method.

As a result of this change, profit for the quarter ended 31 December 2016 and year ended 31 March 2017 increased by Rs. 17,443 and Rs. 66,999 respectively and increased the retained earning as at 31 March 2016 by Rs. 88,368.

1.4 Other Financial assets

Under Previous GAAP, Security deposit are recorded at cost. However under Ind AS, security deposits are classified at amortised cost. Therefore, adjustment has been made for the impact of discounting of interest free security deposit given for the rented premises.

As a result of this change, profit for the quarter ended 31 December 2016 and year ended 31 March 2017 increased by Rs. 9,222 and Rs. 29,753 respectively and reduced the retained earning as at 31 March 2016 by Rs. 54,599.

1.5 Deferred tax

Deferred Tax adjustment on transitional entries under Ind - AS has been made in accordance with Ind-AS. This has decreased the profit for the quarter ended 31 December 2016 by Rs. 3,256,326 and reduced profit for the year by Rs. 3,632,134 and retained earning by Rs. 9,316,921. The Previous GAAP require deferred tax accounting using the income statement approach, which focusses on differences between taxable profit and accounting profits for the period. Ind-AS 12 : Income Taxes

requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind-AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Previous GAAP.

1.6 Other Equity

Adjustment to retained earnings and OCI have been made in accordance with Ind-AS, for the above mentioned line items. Under Previous GAAP, the Company has not presented other comprehensive income (OCI) separately. Items that have been reclassified from statement of profit and loss to other comprehensive income includes remeasurements of defined benefit plans and fair value gain/loss on FVOCI equity instruments. Hence, Previous GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

1.7 Non -current Financial liabilities

Under Previous GAAP, annual incentive payables and creditors are recorded at cost.

However, under Ind AS, liabilities in which the Company has a contractual obligation to deliver cash are classified as financial liabilities. Thus in case of annual incentive being long term in nature, the financial liabilities have been discounted to present value and carried at amortised cost. Consequential impact of the same have been taken to employee benefit expenses.

As a result of this change, profit for the quarter ended 31 December 2016 and year ended 31 March 2017 (decreased) or increased by (Rs. 148,051) and Rs. 1,210,781 respectively.

1.8 Remeasurements of the defined benefit plans

Under Ind AS, remeasurements, i.e., actuarial gains and losses and the return on plan assets, excluding amount included in the net interest expense on the net defined liability are recognised in other comprehensive income instead of profit or loss. Under Previous GAAP, these remeasurements were forming part of the profit or loss for the year. However, this has no impact on the total comprehensive income and total equity as on 1 April 2016 and 31 March 2017.

For B S R & ASSOCIATES LLP

Chartered Accountants

Firm Registration Number : 116231W/W-100024

For and on behalf of the Board of Directors

RAKESH DEWAN

Partner

Membership number : 092212

SIDDHARTHA MAHAVIR ACHARYA

Chairman

VISHNU R DUSAD

Managing Director &
Chief Executive Officer

ASHISH NANDA

Chief Financial Officer

POONAM BHASIN

AVP (Secretarial) &
Company Secretary

Place : Gurugram

Date : January 23, 2018

Place : Noida

Date : January 23, 2018

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

Particulars	As at 31 December, 2017 (Rupees)	As at 31 March, 2017 (Rupees)
ASSETS		
Non-current assets		
Property, plant and equipment	435,055,865	429,348,771
Intangible assets under development	-	3,190,290
Goodwill on consolidation	31,704,781	31,704,781
Other Intangible assets	15,591,405	18,591,580
 Financial assets		
Investments	2,326,233,322	2,027,560,128
Trade receivables	59,669,784	56,457,779
Loans	1,395,818	1,333,911
Other financial assets	114,620,517	53,105,056
Deferred tax asset	132,622,825	125,023,409
Income tax asset (net)	111,719,727	100,070,238
Other non-current assets	4,667,730	5,274,680
	3,233,281,774	2,851,660,622
 Current Assets		
Inventories		
Financial assets		
Investments	1,270,953,824	2,381,513,660
Trade receivables	707,761,223	609,296,833
Cash and cash equivalents	395,112,966	395,511,036
Other bank balances	328,699,165	226,562,873
Loans	3,476,399	3,308,147
Other financial assets	9,682,551	19,907,941
Other current assets	187,808,304	167,466,498
	2,903,494,431	3,803,566,989
 Total Assets	6,136,776,206	6,655,227,611
 EQUITY & LIABILITIES		
EQUITY		
Equity Share capital	290,422,240	323,852,240
Other equity	4,141,945,398	5,025,746,405
 Deferred revenue		
Total equity attributable to equity holders of the company	4,432,367,638	5,349,598,645
 Total Equity	4,432,367,638	5,349,598,645
 LIABILITIES		

Non-current liabilities

Financial liabilities

Other financial liabilities	9,101,717	4,207,256
Other non-current liabilities	1,957,200	2,014,537
Deferred tax liabilities	2,736,160	305,750
Provisions	62,069,814	58,885,055

	75,864,891	65,412,598
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Current liabilities

Financial liabilities

Borrowings		
Trade payables	431,262,729	352,455,640
Other financial liabilities	2,435,754	4,283,062
Provisions	19,218,649	17,476,771
Current tax liabilities (net)	11,574,755	12,820,146
Other current liabilities	1,149,107,319	853,180,749
	1,613,599,206	1,240,216,368

