

**Nucleus Software Exports Ltd.**

**Consolidated Balance Sheet as at 30 June 2005**

	As at 30 June 2005 (Rs. Cr.)	As at 30 June 2004 (Rs. Cr.)	As at 31 March 2005 (Rs. Cr.)
<b>Sources of funds</b>			
<b>Shareholders' funds</b>			
Share capital	16.09	8.03	16.09
Share application money pending allotment	0.09	0.04	0.03
Reserves and surplus	76.79	62.79	68.15
	<b>92.98</b>	<b>70.86</b>	<b>84.28</b>
<b>Application of funds</b>			
<b>Fixed assets</b>			
Gross block	45.68	25.30	43.62
Less: Accumulated depreciation	(17.08)	(14.46)	(15.89)
Net block	28.60	10.85	27.73
Add: Capital work in progress (including capital advances)	0.18	11.27	0.65
	<b>28.79</b>	<b>22.12</b>	<b>28.39</b>
<b>Investments</b>	<b>55.76</b>	<b>33.53</b>	<b>48.71</b>
<b>Deferred tax asset (refer note 2, schedule 17)</b>	0.11	0.26	0.17
<b>Current assets, loans and advances</b>			
Sundry debtors	26.12	14.99	19.22
Cash and bank balances	18.13	10.89	26.65
Loans and advances	4.01	2.86	3.66
Other current assets	4.65	3.08	2.75
	<b>52.90</b>	<b>31.82</b>	<b>52.27</b>
<b>Less: Current liabilities and provisions</b>			
Current liabilities	36.84	12.95	38.29
Provisions	7.75	3.94	6.98
	<b>44.59</b>	<b>16.89</b>	<b>45.27</b>
<b>Net current assets</b>	<b>8.31</b>	<b>14.93</b>	<b>7.01</b>
<b>Miscellaneous expenditure</b>	-	0.02	-
	<b>92.98</b>	<b>70.86</b>	<b>84.28</b>

**Notes to the accounts**

The schedules referred to above form an integral part of the consolidated financial statements.

**Nucleus Software Exports Ltd.**

**Schedules forming part of the consolidated financial statements**

**Consolidated Balance Sheet as at 31 December 2004**

	As at <b>30 June 2005</b> (Rs. Cr.)	As at <b>30 June 2004</b> (Rs. Cr.)	As at <b>31 March 2005</b> (Rs. Cr.)
<b>SCHEDULE 1:</b>			
<b>Share capital</b>			
<b>Authorised capital</b>			
20,000,000 (20,000,000;20,000,000) equity shares of Rs.10 each	<b>20.00</b>	<b>20.00</b>	<b>20.00</b>
<b>Issued, subscribed and paid up</b>			
<b>Issued</b>			
16,093,612 (8,034,206;16,093,612) equity shares of Rs.10 each	<b>16.09</b>	<b>8.03</b>	<b>16.09</b>
<b>Subscribed and paid up</b>			
16,090,812 (8,031,406;16,090,812) equity shares of Rs.10 each, fully paid up	16.09	8.03	16.09
Of the above:			
8,045,406 equity shares of Rs.10 each have been issued as bonus shares by capitalisation of securities premium account in the year ended 31 March 2005			
2,637,050 equity shares of Rs.10 each have been issued as bonus shares by capitalisation of general reserve and securities premium account in the year ended 31 March 2002			
1,452,270 equity shares of Rs.10 each have been issued as bonus shares by capitalisation of general reserve in the year ended 31 March 1995			
Less: Allotment money in Arrears 28,800 (Nil, Nil) ESOS issued	-		-
Add: 2,800 (2,800; 2,800) forfeited equity shares pending for reissue Employees Stock Option Outstanding Less :Deferred Employees Compensation Expenses	0.00	0.00	0.00
	<b>16.09</b>	<b>8.03</b>	<b>16.09</b>
<b>SCHEDULE 2:</b>			
<b>Reserves and surplus</b>			
<b>General reserve</b>			
Balance as at 1 April	34.15	24.15	24.15
Add: Transferred from Profit and Loss Account	-	-	10.00
Less: Deferred-tax provision upto 31 March 2001	-	-	-
Less: Amount utilised for issue of 2,637,050 bonus shares of Rs.10 each	-	-	-
	<b>34.15</b>	<b>24.15</b>	<b>34.15</b>
<b>Securities premium account</b>			
Balance as at 1 April	16.17	24.05	24.05
Add : On conversion of stock options issued to employees	-	-	0.16
Less: Amount utilised for issuance of 8,045,406 bonus shares of Rs 10 each	-	-	8.05

