

INDEPENDENT AUDITORS' REPORT

To the Members of Nucleus Software Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Nucleus Software Limited (“the Company”), which comprise the standalone balance sheet as at 31 March 2019, the standalone statement of profit and loss, and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (“Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and profit and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor’s Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Standalone Financial Statements and Auditors’ Report Thereon

The Company’s management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company’s Annual Report, but does not include the standalone financial statements and our auditors’ report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related

disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.

- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these standalone financial statements since they do not pertain to the financial year ended 31 March 2019.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanation given to us, during the current year, no remuneration has been paid by the company to its directors. Accordingly, provisions of Section 197 of the Act is not applicable. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For B S R & Associates LLP
Chartered Accountants
Firm registration number: 116231W/ W-100024

Place: Noida
Date: 22 April 2019

Sd/-
Manish Gupta
Partner
Membership No: 095037

Annexure A referred to in our Independent Auditors' Report to the members of Nucleus Software Limited on the standalone financial statements for the year ended 31 March 2019.

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified each year. In accordance with this programme, all the fixed assets were physically verified during the year. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. As informed to us, the discrepancies observed on physical verification were not material and have been properly dealt with in the books of account.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not hold any immovable properties of land and buildings which are freehold. In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset in financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
- (ii) The Company is in the business of rendering services and as such does not hold any inventory. Therefore, the provisions of paragraph 3 (ii) of the Order are not applicable to the Company.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Therefore, the provisions of paragraph 3 (iii) of the Order are not applicable to the Company.
- (iv) According to information and explanations given to us and based on audit procedures performed, there are no loans, investments, guarantees and securities provided by the Company as specified under section 185 and 186 of the Companies Act, 2013. Therefore, the provisions of paragraph 3 (iv) of the Order are not applicable to the Company.
- (v) As per the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India, provisions of section 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed thereunder.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company. Therefore, the provisions of paragraph 3(vi) of the Order are not applicable to the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income- tax, Goods and Services tax, Duty of customs, Cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Services tax, Duty of customs, Cess and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no disputed dues in respect of Income tax, Sales tax, Service tax, Goods and Services tax, Duty of customs, Duty of excise, Value added tax and Cess which have not been deposited with the appropriate authorities.
- (viii) In our opinion, and according to the information and explanations given to us, there are no loans or borrowing from a financial institution, bank, government or dues to debenture holders during the year. Therefore, the provisions of paragraph 3 (viii) of the Order are not applicable to the Company.
- (ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. The Company has not taken any term loans during the year.
- (x) According to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not paid / provided any managerial remuneration during the year. Accordingly, the provisions of paragraph 3(xi) of the Order are not applicable to the Company.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no transactions with the related parties which are not in compliance with Section 177 and 188 of the Companies Act, 2013 and the details have been disclosed in the standalone financial statements, as required, by the applicable accounting standards.
- (xiv) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment, private placement of shares and fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.
- (xv) According to information and explanations given to us and based on audit procedures performed, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable.

For B S R & Associates LLP
Chartered Accountants
Firm registration no.: 116231W/W-100024

Sd/-
Manish Gupta
Partner
Membership No.: 095037

Place: Noida
Date: 22 April 2019

Annexure B to the Independent Auditors' report on the standalone financial statements of Nucleus Software Limited for the year ended 31 March 2019.

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Nucleus Software Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For B S R & Associates LLP
Chartered Accountants
Firm registration number: 116231W/ W-100024

Place: Noida
Date: 22 April 2019

Sd/-
Manish Gupta
Partner
Membership No: 095037

NUCLEUS SOFTWARE LIMITED
BALANCE SHEET AS AT 31 MARCH 2019

Particulars	Notes Ref.	As at 31 March 2019 (Rupees)	As at 31 March 2018 (Rupees)
ASSETS			
Non-current assets			
Property, plant and equipment	2.1	140,891,930	143,635,510
Intangible assets	2.1	-	-
Financial assets			
Investments	2.2	23,000	23,000
Other financial assets	2.3	644,600	599,600
Income tax asset (net)	2.4	1,365,513	909,930
		142,925,043	145,168,040
Current Assets			
Financial assets			
Investments	2.5	37,840,448	28,980,007
Trade receivables	2.6	298,922	819,056
Cash and cash equivalents	2.7	659,330	263,390
Other current assets	2.8	253,043	30,848
		39,051,743	30,093,301
TOTAL ASSETS		181,976,786	175,261,341
EQUITY & LIABILITIES			
EQUITY			
Equity Share capital	2.9	100,000,000	100,000,000
Other equity	2.10	(852,203)	(6,536,740)
		99,147,797	93,463,260
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities	2.11	873,785	1,449,952
		873,785	1,449,952
Current liabilities			
Financial liabilities			
Borrowings	2.12	80,110,221	80,110,221
Trade payables	2.13		
(i) Total outstanding dues of micro enterprises and small enterprises		-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		320,267	222,425
Other current liabilities	2.14	1,524,716	15,483
		81,955,204	80,348,129
TOTAL EQUITY AND LIABILITIES		181,976,786	175,261,341