TOTAL EQUITY AND LIABILITIES

	6,121,831,735	6,655,227,611
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		Quarter ended		For nine months ended	
		31 December, 2017	31 December, 2016	31 December, 2017	31 December, 2016
		(Rupees)	(Rupees)	(Rupees)	(Rupees)
1. REVENUE FROM OPERATIONS					
Income from software product and services		1,060,195,335	931,432,707	3,007,848,738	2,787,017,726
2. OTHER INCOME		54,325,359	102,467,699	212,678,715	252,364,833
3. TOTAL INCOME (1+2)		1,114,520,694	1,033,900,406	3,220,527,453	3,039,382,560
4. EXPENSES					
a. Employee benefits expense		667,737,847	594,528,568	1,984,130,507	1,833,704,582
b. Operating and other expenses		205,342,418	190,743,620	595,427,325	558,899,578
c. Finance cost		1,154,982	1,261,539	3,904,998	4,036,914
d. Depreciation and amortisation expense		18,038,767	32,390,637	53,120,293	93,276,599
TOTAL EXPENSES		892,274,014	818,924,364	2,636,583,123	2,489,917,673
5. PROFIT BEFORE TAX (3-4)		222,246,680	214,976,042	583,944,330	549,464,887
6. TAX EXPENSE					
a. Current tax expense		39,309,973	35,955,038	129,937,842	97,011,326
b. Deferred tax (credit) /charge		1,833,003	191,484	1,129,827	(5,190,239)
NET TAX EXPENSE		41,142,975	36,146,522	131,067,669	91,821,087
7. PROFIT FOR THE PERIOD (5-6)		181,103,705	178,829,520	452,876,661	457,643,800
8. OTHER COMPREHENSIVE INCOME					
(A) (i) Items that will not be reclassified to profit or loss					
a) Remeasurements of the defined benefit plans		(1,513,088)	(1,713,148)	(4,324,216)	(5,139,443)
b) Equity Instruments through Other Comprehensive Income		17,700,000	(31,062,500)	(8,700,000)	34,050,000
(B) (i) Items that will be reclassified to profit or loss					
a) Effective portion of gain (loss) on hedging instruments of effective cash flow hedges,net		6,643,561	(5,310,423)	(10,968,942)	(2,242,037)
b) Exchange difference on translation of foreign operations		(2,437,574)	(12,983,985)	965,319	(9,253,749)
				-	-

(ii)	Income/deferred tax relating to Items that will not be reclassified to profit or loss	-	-	-	-
	TOTAL OTHER COMPREHENSIVE INCOME	20,392,898	(51,070,056)	(23,027,839)	17,414,771
9.	TOTAL COMPREHENSIVE INCOME (7+8)	201,496,603	127,759,464	429,848,822	475,058,571
	Profit attributable to				
	Owners of the Company	181,103,705	178,829,520	452,876,661	457,643,800
	Non- controlling interest				-
		181,103,705	178,829,520	452,876,661	457,643,800
10	Total comprehensive income attributable to				
	Owners of the Company	201,496,603	127,759,464	429,848,822	475,058,571
	Non- controlling interest				-
		201,496,603	127,759,464	429,848,822	475,058,571
11.	EARNINGS PER EQUITY SHARE				
	Equity shares of Rupees 10 each				
a.	Basic	6.24	5.52	14.58	14.13
b.	Diluted	6.24	5.52	14.58	14.13
	Number of shares used in computing earnings per share				
a.	Basic	29,040,724	32,383,724	31,058,680	32,383,724
b.	Diluted	29,040,724	32,383,724	31,058,680	32,383,724

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 on the accrual basis, in accordance with the Indian Accounting standards ("Ind AS") and mandatory accounting standards specified under Section 133 of the Companies Act, 2013, read with relevant Rules issued thereunder, as applicable and the relevant provisions of the Companies Act, 2013 ("2013 Act"), as applicable 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.

Overview

The Company was incorporated on January 9, 1989 as Nucleus Software Exports Private Limited with its registered office at 33-35 Thyagraj Market, New Delhi, India. 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 Software is the leading provider of mission critical lending and transaction banking products to the global financial services industry. Its software powers the operations of more than 150 customers in 50 countries, supporting retail banking, corporate banking, cash management, internet banking, automotive finance and other business areas.

Nucleus Software is known for its world-class expertise and innovation in lending and transaction banking technology. We have inter-alia, two flagship products, built on the latest technology:

- FinnOne™, 10 time winner - World's Best Selling Lending Solution.
- FinnAxia™, an integrated global transaction banking solution used by banks worldwide to offer efficient and Innovative global payments and receivables, liquidity management and business internet banking services.

We have continued to enhance our solutions to take advantage of market trends, such as increasing digitizing of financial services. Our flagship product FinnOne Neo™ was launched on cloud and is already a success in the domestic market. By providing FinnOne Neo™ on cloud, we are making one of the best lending software more affordable, quickly deployable and scalable as per our customers' business requirements.

We also launched the Collections module as part of FinnOne Neo Lending Suite. Collection module is aimed at automating the collection operation in the Financial Institution, increase collection efficiency and thereby reduce delinquency.

FinnAxia 4.0, the latest version of its next-generation integrated transaction banking product suite. The new product suite includes extended compliance to global and regional regulations; increased flexibility for corporate treasurer for greater control, visibility, management of liquidity and enhanced capabilities to digitize the financial value chain of supplier's-buyer's-dealer's thereby creating a business network for collaborative commerce leading to working capital optimization.

PaySe™, the world's first offline digital cash solution which was launched in FY15-16, was made available in 3 new form factors: smart watch, band and micro SD. With this, we can now cater to consumers more effectively and we launched an innovative project with an esteemed Education Institution in India.