	<b>16.17</b>	<b>24.05</b>	<b>16.17</b>
<b>Capital reserve account</b>			
Balance as at 1 April	0.15	0.15	0.15
Add: Amount forfeited against employees stock option plan	0.00	-	-
	<b>0.15</b>	<b>0.15</b>	<b>0.15</b>
<b>Employee stock options</b>			
Balance as at 1 April	0.23	0.15	0.15
Add: Options granted during the period / year	0.33	0.20	0.22
Less: Reversal on forfeiture of stock options granted	0.01	-	-
Less: Transferred to securities premium on exercise of stock options	-	-	0.14
	<b>0.55</b>	<b>0.35</b>	<b>0.23</b>

Less: Deferred employee compensation	(0.38)	(0.19)	(0.11)
	<b>0.17</b>	<b>0.16</b>	<b>0.12</b>
<b>Foreign currency translation reserve</b>			
Balance as at 1 April	0.05	-	-
Add: addition during the year	-	-	0.05
	<b>0.05</b>	<b>-</b>	<b>0.05</b>
<b>Profit and Loss Account</b>			
	26.10	14.28	17.51
	<b>76.79</b>	<b>62.79</b>	<b>68.15</b>

Schedules forming part of the consolidated financial statements

	As at 30 June 2005 (Rs. Cr.)	As at 30 June 2004 (Rs. Cr.)	As at 31 March 2005 (Rs. Cr.)
<b>SCHEDULE 4:</b>			
<b>Investments</b>			
<b>Long term investments</b>			
<b>Equity shares - Non trade and unquoted</b>			
10,040,000 (Nil) equity shares of Rs 10 each, fully paid up, in GMAC Financial Services India Limited	13.69	-	13.69
[Of the above, 80,000 (Nil) equity shares are held by nominees on behalf of the Company]			
	<b>13.69</b>	<b>-</b>	<b>13.69</b>
<b>Current investments</b>			
<b>Investments in bonds and mutual funds - Non trade and unquoted</b>			
Nil (3,764,682; Nil) units of face value of Rs. 10 each of Alliance Cash Manager-Institutional Plan-Growth	-	3.90	-
Nil (17,048; 10,317) units of face value of Rs. 1,000 each of Templeton India Treasury Management - Growth	-	2.70	1.65
Nil (1,320,243; Nil) units of face value of Rs 10 each of Zurich India Liquid Fund -Growth	-	-	-
4,322,224 (3,568,789; 2,066,606) units of face value of Rs. 10 each of HDFC Cash management Fund-Saving Plan-Growth	5.97	4.67	2.75
460,889 (3,314,286; 460,889) units of face value of Rs. 10 each of HSBC Cash Fund -Growth	0.50	3.46	0.50
1,202,390 (791,709; 1,202,390) units of face value of Rs. 10 each of Kotak Liquid- Institutional Plan -Growth	1.58	1.00	1.58
Nil (2,407,515; Nil) units of face value of Rs. 10 each of HSBC Cash Fund - Institutional Plan - Dividend	-	2.51	-
3,605,681 (2,463,766; 3,605,681) units of face value of Rs. 10 each of J M High Liquidity Fund -Institutional Plan-Growth	3.90	2.57	3.90
Nil (2,368,948; Nil) units of face value of Rs. 10 each of J M High Liquidity Fund -Institutional Plan-Dividend	-	2.37	-
Nil (2,717,484; Nil) units of face value of Rs. 10 each of Reliance Liquid Fund Super Cash Plan -Growth	-	2.85	-
Nil (500,000; 500,000) units of face value of Rs. 10 each of Reliance Fixed Term Scheme-Annual Plan -3- Growth	-	0.50	0.50