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

Sd/-

MANISH GUPTA

Partner

Membership number : 095037

Sd/-

VISHNU R DUSAD

Managing Director

Sd/-

RAVI PRATAP SINGH

Director

Sd/-

POONAM BHASIN

Company Secretary

Sd/-

ASHISH NANDA

Chief Financial Officer

Place : Noida

Date : 22 April 2019

Place : Noida

Date : 22 April 2019

NUCLEUS SOFTWARE LIMITED
STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED 31 MARCH 2019

	Notes Ref.	Year ended 31 March 2019 (Rupees)	Year ended 31 March 2018 (Rupees)
1. REVENUE FROM OPERATIONS			
Rent Income	2.15	10,624,278	10,920,744
2. OTHER INCOME	2.16	1,848,841	1,108,944
3. TOTAL REVENUE (1+2)		12,473,119	12,029,688
4. EXPENSES			
a. Operating and other expenses	2.17	3,898,619	2,855,133
b. Finance cost	2.18	1,521	6,934,184
c. Depreciation and amortisation expense	2.1	2,743,579	2,762,099
TOTAL EXPENSES		6,643,719	12,551,416
5. PROFIT/ (LOSS) BEFORE TAX (3-4)		5,829,400	(521,728)
6. TAX EXPENSE			
a. Current tax expense		721,030	387,205
b. Deferred tax credit		(576,167)	(944,066)
NET TAX EXPENSE		144,863	(556,861)
7. PROFIT FOR THE YEAR (5-6)		5,684,537	35,133
8. OTHER COMPREHENSIVE INCOME		-	-
9. TOTAL COMPREHENSIVE INCOME (7+8)		5,684,537	35,133
10. EARNINGS PER EQUITY SHARE			
Equity shares of Rupees 10 each	2.19		
a. Basic		0.5685	0.0035
b. Diluted		0.5685	0.0035
Number of shares used in computing earnings per share			
a. Basic		10,000,000	10,000,000
b. Diluted		10,000,000	10,000,000
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

Sd/-

MANISH GUPTA

Partner

Membership number : 095037

For and on behalf of the Board of Directors

Sd/-

VISHNU R DUSAD

Managing Director

Sd/-

RAVI PRATAP SINGH

Director

Sd/-

POONAM BHASIN

Company Secretary

Sd/-

ASHISH NANDA

Chief Financial Officer

Place : Noida

Date : 22 April 2019

Place : Noida

Date : 22 April 2019

NUCLEUS SOFTWARE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2019

	Notes Ref.	Year ended 31 March 2019 (Rupees)	Year ended 31 March 2018 (Rupees)
A. Cash flow from operating activities			
Net profit / (loss) before tax		5,829,400	(521,728)
Adjustments for:			
Depreciation and amortisation expense		2,743,579	2,762,099
Interest expense on Loan		-	6,932,812
MTM (loss)/gain on mutual funds		(174,764)	-
Dividend income from current investments		(1,585,678)	(1,103,732)
Operating profit before working capital changes		<u>6,812,537</u>	<u>8,069,451</u>
Adjustment for (increase)/decrease in operating assets			
Trade receivables		520,134	81,905
Other financial assets		(45,000)	-
Other assets		(222,195)	35,063
Adjustment for increase/ (decrease) in operating liabilities			
Trade payable and other current liabilities		<u>1,607,076</u>	<u>(91,847)</u>
Income tax paid (net)		<u>8,672,552</u>	<u>8,094,572</u>
		<u>(1,176,612)</u>	<u>(1,184,048)</u>
Net cash from operating activities (A)		7,495,940	6,910,524
B. Cash flow from investing activities			
Purchase of current investments		(40,037,817)	(11,203,734)
Proceeds from sale of current investments		32,937,817	3,250,000
Dividend income from current investments		-	1,103,732
Net cash used in investing activities (B)		(7,100,000)	(6,850,002)
C. Cash flow from financing activities (C)			
		-	-
Net increase / (decrease) in cash and cash equivalents (A+B+C)		<u>395,940</u>	<u>60,522</u>
Cash and cash equivalents at the beginning of the year	2.7	263,390	202,868
Cash and cash equivalents at the end of the year	2.7	<u>659,330</u>	<u>263,390</u>
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