Over the years, our committed professionals have provided par excellence and with our deep expertise and global experience, we have created a global footprint of customers 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, USA, Australia and South Africa. 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 Group'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 Group's focus on product development is to build products on latest architecture & technology stack, with products that have advanced feature & functionalities to support growing need of business. We are performing today to deliver top-tier performance, while investing to ensure that our performance levels can be sustained in the long term. We have stepped up our investments in brand building, R&D, sales and our people. All of this coupled with differentiated products' help us drive sales and ultimately bring in customer satisfaction. The definitive goal is to touch and improve lives of more and more people across the world by equipping Banks with superior technology products for managing lending operations.

Building on our strong product innovation and R&D capabilities, we executed strategic initiatives for new products, sales and market development and people to help drive transformation and continue the momentum of growth. This endeavour 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:

- Nucleus Software has received an award in **Mid Corporate Segment-for Excellence in IT/ITES Sector**, at SME Business Excellence Awards, 2017 organized by Dun & Bradstreet Information Services India Pvt. Ltd (D&B).
- **bob Finance and FinnOne win The Banking Technology Award 2016**, bob Finance AG, a financial service company in Switzerland deployed Nucleus Software's FinnOne for offering an innovative and completely digitized loan service. This implementation won The Banking Technology Award 2016 - Highly Commended for Best Use of IT in Lending.
- Named as a '**Model Bank Vendor 2016**' Award by **Celent** for helping multiple clients achieve technology or implementation excellence.
- Recognized amongst the '**World's top 5 Mobile Banking Solution Providers**' by **Forrester Research, Inc.** in The Forrester Wave™: Mobile Banking Solutions, Q4 2015.
- Corporate Livewire – Fintech Excellence Awards 2015 in the category "**Excellence in Providing Banking Products**"
- FinnOne™ **10 time winner - World's Best Selling Lending Solution** by IBS Publishing, UK.

- Annual Report for the Year Ended March 31, 2014 won the **Platinum Award** for Excellence within the Technology-Software industry and ranked amongst the World's Top 50 Annual Reports within the Technology-Software industry and by the League of American Communications Professional (LACP).
- 9th Social and Corporate Governance Awards in the category "**Best Overall Corporate Governance Compliance and Ethics Program**" organised by World CSR Congress.
- Titanium Award at "**The Asset Triple A Corporate Awards 2014**" for Third Consecutive Year under the category Financial Performance, Corporate Governance and Investor Relations.
- "Asian CSR Leadership Awards 2014" in the category, "Best Corporate & Financial Reporting".
- "**The Asian Banker award – 2014**" for "Best Lending Platform Implementation Project" for introducing MARC, an innovative debt servicing solution that allows customers to make payment anytime, anywhere.
- The Company was inducted into the coveted **Hall of Fame** by the **Institute of Chartered Accountants of India**, in the category, Service sector (other than financial services) with turnover less than Rs. 500 crore, of the 'ICAI Awards for Excellence in Financial Reporting' in the year 2013.
- 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., 31st March 2011.
- HDFC Bank, Nucleus Software customer, won the prestigious **Celent 2010 Model Bank Award** for its loan origination system, FinnOne™.

FINANCIAL PERFORMANCE

The consolidated financial results are as below:

(Rs. in crore)

For the Quarter Ended December 31,	2017	% of Revenue	Growth (%)	2016	% of Revenue
Revenue From Operations	106.02	100%	14%	93.14	100%
Expenses					
a) Employee benefits expense	66.77	63%	12%	59.45	64%
b) Operating and other expenses	20.53	19%	8%	19.07	20%
c) Finance cost (Bank Charges)	0.12	0%	-8%	0.13	0%
Total Expenses	87.42	82%	11%	78.65	84%
Operating Profit (EBITDA)	18.60	18%	28%	14.49	16%
Depreciation	1.80	2%	-44%	3.24	3%
Operating Profit after Interest and Depreciation	16.79	16%	49%	11.25	12%
Other Income	5.90	6%	-39%	9.62	10%
Foreign Exchange Gain/ (Loss)	(0.47)	0%	-175%	0.62	1%
Profit Before Tax	22.22	21%	3%	21.50	23%
Taxation	4.11	4%	14%	3.61	4%
Profit After Tax	18.11	17%	1%	17.88	19%

Revenue from Operations

We derive our revenue from the following business segments:

- Products
- Projects and Services

During the quarter the total revenue is Rs. 106.02 crore against Rs. 93.14 crore for the corresponding quarter previous year.

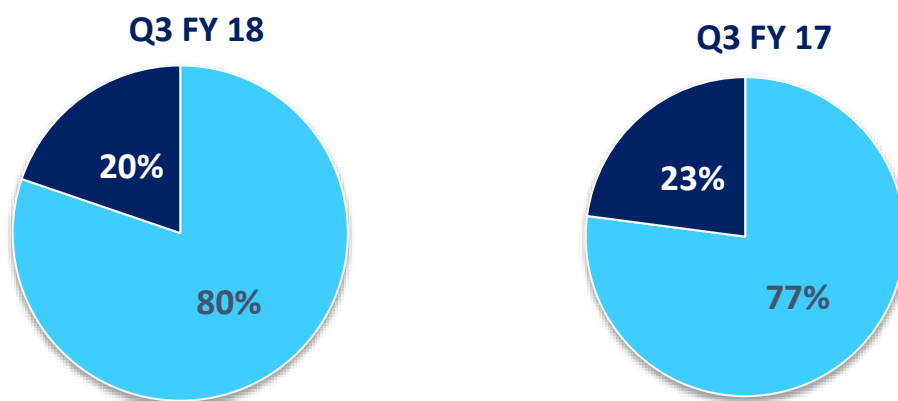
Revenue from Products

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. 85.06 crore during the quarter, constituting 80% of the total revenue against Rs. 71.78 crore, 77% of total revenue, in the corresponding quarter previous year. This has increased by 18.49%. We are a Company focused on Product business.