Nil (17,331; Nil) units of face value of Rs. 1000 each of UTI Liquid Advantage Fund-Institutional Plan-Growth	-	-	-
	-	2.02	-
	-	-	-
Nil (856; Nil) units of face value of Rs. 1,000 each of Templeton India Treasury Management - Dividend	-	0.11	-
	-	-	-
254,087 (2,558,506; 254,087) units of face value of Rs. 10 each of Birla Cash Plus-Institutional Plan-Growth	0.45	4.36	0.45
	-	-	-
Nil (500,000; 500,000) units of face value of Rs. 10 each of Birla FMP Yearly GR. 14 Plan B-Growth	-	0.50	0.50
	-	-	-
992,418 (Nil; 1,229,103) units of face value of Rs. 10 each of DSP Merrill Lynch Liquidity Fund-Daily Dividend	0.99	-	1.23
	-	-	-
1,741,470 (Nil; 4,714,328) units of face value of Rs. 10 each of Birla Cash Plus-Institutional Plan-Dividend	1.88	-	5.09
	-	-	-
Nil (Nil; 2,269,873) units of face value of Rs. 10 each of HDFC Cash management Fund-Saving Plan-Dividend	-	-	2.41
	-	-	-
3,635,141 (Nil; 3,635,141) units of face value of Rs. 10 each of HSBC Cash Fund - Institutional Plan - Growth	4.00	-	4.00
	-	-	-
2,040,247 (Nil; 2,017,680) units of face value of Rs. 10 each of DSP Merrill Lynch Floating Rate Fund-Daily Dividend	2.04	-	2.02
	-	-	-
5,874,919 (Nil; 5,812,723) units of face value of Rs. 10 each of Deutsche Insta Cash Plus Fund-Institutional Plan-Growth	6.00	-	5.93
	-	-	-
500,000 (Nil; 500,000) units of face value of Rs. 10 each of UTI Fixed Maturity Plan-YFMP 11/2004-Growth	0.50	-	0.50
	-	-	-
2,000,000 (Nil; 2,000,000) units of face value of Rs. 10 each of Prudential ICICI FMP Series 5-Institutional-Growth	2.00	-	2.00
	-	-	-
10,000,000 (Nil; Nil) units of face value of Rs. 10 each of Reliance Fixed Maturity Fund-SeriesII-Annual Paln-I-Growth	1.00	-	-
	-	-	-
1,228,350 (Nil; Nil) units of face value of Rs. 10 each of DSP Merrill Lynch Liquidity Fund-Daily Growth	2.00	-	-
	-	-	-
2,985,857 (Nil; Nil) units of face value of Rs. 10 each of SBI Magnum Institutional Income Fund-Saving-Growth	3.20	-	-
	-	-	-
1,229,594 (Nil; Nil) units of face value of Rs. 10 each of Reliance Liquid Fund-Treasury Plan-Institutional -Growth	2.00	-	-
	-	-	-
1,975,869 (Nil; Nil) units of face value of Rs. 10 each of ABN Amro Cash Fund-Institutional-Growth	2.05	-	-
	-	-	-
1,000,319 (Nil; Nil) units of face value of Rs. 10 each of ABN Amro Cash Fund-Institutional-Dividend	1.00	-	-
	-	-	-
951,565 (Nil; Nil) units of face value of Rs. 10 each of ING Vysya Liquid Fund Institutional-Growth	1.00	-	-
	-	-	-
	<b>42.07</b>	<b>33.53</b>	<b>35.02</b>
	<b>55.76</b>	<b>33.53</b>	<b>48.71</b>

**Notes:**

- Investments in mutual funds include unutilised proceeds raised by preferential issue of equity shares.
- Net asset value (NAV) of current investments Rs. 428,087,503 (Rs 362,445,288; 355,639,033) as at 30 June 2005.
- Refer note 6, schedule 16 for details of investments purchased and sold during the quarter ended 30 June 2005.