Sd/-

MANISH GUPTA

Partner

Membership number : 095037

For and on behalf of the Board of Directors

Sd/-

VISHNU R DUSAD

Managing Director

Sd/-

RAVI PRATAP SINGH

Director

Sd/-

POONAM BHASIN

Company Secretary

Sd/-

ASHISH NANDA

Chief Financial Officer

Place : Noida

Date : 22 April 2019

Place : Noida

Date : 22 April 2019

STATEMENT OF CHANGES IN EQUITY

A. Equity Share Capital

(Amount in Rupees)

Balance as of 1 April 2018	Changes in equity share capital during the year	Balance as on 31 March 2019
100,000,000	-	100,000,000

Balance as of 1 April 2017	Changes in equity share capital during the year	Balance as on 31 March 2018
100,000,000	-	100,000,000

B. Other Equity

(Amount in Rupees)

Particulars	Equity component of interest free loan	Reserves and Surplus	Total
		Retained earnings	
Balance as of 1 April 2018	19,440,188	(25,976,928)	(6,536,740)
Profit/(Loss) for the year	-	5,684,537	5,684,537
Balance as of 31 March 2019	19,440,188	(20,292,391)	(852,203)

(Amount in Rupees)

Particulars	Equity component of interest free loan	Reserves and Surplus	Total
		Retained earnings	
Balance as of 1 April 2017	19,440,188	(26,012,061)	(6,571,873)
Profit/(Loss) for the year	-	35,133	35,133
Balance as of 31 March 2018	19,440,188	(25,976,928)	(6,536,740)

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

Sd/-
MANISH GUPTA
Partner
Membership number : 095037

Sd/-
VISHNU R DUSAD
Managing Director

Sd/-
RAVI PRATAP SINGH
Director

Sd/-
POONAM BHASIN
Company Secretary

Sd/-
ASHISH NANDA
Chief Financial Officer

Place : Noida
Date : 22 April 2019

Place : Noida
Date : 22 April 2019

NUCLEUS SOFTWARE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 1:

1.1 Company Overview

Nucleus Software Limited ('the Company') was incorporated on 21 April, 2008 in India. The Company's entire share capital is held by Nucleus Software Exports Ltd., India ('the Holding Company') and its nominees.

The Company had acquired 17.41 acres of land in a Special Economic Zone (SEZ) at Jaipur at a private sector multi-product Special Economic Zone, "Mahindra World City" in the year 2008-09. During the year 2010-11, the Company acquired the status of Co-Developer for the above land along with Mahindra World City (Jaipur) Ltd. (MWCJL). This was pursuant to approval granted by Board of Approvals (BOA) of the Ministry of Commerce in their meeting held on 8 June 2010, for developing, operating and maintaining the area of 17.41 acres in the said SEZ. In the first phase, the Company has developed an area of 2.87 acres and has let out a part of the same.

1.2. Significant accounting policies

i. Basis of preparation of financial statements

a) Statement of compliance

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time.

The Financial statements were approved for issue by the Board of Directors on 22 April 2019.

b) Functional and Presentation currency

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

c) Current and non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- It is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is expected to be realized within 12 months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include current portion of the non-current financial assets.

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- It is expected to be settled in the company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is due to be settled within 12 months after the reporting date; or
- The company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of the non-current financial liabilities.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities (if any) are classified as non-current assets and liabilities.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Company has ascertained its operating cycle, being a period within 12 months for the purpose of classification of assets and liabilities as current and non-current.

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d) Basis of measurement

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

Items	Measurement Basis
Certain financial assets and liabilities (including derivative instruments)	Fair Value
Net defined benefit(asset)/liability	Fair value of plan assets less present value of defined benefit obligations

e) Use of estimates and judgements

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

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

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the subsequent period financial statements is included in the following notes:

- Estimation of deferred tax – Note 2.11
- Estimated useful life of property, plant and equipment and intangibles – Note 1.2 (iv) and (v)
- Impairment of trade receivables- Note 2.6
- Impairment of property, plant and equipment – Note 1.2 (iv)

Measurement of fair values

The Company`s accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. This includes a treasury team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

The treasury team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

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ii. Revenue Recognition

Lease income comprising of rent and other related services from operating leases is recognised in the Statement of Profit and Loss on a straight line basis over the lease term.