Revenue from Projects and Services

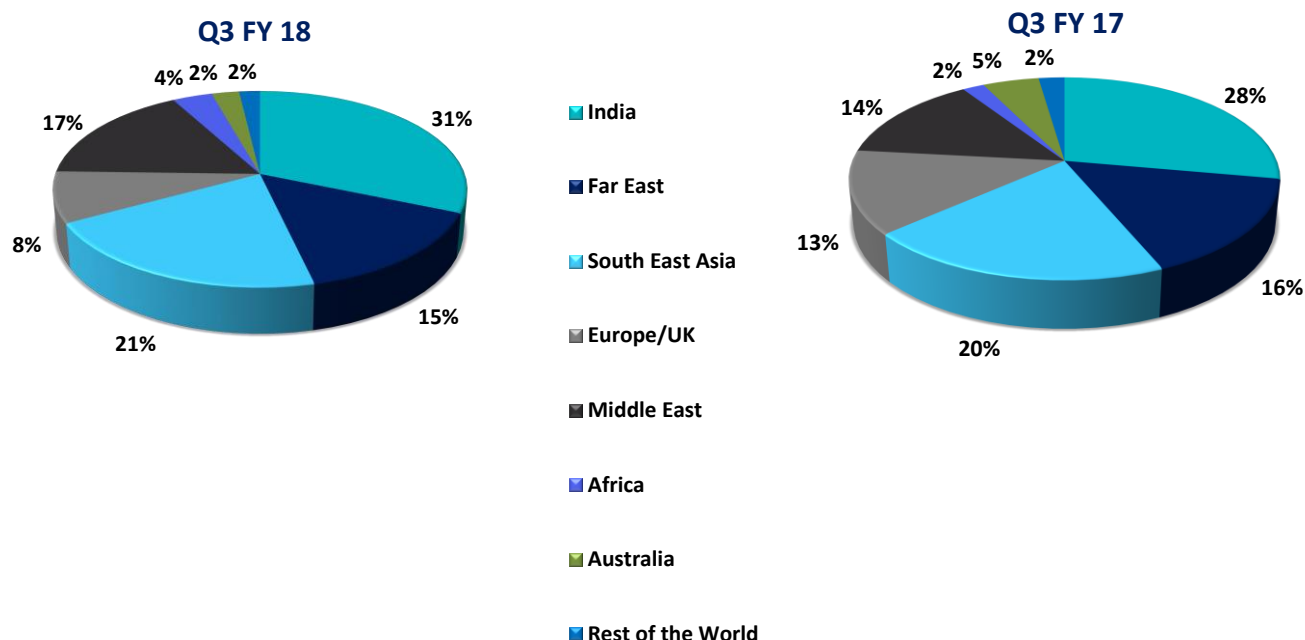
Software services rendered by the Company, classified under this segment, typically consist of development of software to meet specific customer requirements consisting of application development & maintenance, testing services, consulting and infrastructure management services with a strong banking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

Revenue from software projects and services segment during the quarter is Rs. 20.96 crore constituting 20% of the total revenue against Rs. 21.36 crore, constituting 23% of total revenue in the corresponding quarter previous year. This has decreased by 1.85%.



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 12% to Rs. 66.77 crore. For the corresponding quarter previous year, they were at Rs. 59.45 crore. The increase is primarily due to increase in employee compensation, both fixed and variable pay and new hiring's.

(Rs. in crore)

Employee Benefit Expenses

For the Quarter Ended December 31,	2017	% of Revenue	Growth (%)	2016	% of Revenue
Salaries and bonus	61.75	58%	12%	55.04	59%
Contribution to provident and other funds	3.16	3%	16%	2.71	3%
Gratuity expense	0.62	1%	-1%	0.63	1%
Staff welfare	1.24	1%	16%	1.07	1%
Total Employee Benefit Expenses	66.77	63%	12%	59.45	64%
Revenue	106.02	100%	14%	93.14	100%

Operating and Other Expenses

Operating and other expense primarily consist of expenses on travel to execute work at client site and for other related activities, cost of software purchased for delivery to clients, bandwidth and communication expense, infrastructure charges, expenses on account of brand building activities, training and recruitment costs, legal and professional charges, repairs and maintenance charges, insurance, provision for doubtful debts, contribution to CSR activities and others.

(Rs. in crore)

Operating and Other Expenses					
For the Quarter Ended December 31,					
	2017	% of Revenue	Growth (%)	2016	% of Revenue
Software and other development charges	1.65	2%	-1%	1.68	2%
Cost of software purchased for delivery to clients	0.61	1%	4%	0.58	1%
Power and fuel	1.05	1%	-5%	1.11	1%
Rent	1.96	2%	0%	1.97	2%
Repair and maintenance	1.02	1%	3%	0.99	1%
- Buildings	0.23	0%	2%	0.23	0%
- Others	0.78	1%	3%	0.76	1%
Insurance	0.14	0%	-26%	0.18	0%
Rates and taxes	0.06	0%	-70%	0.21	0%
Travel expenses	3.92	4%	25%	3.15	3%
Advertisement and business promotion	0.49	0%	83%	0.27	0%
Legal and professional	1.61	2%	-46%	3.00	3%
Directors remuneration	0.31	0%	24%	0.25	0%
Conveyance	0.57	1%	22%	0.47	1%
Communication	0.68	1%	8%	0.63	1%
Training and recruitment	0.87	1%	20%	0.73	1%
Net loss on sale of fixed assets/discarded assets	0.10	0%		-	0%
Adjustment to the carrying amount of investments	-	0%	-100%	0.56	1%
Conference, exhibition and seminar	0.47	0%	132%	0.20	0%
Information technology expenses	2.07	2%	82%	1.14	1%
Provision for doubtful debts/advances/other current assets	0.19	0%	-284%	(0.10)	0%
Commission to channel partners	0.72	1%	671%	0.09	0%
Finance Cost	0.12	0%	-8%	0.13	0%
Expenditure on Corporate Social Responsibility	0.29	0%	-5%	0.30	0%
Miscellaneous expenses	1.74	2%	4%	1.68	2%
Total Operating and Other Expenses	20.65	19%	8%	19.20	21%
Revenue	106.02	100%	14%	93.14	100%

