

**NUCLEUS IT ENABLED SERVICES  
LIMITED**

**AUDITED FINANCIAL STATEMENT  
2014-15**



# MANEK & ASSOCIATES

CHARTERED ACCOUNTANTS

3-Shanti Kunj, 17, Prarthana Samaj Road, Vile Parle (East), Mumbai - 400 057.

Off. # 2618 5110

# 2618 5137

Fax # 2618 4912

E-mail : manek@vsnl.com

shailesh.manek@gmail.com

www.camaneek.com

**SHAILESH MANEK**

B.Com.(Hons), Grad. C.W.A., F.C.A.

## INDEPENDENT AUDITORS' REPORT

To,  
The Members,  
**NUCLEUS IT ENABLED SERVICES LIMITED**

### **Report on the Standalone Financial Statements**

We have audited the accompanying Standalone financial statements of **NUCLEUS IT ENABLED SERVICES LIMITED** ('the Company') which comprise the Balance Sheet as at **March 31, 2015**, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit. While conducting the audit we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true & fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

# MANEK & ASSOCIATES

## Opinion

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 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 31st March, 2015, and its profit and loss and its cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
2. 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 purpose of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) On the basis of written representations received from the directors, as on 31st March 2015 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2015 from being appointed as a director in terms of Section 164(2) of the Act and
  - (f) With respect to the other matters to be included in the Auditor's 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 has disclosed the impact of pending litigation on its financial position in its financial statements—Refer Note 12.2(ii) to the financial statements;
    - (ii) The Company did not have any long-term contract including derivative contract for which there are any material foreseeable losses.
    - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For MANEK & ASSOCIATES

Chartered Accountants

Firm's Registration No: 126679W



(SHAILESH MANEK)

Proprietor

Membership number.034925

Mumbai

Dated: May 20<sup>th</sup>, 2015



# MANEK & ASSOCIATES

CHARTERED ACCOUNTANTS

3-Shanti Kunj, 17, Prarthana Samaj Road, Vile Parle (East), Mumbai - 400 057.

Off. # 2618 5110

# 2618 5137

Fax # 2618 4912

E-mail : manek@vsnl.com

shailesh.maneke@gmail.com

www.camanek.com

## SHAILESH MANEK

B.Com.(Hons), Grad. C.W.A., F.C.A.

**The Annexure referred to in paragraph 1 of the Our Independent Auditors' Report of even date to the members of Nucleus IT Enabled Services Limited, on the accounts of the company for the year ended 31<sup>st</sup> March, 2015.**

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

- (1) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All the assets have been physically verified by the management during the year. No material discrepancies were noticed on such verification.
- (2) The Company has not entered into any transactions during the year involving inventories. Therefore, the provisions of clause 3 (ii) (a), (b) and (c) of the order are not applicable to the Company.
- (3) The company has not granted any loan to parties covered in the register maintained under section 189 of the Companies Act, 2013 and therefore, the provisions of clause 3(iii) of the order is not applicable.
- (4) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchases of fixed assets and with regard to the sale of services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system. In our opinion and according to the information and explanations given to us, there are no purchase of inventory and sale of goods during the year and therefore, clause 3(iv) of the Order, to that extent, is not applicable to the Company.
- (5) The Company has not accepted any deposits from the public and consequently the directives issued by the Reserve Bank of India, the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, and the Rules framed there under are not applicable, and also no orders were passed by National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal and therefore clause 4(v) of the order is not applicable.
- (5) According to information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 148 of the Companies Act, 2013 in respect of the manufacturing activities carried on by the Company and therefore, the provision of clause 4(vi) of the Order is not applicable.
- (7) (a) The company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess were in arrears, as at March 31, 2015 for a period of more than six months from the date they became payable.

# MANEK & ASSOCIATES

- (c) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, customs duty, wealth tax, excise duty and cess which have not been deposited on account of any dispute.
- (d) The Company is not required to transfer any amount to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under.
- (8) In our opinion, the accumulated losses of the company are exceeding fifty percent of its networth. Further the company has incurred cash losses during the financial year covered by our audit and also in the immediately preceding financial year
- (9) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a bank. Further, the Company has not borrowed any money from a financial institution or debenture holders and hence clause 3(ix) of the order, to that extent, is not applicable.
- (10) According to the information and explanations given to us, the company has not given guarantees for loans taken by others from banks or financial institutions.
- (11) The Company has not raised any term loans during the year, and therefore, the provision of clause 4(xi) of the Order is not applicable.
- (12) Based on the audit procedures performed and to the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year nor have we been informed about any such case by the management.