Effective 1 April, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. 1 April 2018). The adoption of the standard did not have any material impact to the financial statements of the Company.

iii. 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.

iv. Property, Plant and equipment

Property, Plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any. Cost of an item of property, plant and equipment includes its purchase price, any directly attributable expenditure on making the asset ready for its intended use. Property, plant and equipment under construction and cost of assets not ready to use before the year end, are disclosed as capital work-in-progress.

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

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

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

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

Asset category	Management estimate of useful life (in years)	Useful life as per Schedule II(in years)
Tangible asset		
Building	30	30
Plant and machinery (including office equipment)*	5	15
Computers- end user devices such laptops, desktops etc.*	3	3
Furniture and fixtures*	5	10

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*Based on technical evaluation, the useful lives as given above represent the period over which the management believes to use these assets; hence these lives are different from the useful lives prescribed under Part C of schedule II of the Companies Act, 2013.

v. Intangible assets

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the 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.

vi. Financial instruments

a) Recognition and initial measurement

Trade receivables 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.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

b) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- Fair value through other comprehensive income (FVOCI)-equity investment; or
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; 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.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI-equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivatives financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirement to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non- recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised 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 recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

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c) Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

d) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

vii. Impairment

a) Impairment of financial instruments

The Company recognises loss allowances for expected credit losses on:

- financial assets measured at amortised cost;

At each reporting date, the Company assesses whether financial assets carried at amortised cost. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

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Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

b) Impairment of non-financial assets

The Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

viii. Provisions

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.

Onerous contracts

A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognises any impairment loss on the assets associated with that contract.

ix. Foreign Currency

Foreign currency transactions

Transactions in foreign currencies are translated at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Foreign currency denominated monetary assets and liabilities are retranslated at the exchange rate prevailing on the balance sheet date and exchange gain and losses arising on settlement and restatement are recognised in the statement of profit and loss. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

x. 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.

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xi. 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 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;

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.

xii. 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.

xiii. Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective from 1 April 2019:

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Ind AS - 116

The Company is required to adopt Ind AS 116, *Leases* from 1 April 2019. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. It replaces existing leases guidance, Ind AS 17, *Leases*.

The Company has completed an initial assessment of the potential impact on its financial statements but has not yet completed its detailed assessment. The quantitative impact of adoption of Ind AS 116 on the financial statements in the period of initial application is not reasonably estimable as at present.

i. Leases in which the Company is a lessor

The Company will reassess the classification of sub-leases in which the Company is a lessor.

No significant impact is expected for the leases in which the Company is a lessor.

ii. Transition

The Company plans to apply Ind AS 116 initially on 1 April 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting Ind AS 116 will be recognised as an adjustment to the opening balance of retained earnings at 1 April 2019, with no restatement of comparative information.

The Company plans to apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply Ind AS 116 to all contracts entered into before 1 April 2019 and identified as leases in accordance with Ind AS 17.

Ind AS 12 Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not expect any significant impact of the amendment on its financial statements.

Ind AS 19 – Plan Amendment, Curtailment or Settlement

The amendment requires an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

The Company does not expect this amendment to have any significant impact on its financial statements.

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2.1 Property, plant and equipment and Intangible assets

(Amount in Rupees)

PARTICULARS	GROSS CARRYING AMOUNT			ACCUMULATED DEPRECIATION / AMORTISATION			NET CARRYING AMOUNT		
	As at 1 April 2018	Additions	Deductions / adjustments	As at 31 March 2019	As at 1 April 2018	Depreciation for the year	As at 31 March 2019	As at 31 March 2019	As at 31 March 2018
Tangible assets									
Leasehold land	111,756,053	-	-	111,756,053	2,504,070	1,252,034	3,756,104	107,999,949	109,251,983
	(111,756,053)	-	-	(111,756,053)	(1,252,035)	(1,252,035)	(2,504,070)	(109,251,983)	(110,504,018)
Building	37,248,459	-	-	37,248,459	2,904,502	1,451,979	4,356,481	32,891,978	34,343,957
	(37,248,459)	-	-	(37,248,459)	(1,452,264)	(1,452,238)	(2,904,502)	(34,343,957)	(35,796,195)
Plant and equipment	1,099,857	-	-	1,099,857	1,068,136	31,718	1,099,854	3	31,721
	(1,099,857)	-	-	(1,099,857)	(1,021,860)	(46,276)	(1,068,136)	(31,722)	(77,997)
Computers	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Furniture and fixtures	323,239	-	-	323,239	315,391	7,848	323,239	-	7,848
	(323,239)	-	-	(323,239)	(303,840)	(11,551)	(315,391)	(7,848)	(19,399)
Total	150,427,608	-	-	150,427,608	6,792,099	2,743,579	9,535,678	140,891,930	143,635,510
	(150,427,608)	-	-	(150,427,608)	(4,029,999)	(2,762,099)	(6,792,099)	(143,635,510)	(146,397,609)
Intangible assets									
Softwares	2,410	-	-	2,410	2,410	-	2,410	-	-
	(2,410)	-	-	(2,410)	(2,410)	-	(2,410)	-	-
Total	150,430,018	-	-	150,430,018	6,794,509	2,743,579	9,538,088	140,891,930	143,635,510
	(150,430,018)	-	-	(150,430,018)	(4,032,409)	(2,762,099)	(6,794,509)	(143,635,510)	(146,397,609)