- Software and other development charges relate to outsourced work for software development.
- 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.
- 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 during the quarter was Rs. 18.60 crore, 18% of revenue against Rs. 14.49 crore, 16% of revenue in the corresponding quarter previous year.

Depreciation

Depreciation on fixed assets was Rs. 1.80 crore, for the quarter against Rs. 3.24 crore, 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)

Other Income		
For the Quarter Ended December 31,	2017	2016
Dividend on investment in Mutual fund units	1.46	2.49
Interest Income	4.35	6.98
Net Gain / (Loss) on foreign currency	(0.47)	0.62
Profit on sale of assets/ investments	0.02	0.11
Others	0.07	0.04
Total	5.43	10.25

Other income for the quarter is Rs. 5.43 crore, against Rs. 10.25 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 loss of Rs. 0.47 crore against a gain of Rs. 0.62 crore for the corresponding quarter previous year.

Taxation

It represents provision for corporate & income taxes determined in accordance with tax laws applicable in countries where the Company and subsidiaries operate.

(Rs. in crore)

Taxation		
For the Quarter Ended December 31,	2017	2016
- Withholding taxes charged off	0.19	(0.46)
- Current Tax	4.33	3.98
- Deferred Tax Credit (net)	0.18	0.02
- Tax expense / (credit) relating to prior period	(0.58)	0.07
Total	4.11	3.61

Profit after Tax

Our profit after tax for the quarter is Rs. 18.11 crore, 17% of revenue, against Rs. 17.88 crore, 19% 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 December 31, 2017 is 29,040,724 equity shares of Rs. 10 each.

Subsidiaries

The Company has nine subsidiary companies, all over the world, all of which are wholly owned except Avon mobility solutions Pvt. Ltd. The company has acquired 96% stake in Avon mobility solutions. Paid-up Share Capital of the Subsidiaries as on December 31, 2017 is as per the below table:

Name of Subsidiary Company	Currency	As at Dec 31, 2017		As at March 31, 2017	
		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 SGD 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	USD	350000	1.63	350000	1.63
Nucleus Software Japan Kabushiki Kaisha, 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. 7500(4000) equity shares of Euro 100 each	Euro	750,000	4.89	750,000	4.89
Nucleus Software Limited, India. 10,000,000 equity shares of Rs.10/- each	INR	-	11.94	-	11.94
Nucleus Software Australia. 100,000 Equity share of 1 AUD each	AUD	100,000	0.55	100,000	0.55
Nucleus Software South Africa (Pty.) Limited, South Africa. 10 Equity shares of ZAR 61,200 each	ZAR	612,000	0.32	612,000	0.32
Avon Mobility Solutions Pvt Ltd. 10666 equity shares of Rs 10 each	INR	-	1.92	-	1.92
Avon Mobility Solutions Private Limited. 2,650,000, 11% Preference shares of Rs. 10 each	INR	-	2.65	-	2.35

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 April 1, 2017	Additions/ (Deletions) during the period	Closing Balance as on Dec 31, 2017
General Reserve	88.88	(82.27)	6.61
Securities Premium	2.19	(2.19)	-
Capital Reserve	0.89	-	0.89
Foreign Currency Translation Reserve	(1.41)	0.10	(1.32)
Hedging Reserve	1.56	(1.10)	0.46
Capital Redemption reserve	-	3.34	3.34
Profit and Loss Account Balance	400.75	(4.96)	395.79
Other comprehensive Income	9.72	(1.30)	8.42
Total	502.57	(88.38)	414.19

Goodwill on Consolidation

The goodwill in the books has arisen based on the difference in the book value of the investment vis-à-vis the consideration paid for acquisition of 96% stake in AVON Mobility Solutions Pvt. Ltd., a mobile technology solutions provider in March 2016.

The total amount of goodwill is Rs. 3.17 Crore as of the Balance Sheet date. The Management has performed a valuation of the intrinsic value of the business of this entity. It is observed that the intrinsic worth of the companies is higher than the consideration paid for these entities. Accordingly, no impairment of the goodwill is considered necessary at this stage in the books of accounts

Investments

- a. **Non-current investments** totaling Rs.232.62 crore as on December 31, 2017 against Rs. 202.76 crore as on March 31, 2017
- i.) **Investment in equity shares** - Rs. 9.73 crore
 - ii.) **Investment in tax free bonds held on a hold to maturity basis** – Rs. 86.43 crore.
 - iii.) **Investment in long-term fixed maturity plans of mutual funds** – Rs. 82.18 crore.
 - iv.) **Investment in Preference shares** – Rs. 48.84 crore.
 - v.) **Investment in debentures** – Rs. 5.44 crore

b. 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 December 31, 2017 the cash and bank balances stood at Rs. 72.38 crore and current investments in liquid schemes and Fixed Maturity Plans of mutual funds were Rs. 127.10 crore.

