Quarterly Compliance Report on Corporate Governance

Name of the Company: Nucleus software Exports Ltd.

Quarter ended on: March 31, 2013

Particulars	Clause of Listing agreement	Compliance Status Yes/No	Remarks
I. Board of Directors	49I		As per Note 1
(A) Composition of Board	49 (IA)	Yes	
(B) Non-executive Directors' compensation & disclosures	49 (IB)	Yes	
(C) Other provisions as to Board and Committees	49 (IC)	Yes	
(D) Code of Conduct	49 (ID)	Yes	
II. Audit Committee	49 (II)		As per Note 2
(A) Qualified & Independent Audit Committee	49 (IIA)	Yes	
(B) Meeting of Audit Committee	49 (IIB)	Yes	
(C) Powers of Audit Committee	49 (IIC)	Yes	
(D) Role of Audit Committee	49 II (D)	Yes	
(E) Review of Information by Audit Committee	49 (IIE)	Yes	
III. Subsidiary Companies	49 (III)	Yes	As per Note 3
IV. Disclosures	49 (IV)		As per Note 4
(A) Basis of related party transactions	49 (IV A)	Yes	
(B) Board Disclosures	49 (IV C)	Yes	
(C) Proceeds from public issues, rights issues, preferential issues etc.	49 (IV D)	Yes	
(D Remuneration of Directors	49 (IV E)	Yes	
(E) Management	49 (IV F)	Yes	
(F) Shareholders	49 (IV G)	Yes	
V. CEO/CFO Certification	49 (V)		As per Note 5
VI. Report on Corporate Governance	49 (VI)	Yes	As per Note 6
VII. Compliance	49 (VII)	Yes	As per Note 7

(A) Note 1: Board of Directors

Out of the total strength of 6 Directors of the Board, only 1 is Executive Director (MD) and 5 are Non-Executive Directors.

Chairman is an Independent Non-Executive Director and out of the total strength of 6 Directors of the Board, 5 are Independent Directors. More than 2/3 of the Board is Independent.

(B) Non-Executive Directors' compensation & disclosures

(i) Commission paid to Non-Executive Directors is fixed by Board of Directors and also approved by Shareholders in General Meeting held on July 8, 2009.
(ii) Sitting fees paid to Non-Executive Directors is also approved by Board of Directors and approved by Shareholders in General Meeting held on July 8, 2005.
(iii) Shareholders Resolution passing Employee Stock Option Scheme (2005) and Employee Stock Option Scheme (2006) specifies the maximum number of options to be granted to Non-Executive Directors.

(C) ***Other provisions as to Board and Committees***

(i) The Board has met 10 times during the current financial year till date.
(ii) Annual Disclosures by Directors occupying position in committees is placed before the Board. Changes, if any, during the year also notified by Directors to the Company.

Note 2: Audit Committee

The Audit Committee of the Board was formed in the meeting of the Board of Directors held on August 13, 2001. The Audit Committee of the Board comprises of 4 Independent and financially literate Directors.

The Company holds Audit Committee meetings each qtr before adoption of results and has met 8 times in the current financial year till date. The Audit Committee performs all functions as enumerated in clause 49.

Note 3: Subsidiary Companies

The Company does not have any Material Indian Unlisted Subsidiary Company as on the date of this report. The Audit Committee reviews financial statements of all unlisted subsidiaries and their Board Minutes are placed in the Company's' Board meeting.

Note 4: Disclosures

(A)Basis of Related party transactions:

A Summary of all transactions with related parties, material individual transactions with related parties, if any are placed before the Audit Committee.

(B) Board Disclosures:

The Company has already laid down procedures to inform Board members about risk assessment and minimization procedures and are periodically reviewed.

(C) Proceeds from public issues, right issues, preferential issues etc.

In case of such proceeds, if any, adequate disclosures shall be placed before the Audit Committee members.

(D) Remuneration of Directors

Disclosure on remuneration of Directors is a part of Corporate Governance Report in the Annual Report. All additional disclosures are included in current year's Annual Report.

(E) Management

The Management discussion and analysis is a regular part of our Annual Report.

(F) Shareholders:

1. Directors retiring by rotation have been reappointed through voting by Poll in the Annual General Meeting held on July 11, 2012, a brief resume of the Directors was provided in the notice of AGM as well as " Report on Corporate Governance" in Annual Report.
2. The Company's quarterly/annual results are on its web site.
3. Shareholders Grievance committee has been formed.

Note 5: CEO/CFO Certification

CEO/CFO certification is published in the Annual Report for the year 2011-12.

Note 6: Report on Corporate Governance

Corporate Governance Report is a part of the Annual Report.

Note 7: Compliance

The Company obtains a compliance certificate from Statutory Auditors on annual basis, which forms part of Annual Report.