Notes :

(i) Figures in bracket pertains to previous year ended 31 March 2018/ 31 March 2017.

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	As at 31 March 2019 (Rupees)	As at 31 March 2018 (Rupees)
2.2 NON CURRENT INVESTMENTS (at amortised cost)		
Non Trade (unquoted)		
a. Investment in government securities	23,000	23,000
	23,000	23,000
2.3 OTHER NON-CURRENT FINANCIAL ASSETS (Unsecured considered good unless otherwise stated)		
a. Security deposit	644,600	599,600
	644,600	599,600
2.4 INCOME TAX ASSETS (NET)		
a. Advance income tax [net of provision of Rupees 1,812,448 (previous year Rupees 490,777)]	1,365,513	909,930
	1,365,513	909,930
2.5 CURRENT INVESTEMENTS		
Investment in Mutual Funds (Unquoted)		
<i>Mutual funds at fair value through profit or loss (FVTPL)</i>		
a. Nil units (31 March 2018: 4,130.94 Units) in Kotak Floater Short Term Fund-Direct Plan-Daily Dividend-Reinvestment Option	-	4,178,942
b. Nil units (31 March 2018: 2,460,301.09 Units) Kotak Treasury Advantage Fund-Direct Plan- Daily Dividend-Reinvestment Option	-	24,801,065
c. 4,223.19 units (31 March 2018: Nil Units) Kotak Money Market Fund-Direct Plan- Daily Dividend-Reinvestment Option	4,273,978	-
d. 27,439.64 units (31 March 2018: Nil Units) Kotak Liquid Fund-Direct Plan-Daily Dividend-Reinvestment Option	33,566,470	-
	37,840,448	28,980,007
Aggregate value of unquoted Investments	37,840,448	28,980,007
2.6 TRADE RECEIVABLES		
a. Trade receivables		
- Considered good - unsecured	298,922	-
- Due from Holding company (refer Note 2.20)	-	819,056
	298,922	819,056
2.7 CASH AND CASH EQUIVALENTS		
a. Cash on hand	28	28
b. Balances with scheduled banks:		
- in current accounts	659,302	263,362
	659,330	263,390
Details of balances as on balance sheet dates with scheduled banks in current accounts:-		
- Citi Bank	544,064	211,745
- HDFC Bank	115,238	51,618
	659,302	263,363
2.8 OTHER CURRENT ASSETS (Unsecured considered good unless otherwise stated)		
a. Balance with Government authorities	199,353	30,848
b. Advance to suppliers	53,690	-
	253,043	30,848

#

NUCLEUS SOFTWARE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2.9 SHARE CAPITAL

Particulars	As at 31 March 2019 (Rupees)	As at 31 March 2018 (Rupees)
a. Authorized 10,000,000 (Previous Year 10,000,000) equity shares of Rupees 10 each	100,000,000	100,000,000
b. Issued, Subscribed and Fully Paid-Up 10,000,000 (Previous Year 10,000,000) equity shares of Rupees 10 each.	100,000,000	100,000,000
	100,000,000	100,000,000

Refer note (i) to (iii) below

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

As at the beginning of the year		
- Number of shares	10,000,000	10,000,000
- Amount	100,000,000	100,000,000
Shares issued / (brought back) during the year		
- Number of shares	-	-
- Amount	-	-
As at the end of the year		
- Number of shares	10,000,000	10,000,000
- Amount	100,000,000	100,000,000

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

The Company has one class of equity shares having a par value of Rupees 10 each. Each shareholder is eligible for one vote per share held. 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) **Details of shares held by the Holding Company**

Nucleus Software Exports Limited

- Number of shares*	10,000,000	10,000,000
- Percentage	100%	100%
- Amount	100,000,000	100,000,000

*Of the above, 6 (previous year 6) equity shares, fully paid up, are held by nominees on behalf of the holding company.