Total cash and current investments are thus at Rs. 199.48 crore on December 31, 2017.

(Rs. in crore)		
Cash & Cash Equivalents as at	31-Dec-17	31-Mar-17
Balances with Bank		
In Current Accounts	37.31	27.88
In Fixed Deposit Account	35.07	34.33
Investments in Mutual Funds	127.10	238.15
Total	199.48	300.36

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.

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

As at	31-Dec-17	31-Mar-17
Days of sale receivable	61	59
Cash and Equivalents as % of assets	46.05%	58.27%
Cash and Equivalents as % of revenue (LTM)	50.57%	80.66%
Current investments as % of assets	28.67%	44.52%
Current investments as % of revenue (LTM)	32.22%	63.95%

Trade Receivables

Our trade receivables (net of provision) as on December 31, 2017 are Rs. 70.78 crore, against Rs. 60.93 crore as on March 31, 2017.

Days of sales receivables (DSR) are at 61 days as on December 31, 2017 against 59 days as on March 31, 2017.

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 other financial assets

Loans and other financial assets have been classified into non- current and current based on their period of realization.

(Rs. in crore)

Loans and other Financial assets as on		
As at	31-Dec-17	31-Mar-17
Non – Current		
Staff Loans	0.14	0.13
Security deposits	3.11	3.16
Long-term bank deposits	8.35	2.15
Total	11.60	5.44
Current		
Staff Loans	0.35	0.33
Security deposits	0.05	0.02
Mark-to-market gain on forward contracts	0.67	1.56
Expenses recoverable from customers	0.25	0.42
Total	1.32	2.32
Total Loans and Advances	12.92	7.77

Security Deposits, utilized primarily for hiring of office premises and staff accommodation, amounts to Rs. 3.16 crore as on December 31, 2017 against Rs. 3.17 crore as on March 31, 2017.

Current Liabilities

Current Liabilities as on December 31, 2017 is Rs. 161.36 crore (Rs. 124.02 crore as on March 31, 2017).

(Rs. in crore)

Current Liabilities		
As at	31-Dec-17	31-Mar-17
Trade Payables	43.13	35.25
Unpaid dividends	0.24	0.29
Payable for purchase of fixed assets	-	0.14
Provision for compensated absences	1.89	1.72
Provision for gratuity	0.03	0.03
Provision for tax	1.16	1.28
Advance from customers / Advance billings	56.49	34.29
Deferred Revenue	46.40	42.73
Book overdraft	-	0.03
Payable to gratuity trust	4.49	2.30
Other Payables- statutory liabilities	7.53	5.97
Total	161.36	124.02

Non-Current Liabilities

Non-current Liabilities as on December 31, 2017 are Rs. 7.59 crore (Rs. 6.54 crore as on March 31, 2017). The breakup of Non-current Liabilities at the quarter end is given below.

(Rs. in crore)

NON-CURRENT LIABILITIES		
As at	31-Dec-17	31-Mar-17
Annual incentive payable	0.91	0.42
Provision for Asset retirement obligation	0.20	0.20
Deferred tax liabilities	0.27	0.03
Provision for employee benefits	6.21	5.89
Total	7.59	6.54

A liability or provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provision for employee benefits represents provisions made by the Company based on actuarial valuation.

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 fourth quarter Ending March 31, 2017.	between 21 st to 31 st of April 2018
Financial reporting for the first quarter Ending June 30, 2018.	between 20 th to 31 st of July 2018
Financial results for the second quarter Ending September 30, 2018	between 21 st to 31 st of October 2018
Financial reporting for the third quarter Ending December 31, 2018	between 20 th to 31 st of January 2019
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.
 - 99.58 % of the Company's equity shares are in demat form.
 - The Company has 14,865 shareholders as on December 31,2017.
 - The Company has not issued any GDRs / ADRs.
 - 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
2016-17	50%	5.00	16.19
2015-16	50%	5.00	16.19
2014-15	50%	5.00	16.19
2013-14	60%	6.00	19.43
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.

Notes

- 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

Karvy Selenium Tower B, Plot 31-32,
Gachibowli, Financial District,
Nanakramguda,
Hyderabad-500032
Tel:040-23420815-28
Fax: 040- 23420814/23420857
Email: mailmanager@karvy.com

- Financial Results of Nucleus Software Exports Limited for the Quarter Ended December 31, 2017.
(Consolidated)