Schedules forming part of the consolidated financial statements

	As at 30 June 2005 (Rs. Cr.)	As at 30 June 2004 (Rs. Cr.)	As at 31 March 2005 (Rs. Cr.)
<b>SCHEDULE 5:</b>			
<b>Sundry debtors</b>			
(Unsecured)			
Debts outstanding for a period exceeding six months			
- Considered good	0.54	0.52	0.60
- Considered doubtful	2.05	1.54	2.00
	<u>2.59</u>	2.07	2.59
Less: Provision for doubtful debts	(2.05)	(1.54)	(2.00)
	0.54	0.52	0.60
Other debts (considered good)	25.58	14.46	18.62
	<u><b>26.12</b></u>	<u><b>14.99</b></u>	<u><b>19.22</b></u>

**SCHEDULE 6:****Cash and bank balances**

Cash in hand [including cheques in hand Rs 3,267,878 (Rs 755,000)]	0.53	0.03	0.39
Balances with scheduled banks:	-	-	-
- in current accounts	8.08	10.29	3.77
- in fixed deposit accounts	9.52	0.57	12.74
Balance with non scheduled bank*:	-	-	-
- in current account	-	-	-
Citibank-U.K.	-	-	0.02
Citibank-Singapore	-	-	2.93
PNC Bank-USA	-	-	0.41
Bank of Tokyo Mitshubishi -Japan	-	-	0.46
Shinsei Bank - Japan	-	-	1.09
Citibank -Hong Kong	-	-	0.02
ANZ Bank - Australia	-	-	0.38
Citibank -Singapore	-	-	0.26
- in fixed deposit accounts	-	-	-
ANZ Bank - Australia	-	-	0.00
Remittance in transit	-	-	4.17
	<b>18.13</b>	<b>10.89</b>	<b>26.65</b>

\*Maximum amount outstanding during the year

- in current accounts			
Citibank-U.K	0.25	-	0.25
Citibank-Singapore	16.09	-	16.09
PNC Bank-USA	0.41	-	1.75
Bank of Tokyo Mitshubishi -Japan	1.99	-	1.99
Shinsei Bank - Japan	6.79	-	6.79
Citibank -Hong Kong	0.03	-	0.03
ANZ Bank - Australia	0.32	-	0.44
- in fixed deposit accounts	-	-	-
ANZ Bank - Australia	0.03	-	0.03

**SCHEDULE 7:****Loans and advances****(Unsecured, considered good)**

Advances recoverable in cash or in kind or for value to be received*	1.70	1.11	1.41
Security deposits	1.30	1.26	1.29
Advance tax [net of provision Nil (Rs 20,243,122)]	-	-	-
Balance with government authorities	-	-	-
Prepaid expenses	1.01	0.49	0.96
	<b>4.01</b>	<b>2.86</b>	<b>3.66</b>

38,000 (Rs 991,420)). Maximum amount outstanding during the year SGD 38,000 (Rs 991,420) (previous year SGD 47,000

**SCHEDULE 8:****Other current assets**

Service income accrued but not due	4.18	3.05	2.39
Interest accrued but not due	0.47	0.03	0.36
	<b>4.65</b>	<b>3.08</b>	<b>2.75</b>

Schedules forming part of the consolidated financial statements

	As at 30 June 2005 (Rs. Cr.)	As at 30 June 2004 (Rs. Cr.)	As at 31 March 2005 (Rs. Cr.)
<b>SCHEDULE 9:</b>			
<b>Current liabilities</b>			
Sundry creditors*	7.38	8.22	7.94
Withholding tax	0.92	0.57	0.98
Advances from customers	26.54	2.27	27.73
Unclaimed dividend	0.04	0.03	0.05
Other liabilities	1.50	1.46	1.31
Book overdraft	0.46	0.42	0.28
	<b>36.84</b>	<b>12.95</b>	<b>38.29</b>

Regulation) Act, 1951.

**SCHEDULE 10:**

**Provisions**

Gratuity	0.89	0.74	0.86
Leave encashment	0.85	0.77	0.79
Taxation [Net of advance tax Rs 19,131,991 (Nil)]	1.31	0.15	0.74
Fringe benefit tax	0.11	-	-
Dividend	4.02	2.01	4.02
Dividend tax	0.56	0.26	0.56
	<b>7.75</b>	<b>3.94</b>	<b>6.98</b>