Particulars	As at 31 March 2019 (Rupees)	As at 31 March 2018 (Rupees)
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2.10 OTHER EQUITY

a. Retained earnings	(20,292,391)	(25,976,928)
b. Equity component of Interest free loan	19,440,188	19,440,188
	(852,203)	(6,536,740)

Particulars	Year ended 31 March 2019 (Rupees)	Year ended 31 March 2018 (Rupees)
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a. Retained earnings		
Opening Balance	(25,976,928)	(26,012,061)
Add: Profit for the year	5,684,537	35,133
Closing balance	(20,292,391)	(25,976,928)
b. Equity component of Interest free loan* (Unsecured Loan from holding company)		
Opening balance	19,440,188	19,440,188
Closing balance (refer Note 2.21)	19,440,188	19,440,188
Total	(852,203)	(6,536,740)

*As loan received from Nucleus Software Exports Limited, 100% holding company at nil interest rate, the same should be accounted at amortized cost using prevalent market rate of interest by applying effective interest rate method. An amount of Rs. 19,440,188 has been recognised as deemed equity contribution and presented under Other Equity.

NUCLEUS SOFTWARE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2.11 DEFERRED TAX LIABILITIES (NET)

A. Amounts recognised in profit or loss

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
	(Rupees)	(Rupees)
Current tax expense	721,030	387,205
Deferred tax expense		
Attributable to -		
Origination and reversal of temporary differences	144,664	(2,125,330)
MAT credit (entitlement) /written off	(720,832)	1,181,264
Net tax expense	144,862	(556,861)

B. 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	Year ended 31 March 2019	Percentage	Year ended 31 March 2018
Profit before tax		5,829,400		(521,728)
Domestic tax rate	26%	1,515,644	26%	(134,345)
Deduction under section 80 IAB	26%	(1,515,644)	-26%	134,345
Origination and reversal of temporary differences	2%	144,664	335%	(1,745,695)
MAT credit written off	0%	-	-226%	1,181,264
Others	0%	199	-1%	7,570
Effective tax	2%	144,863	107%	(556,861)

C. Movement in temporary differences

Particulars	Balances as at 1 April 2018	Recognised [(credited)/charge] in profit or loss	As at 31 March 2019
Deferred tax asset			
MAT credit entitlement	427,919	(720,832)	1,148,751
Deferred tax liabilities			
Property, plant and equipment	1,877,871	144,665	2,022,536
	1,449,952	(576,167)	873,785

The utilisation of MAT credit entitlement is depending on future taxable profits. The MAT credit entitlement is recognised only to the extent that is probable that future taxable profits will be available against such MAT credit entitlement can be utilised.

2.12 SHORT TERM BORROWINGS

Unsecured loans

Loan from holding company (refer Note 2.20)

80,110,221	80,110,221
80,110,221	80,110,221

Note : The above loan is repayable on demand after five years from 1 April 2013 and is interest free. During the year ended 31 March, 2019, the Company has repaid Nil. (Previous year Nil)

Movement in borrowings

Particulars	As at 31 March 2019 (Rupees)	As at 31 March 2018 (Rupees)
Borrowings at the beginning of the year	80,110,221	73,177,409
Movement due to cash transactions per the statement of cashflows	-	-
Movement due to non-cash transactions		
- Interest expense on compound financial instrument (refer Note 2.18)	-	6,932,812
Borrowings at the end of the year	80,110,221	80,110,221

NUCLEUS SOFTWARE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	As at 31 March 2019 (Rupees)	As at 31 March 2018 (Rupees)
2.13 TRADE PAYABLES		
a. Trade payables (see Note below)		
-Total outstanding dues of micro enterprises and small enterprises	-	-
-Total outstanding dues of creditors other than micro enterprises and small enterprises (see Note below)	320,267	222,425
	320,267	222,425

Note: 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 auditor.