CONSOLIDATED PROFIT AND LOSS FOR THE QUARTER ENDED December 31, 2017

In Lakhs

Particulars	Quarter Ended			Nine Months Ended		Year Ended
	December 31, 2017	September 30, 2017	December 31, 2016	December 31, 2017	December 31, 2016	March 31, 2017
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. INCOME FROM OPERATIONS						
Income from Software Products and Services	10,601.95	10,044.67	9,314.33	30,078.49	27,870.18	37,239.24
Total Income from operations (net)	10,601.95	10,044.67	9,314.33	30,078.49	27,870.18	37,239.24
2. EXPENSES						
a) Employee benefit expense	6,677.38	6,742.53	5,945.29	19,841.31	18,337.05	24,454.85
b) Operating and other expenses	2,053.42	1,921.82	1,907.44	5,954.27	5,589.00	7,396.51
c) Finance cost (Bank Charges)	11.55	15.00	12.62	39.05	40.37	54.68
Total Expenses	8,742.35	8,679.35	7,865.35	25,834.63	23,966.42	31,906.03
3. PROFIT FROM OPERATIONS BEFORE DEPRECIATION (1-2)	1,859.60	1,365.31	1,448.98	4,243.86	3,903.76	5,333.20
4. Depreciation and amortisation expense	180.39	173.48	323.91	531.20	932.77	1,121.73
5. PROFIT FROM OPERATIONS AFTER DEPRECIATION (3-4)	1,679.21	1,191.84	1,125.07	3,712.66	2,970.99	4,211.47
6. Other Income	543.25	823.83	1,024.68	2,126.79	2,523.65	3,213.55
7. PROFIT BEFORE TAXES (5+6)	2,222.46	2,015.67	2,149.75	5,839.45	5,494.64	7,425.02
8. Tax expense	411.43	449.43	361.46	1,310.68	918.21	809.06
9. PROFIT AFTER TAXES (7-8)	1,811.03	1,566.24	1,788.29	4,528.77	4,576.43	6,615.96
10. OTHER COMPREHENSIVE INCOME	203.93	(61.13)	(510.70)	(230.28)	174.15	515.15
11. TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	2,014.96	1,505.11	1,277.59	4,298.49	4,750.58	7,131.11
12. Earnings Per Share (Rs.) (Par value Rs.10 each) (not annualised)						
Basic	6.24	4.93	5.52	14.58	14.13	20.43
Diluted	6.24	4.93	5.52	14.58	14.13	20.43

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, Australia, South Africa and branch offices in Dubai (UAE), London (U.K) and USA.

Nucleus operates state-of-the-art Software Development Center at NOIDA (U.P) 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).

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 obtains from a Company Secretary in practice half –yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of SEBI (LODR) Regulations 2015 and files a copy of the certificate with the Stock Exchanges.

8. Investors' Services

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

S.No.	Nature of Requests	Received	Attended	Pending
1.	Revalidation of Dividend Warrants	4	4	Nil
2.	Non-receipt of Dividend Warrant	10	10	Nil
3.	Non-Receipt of Securities	0	0	Nil
4.	Non-Receipt of Shares after transfer	0	0	Nil
5.	Non-Receipt of Annual Report	1	1	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 Regulation 46 of the SEBI (LODR) Regulations, 2015, the designated e-mail address for investor complaints is investorrelations@nucleussoftware.com.

9. Legal Proceedings

There is one legal proceeding pending against the Company in the Court.

10. Distribution of Shareholdings

<i>Distribution Schedule As On 31/12/2017</i>					
<i>S.No.</i>	<i>Category</i>	<i>No. of Cases</i>	<i>% of Cases</i>	<i>Amount</i>	<i>% To Equity</i>
1	1-5000	13053	87.81	12024580.00	4.14
2	5001- 10000	937	6.30	6990680.00	2.41
3	10001- 20000	426	2.87	6198760.00	2.13
4	20001- 30000	139	0.94	3508280.00	1.21
5	30001- 40000	80	0.54	2807540.00	0.97
6	40001- 50000	48	0.32	2208550.00	0.76
7	50001- 100000	91	0.61	6058440.00	2.09
8	100001& Above	91	0.61	250610410.00	86.30
	Total:	14865	100.00	290407240.00	100.00

11. Categories of Shareholders

	<i>As on December 31, 2017</i>		
<i>Category</i>	<i>No. of Share Holders</i>	<i>Voting Strength (%)</i>	<i>No. of Shares Held</i>
Promoter and Promoter Group	11	67.6	19,627,866
Individuals	13531	16.3	4,737,717
Bodies Corporate	346	2.3	653,545
Non-Resident Indians	407	1.9	556,232
Foreign Institutional Investors	47	9.2	2,663,163
Employee	93	0.2	67,810
Directors and Relatives	4	0.6	160,862
Mutual Funds	1	1.3	369,241
NBFC	3	0.0	772
Financial Institutions/ Banks	2	0.0	5,597
Clearing Members and Trusts	93	0.1	23,943
HUF	323	0.4	125,879
Foreign Nationals	3	0.0	647
IEPF	1	0.2	47,450
Total	14865	100.00	29,040,724

12. 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

13. Employee Strength of Nucleus

Nucleus employed 1,847 people as on December 31, 2017 as compared to 1,802 people as on September 30, 2017.

A. Distribution of the Employees:

	December 31, 2017	September 30, 2017
Technical Employee's	1,621	1,574
Non-Technical Employee's including Business Development Group	226	228
TOTAL	1,847	1,802
Male	1,357	1,340
Female	490	462
TOTAL	1,847	1,802