	As at 31 March 2019		As at 31 March 2018	
	Principal	Interest	Principal	Interest
a) Amount due to vendor	-	-	-	-
b) Principal amount paid (including interest paid) beyond the appointed date	-	-	-	-
c) Interest due and payable for the period of delay in making payment	-	-	-	-
d) Interest accrued and remaining unpaid	-	-	-	-
e) Further interest remaining due and payable for the purpose of disallowance of a deductible expenditure under section 23	-	-	-	-

2.14 OTHER CURRENT LIABILITIES

a. Other payables - statutory liabilities	32,243	15,483
b. Security deposit receipt from customer	545,665	-
c. Deferred Revenue	946,808	-
	1,524,716	15,483

NUCLEUS SOFTWARE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	Year ended 31 March 2019 (Rupees)	Year ended 31 March 2018 (Rupees)
2.15 INCOME FROM RENTAL SERVICES		
a. Rental income (refer Note 2.20)	10,624,278	10,920,744
	10,624,278	10,920,744
2.16 OTHER INCOME		
a. Interest income on financial assets- carried at amortised cost :		
- Deposits with banks	-	5,212
b. Dividend income from		
- Current, non trade investments	1,585,678	1,103,732
c. MTM gain or (loss) on mutual funds	174,764	-
d. Miscellaneous Income	88,399	-
	1,848,841	1,108,944
2.17 OPERATING AND OTHER EXPENSES		
a. Power and fuel	5,623	33,200
b. Repair and maintenance	2,945,518	2,298,120
c. Insurance	51,252	39,353
d. Rates and taxes	1,200	12,297
e. Legal and professional #	357,046	136,421
f. Directors' sitting fees	400,000	323,823
g. Miscellaneous expenses	137,980	11,919
	3,898,619	2,855,133
# Legal and professional expenses include:		
Payment to Statutory Auditors		
- Audit fees (excluding taxes)	150,000	150,000
	150,000	150,000
2.18 FINANCE COST		
a. Bank charges	1,521	1,372
b. Interest expense on Loan	-	6,932,812
	1,521	6,934,184
2.19 EARNINGS PER SHARE		
a. Profit after taxation available to equity shareholders (Rupees)	5,684,537	35,133
b. Weighted average number of equity shares used in calculating earnings per share	10,000,000	10,000,000
c. Basic and Diluted earnings per share (Rupees)	0.5685	0.0035

NUCLEUS SOFTWARE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2.20 RELATED PARTY TRANSACTIONS

List of related parties

- a. Holding Company - where control exists**
- Nucleus Software Exports Limited
- b. Key Management Personnel**
- Mr. Vishnu R Dusad, Managing Director

Particulars	Year ended 31 March 2019 (Rupees)	Year ended 31 March 2018 (Rupees)
Transactions with related parties		
a. Rental income		
- Nucleus Software Exports Limited	8,190,558	10,920,744
b. Interest expense on borrowings		
- Nucleus Software Exports Limited	-	6,932,812
c. Reimbursement of expenses to		
- Nucleus Software Exports Limited	17,430	-
d. Reimbursement of expenses from		
- Nucleus Software Exports Limited	937,250	-

Outstanding balances as at year end

Particulars	As at 31 March 2019 (Rupees)	As at 31 March 2018 (Rupees)
a. Borrowings		
- Nucleus Software Exports Limited	80,110,221	80,110,221
b. Trade receivables		
- Nucleus Software Exports Limited	-	819,056

2.21 SEGMENT REPORTING

Based on the guiding principles stated in indAS 108 on "Segment Reporting" with the Ind-AS specified under section 133 of the Act, as applicable, the Company has identified its business of providing rental services as one reportable business segment only. Accordingly, no additional disclosure for segment reporting have been made in the financial statements.

NUCLEUS SOFTWARE EXPORTS LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2.22 Financial Instruments

a) Financial Instruments by category

The carrying value and fair value of financial instruments by categories of 31 March 2019 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	Level 1	Level 2	Level 3
Assets:								
Cash and cash equivalents (2.7)	659,330	-	-	659,330	659,330	-	-	-
Investments (2.2 and 2.5)								
Mutual funds	-	37,840,448	-	37,840,448	37,840,448	37,840,448	-	-
Government securities	23,000	-	-	23,000	23,000	-	-	-
Trade receivables (2.6)	298,922	-	-	298,922	298,922	-	-	-
Other financial assets (2.3)	644,600	-	-	644,600	644,600	-	-	-
	1,625,852	37,840,448	-	39,466,300	39,466,300			
Liabilities:								
Trade payables (2.13)	320,267	-	-	320,267	320,267	-	-	-
Borrowings (2.12)	80,110,221	-	-	80,110,221	80,110,221	-	-	-
	80,430,488	-	-	80,430,488	80,430,488			