14. 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

Email: vishnu@nucleussoftware.com

Ashish Nanda – CFO

Tel: +91 (120) 4031800

E Mail: ashish.nanda@nucleussoftware.com

Poonam Bhasin - Company Secretary

Tel: +91 (120) 4031400

E Mail: poonam@nucleussoftware.com

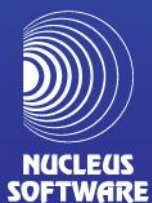
Consolidated segment Information



CONSOLIDATED SEGMENT INFORMATION												
												₹ In Lakhs
REVENUE BY	Quarter Ended						Nine Month Ended				Year Ended	
	December 31, 2017	% of Revenue	September 30, 2017	% of Revenue	December 31, 2016	% of Revenue	December 31, 2017	% of Revenue	December 31, 2016	% of Revenue	March 31, 2017	% of Revenue
	Unaudited		Unaudited		Unaudited		Unaudited		Unaudited		Audited	
GEOGRAPHICAL SEGMENTS												
INDIA	3,318.08	31.30	3,140.54	31.27	2,593.26	27.84	9,144.63	30.40	7,305.23	26.21	10,079.91	27.07
FAR EAST	1,596.24	15.06	1,546.58	15.40	1,474.14	15.83	4,620.15	15.36	4,468.51	16.03	5,958.21	16.00
SOUTH EAST ASIA	2,195.02	20.70	1,953.43	19.45	1,843.81	19.80	6,222.29	20.69	6,017.87	21.60	7,843.78	21.06
EUROPE	888.51	8.38	1,018.97	10.14	1,234.63	13.25	3,019.56	10.04	3,451.41	12.38	4,622.55	12.41
MIDDLE EAST	1,756.79	16.57	1,554.07	15.47	1,308.93	14.05	4,716.53	15.68	3,862.32	13.86	5,213.52	14.00
AFRICA	382.91	3.61	219.11	2.18	179.81	1.93	810.41	2.69	597.67	2.14	911.44	2.45
AUSTRALIA	264.32	2.49	267.43	2.66	465.70	5.00	795.24	2.64	1,522.87	5.47	1,745.97	4.69
REST OF THE WORLD	200.08	1.89	344.54	3.43	214.05	2.30	749.68	2.49	644.30	2.31	863.86	2.32
TOTAL	10,601.95	100.00	10,044.67	100.00	9,314.33	100.00	30,078.49	100.00	27,870.18	100.00	37,239.24	100.00
BUSINESS SEGMENTS												
PRODUCTS	8,505.67	80.23	7,886.63	78.52	7,178.45	77.07	23,711.89	78.83	21,600.17	77.50	28,809.46	77.36
Own	8,426.80	79.48	7,810.36	77.76	7,108.77	76.32	23,478.47	78.06	21,386.24	76.74	28,494.56	76.52
Traded	78.87	0.74	76.27	0.76	69.68	0.75	233.42	0.78	213.93	0.77	314.90	0.85
PROJECTS & SERVICES	2,096.28	19.77	2,158.04	21.48	2,135.88	22.93	6,366.60	21.17	6,270.01	22.50	8,429.78	22.64
TOTAL	10,601.95	100.00	10,044.67	100.00	9,314.33	100.00	30,078.49	100.00	27,870.18	100.00	37,239.24	100.00

Ratio Analysis

Consolidated Performance					
Particulars	Quarter Ended			Nine Month Ended	
	Dec-17	Sep-17	Dec-16	Dec-17	Dec-16
Ratios- Financial Performance					
Export Revenue/ Revenue (%)	68.70%	68.73%	72.16%	69.60%	73.79%
Domestic Revenue/ Revenue (%)	31.30%	31.27%	27.84%	30.40%	26.21%
Total Operating Expenses/ Revenue (%)	82.46%	86.41%	84.44%	85.89%	85.99%
Operating Profit/ Revenue (%)	17.54%	13.59%	15.56%	14.11%	14.01%
Depreciation/ Revenue (%)	1.70%	1.73%	3.48%	1.77%	3.35%
Other Income/ Revenue (%)	5.12%	8.20%	11.00%	7.07%	9.06%
Tax/ Revenue (%)	3.88%	4.47%	3.88%	4.36%	3.29%
Effective Tax Rate - Tax/ PBT (%)	18.51%	22.30%	16.81%	22.45%	16.71%
PAT from Ordinary Activities/ Revenue (%)	11.96%	7.39%	8.20%	7.99%	7.37%
PAT from Ordinary Activities/Net Worth (%) (LTM)	8.46%	7.68%	5.74%	7.68%	5.74%
Ratios- Return					
ROCE (PBIT/ Average Capital Employed) (%) (LTM)	17.53%	18.19%	15.29%	13.88%	15.29%
ROANW (PAT/Average Net Worth) (%) (LTM)	15.16%	13.57%	12.24%	12.83%	12.24%
Ratios - Balance Sheet					
Debt-Equity Ratio	-	-	-		
Debtors Turnover (Days)	61	69	88		
Asset Turnover Ratio (LTM)	0.91	0.79	0.76		
Current Ratio	1.80	1.86	3.35		
Cash and Equivalents/Total Assets (%)	46.05%	35.71%	59.22%		
Cash and Equivalents/ Revenue (%) (LTM)	50.57%	45.14%	77.97%		
Ratios - Growth (YoY)					
Growth in Export Revenue (%)	8.37%	-2.40%	-0.39%	1.79%	-2.08%
Growth in Total Revenue (%)	13.82%	5.07%	7.73%	7.92%	8.88%
Operating Expenses Growth (%)	11.15%	7.18%	-2.47%	7.80%	-1.85%
Operating Profit Growth (%)	28.34%	-6.62%	148.94%	8.71%	231.21%
PAT Growth (%)	1.27%	1.49%	155.16%	-1.04%	149.47%
EPS Growth (%)	12.93%	3.46%	155.16%	3.18%	149.37%
Per- Share Data (Period End)					
Earning Per Share from Ordinary Activities (Rs.)	4.37	2.56	2.36	7.73	6.34
Earning Per Share (Including Other Income) (Rs.)	6.24	5.39	5.52	14.58	14.13
Cash Earning Per Share from Ordinary Activities (Rs.)	4.99	3.15	3.36	9.44	9.22
Cash Earning Per Share (Including Other Income)(Rs.)	6.86	5.99	6.52	16.29	17.01
Book Value Per Share (Rs.)	152.63	145.69	153.19		
Price/Earning (Annualized)	20.87	14.14	11.59		
Price/ Cash Earning (Annualized)	18.98	12.73	9.82		
Price/Book Value	3.41	2.09	1.67		



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www.nucleussoftware.com | sales@nucleussoftware.com