The carrying value and fair value of financial instruments by categories of 31 March 2018 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	Level 1	Level 2	Level 3
Assets:								
Cash and cash equivalents (2.7)	263,390	-	-	263,390	263,390	-	-	-
Investments (2.2 and 2.5)								
Mutual funds	-	28,980,007	-	28,980,007	28,980,007	28,980,007	-	-
Government securities	23,000	-	-	23,000	23,000	-	-	-
Trade receivables (2.6)	819,056	-	-	819,056	819,056	-	-	-
Other financial assets (2.3)	599,600	-	-	599,600	599,600	-	-	-
	1,705,046	28,980,007	-	30,685,053	30,685,053			
Liabilities:								
Trade payables (2.13)	222,425	-	-	222,425	222,425	-	-	-
Borrowings (2.12)	80,110,221	-	-	80,110,221	80,110,221	-	-	-
	80,332,646	-	-	80,332,646	80,332,646			

The carrying amount of current trade receivables, trade payables, other current financial asset 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 security deposit and borrowings 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.

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.

b) 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**

i) Market risk

The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from single customers. The Company has no transactions in foreign currency.

(i) Price risk

(a) Exposure

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

(b) Sensitivity

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

	Impact on profit before tax	
	31 March 2019	31 March 2018
Increase 2%		
Mutual funds	756,809	579,600
Decrease 2%		
Mutual funds	(756,809)	(579,600)

NUCLEUS SOFTWARE EXPORTS LIMITED
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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. 298,922 and Rs. 819,056 as of 31 March 2019, 31 March 2018 respectively. The Company has least credit risk as entire revenue is from holding company and which has huge cash reserve. 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. The Company has nil expected credit loss allowance.

Credit risk exposure

The company generates revenue by way of rental income which is received in subsequent months. Therefore, at any point of time there are no long outstanding receivables. Hence the company has no exposure to credit risk in respect of trade receivables.

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.

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

As at 31 March 2019

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	Security deposits	644,600	0%	-	644,600
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	NA	NA	NA	NA	NA

As at 31 March 2018

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	Security deposits	599,600	0%	-	599,600
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	NA	NA	NA	NA	NA

b) Expected credit loss for trade receivables under simplified approach

As at 31 March 2019

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	298,922	-	-	-	-	-	298,922
Expected credit losses (Loss allowance provision)	-	-	-	-	-	-	-
carrying amount of trade receivables (net of impairment)	298,922	-	-	-	-	-	298,922

As at 31 March 2018

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	819,056	-	-	-	-	-	819,056
Expected credit losses (Loss allowance provision)	-	-	-	-	-	-	-
carrying amount of trade receivables (net of impairment)	819,056	-	-	-	-	-	819,056

NUCLEUS SOFTWARE EXPORTS LIMITED
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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 outstanding borrowings from holding companies which is repayable on demand after 31 March 2018. The company believes that the working capital is sufficient to meet its current requirements.

As of March 31, 2018, the Company had a working capital of Rs. 11,6030,115 including cash and cash equivalent of Rs. 3,579,964 and current investment of Rs. 105,634,687 (31 March 2017 Rs. 125,197,858 including cash and cash equivalents of Rs 3,069,338 and current investments of Rs. 116811987).

The table below provides details regarding the contractual maturities of significant financial liabilities as of 31 March 2019:

Particulars	Less than 1 year	1-2 years	Total
Trade payables	320,267	-	320,267
Borrowings	80,110,221	-	80,110,221

The table below provides details regarding the contractual maturities of significant financial liabilities as of 31 March 2018:

Particulars	Less than 1 year	1-2 years	Total
Trade payables	222,425	-	222,425
Borrowings	80,110,221	-	80,110,221

C) 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 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.

(i) Risk management

For the purpose of the Company's capital management, capital includes issued equity capital 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.

NUCLEUS SOFTWARE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2.23 The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made in these financial statements since the requirement does not pertain to financial year ended 31 March 2019.

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

For and on behalf of the Board of Directors

Sd/-
MANISH GUPTA
Partner
Membership number : 095037

Sd/-
VISHNU R DUSAD
Managing Director

Sd/-
RAVI PRATAP SINGH
Director

Sd/-
POONAM BHASIN
Company Secretary

Sd/-
ASHISH NANDA
Chief Financial Officer

Place : Noida
Date : 22 April 2019

Place : Noida
Date : 22 April 2019