For MANEK & ASSOCIATES  
Chartered Accountants  
Firm's Registration No:126679W



*SL Manek*

(SHAILESH MANEK)  
Proprietor  
Membership number.:034925

MUMBAI  
Dated: May 20<sup>th</sup>, 2015

**NUCLEUS IT ENABLED SERVICES LTD.**  
**BALANCE SHEET AS ON 31ST MARCH 2015**

₹

Particulars	Note No.	As at 31/03/2015	As at 31/03/2014
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	3	30,000,000	30,000,000
(b) Reserves and surplus	4	(75,026,460)	(51,979,532)
<b>2 Non-current liabilities</b>			
(b) Long-term provisions	5	1,075,536	718,643
<b>3 Current liabilities</b>			
(a) Short-term borrowings	6	71,636,392	55,975,000
(b) Trade payables	7	419,184	862,902
(c) Other current liabilities	8	1,298,107	7,127,720
(d) Short-term provisions	9	14,160	16,569
<b>TOTAL</b>		<b>29,416,919</b>	<b>42,721,302</b>
<b>II. ASSETS</b>			
<b>Non-current assets</b>			
<b>1 (a) Fixed assets</b>	10		
(i) Tangible assets		940,595	2,862,656
(ii) Intangible assets		-	-
(b) Long-term loans and advances	11	23,243,664	12,260,807
(c) Other non-current assets	12	1,900,041	10,477,740
<b>2 Current assets</b>			
(a) Trade receivables	13	2,849,849	4,387,510
(b) Cash and cash equivalents	14	326,914	1,143,150
(c) Short-term loans and advances	15	125,717	11,564,193
(d) Other current assets	16	30,139	25,246
<b>TOTAL</b>		<b>29,416,919</b>	<b>42,721,302</b>

See accompanying notes 1 to 30 forming parts of the financial statements.

As Per Our Report of even date attached

For Manek & Associates

Chartered Accountants

Firm Registration No. -0126679W

*SL Manek*

Shailesh L. Manek

Proprietor

Mem No- 34925

Place: Mumbai

Dated : 20th May, 2015



For and on behalf of Board

*Pankaj Parmar*

Pankaj Parmar

Director

Dated : 20th May, 2015

*Purvi Ambani*

Purvi Ambani

Director

**NUCLEUS IT ENABLED SERVICES LTD.**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2015**

₹

Particulars	Note No.	For the year ended 31/03/2015	For the year ended 31/03/2014
<b>INCOME</b>			
Revenue from operations	17	21,473,442	22,931,406
Other income	18	842,935	145,211
<b>Total incomes</b>		<b>22,316,377</b>	<b>23,076,617</b>
<b>EXPENDITURE</b>			
Employee benefits expense	19	15,847,335	16,592,304
Finance costs	20	8,787,825	5,842,336
Depreciation and amortization expense	10	589,641	821,125
Other expenses	21	18,495,628	7,052,992
<b>Total expenses</b>		<b>43,720,429</b>	<b>30,308,757</b>
<b>Profit before tax (VII- VIII)</b>		<b>(21,404,052)</b>	<b>(7,232,140)</b>
Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	-
(3) Prior year Tax Adjustment		3,794	-
<b>Profit after tax for the year</b>		<b>(21,400,259)</b>	<b>(7,232,140)</b>
Earnings per equity share:	22		
(Face Value of Rs. 10 /- Per share)			
(1) Basic		(7.13)	(2.41)
(2) Diluted		(7.13)	(2.41)

See accompanying notes 1 to 30 forming parts of the financial statements.

As Per Our Report of even date attached  
For Manek & Associates  
Chartered Accountants  
Firm Registration No. -0126679W

For and on behalf of Board

Shailesh L. Manek  
Proprietor  
Mem No- 34925  
Place: Mumbai  
Dated : 20th May, 2015



*[Signature]*  
Pankaj Parmar  
Director  
Dated : 20th May, 2015

*[Signature]*  
Purvi Ambani  
Director

**NUCLEUS IT ENABLED SERVICES LTD.**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015.**

₹

Particulars	For the year ended 31/03/2015		For the year ended 31/03/2014	
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net profit/(loss) before tax		(21,404,052)		(7,232,140)
Adjustments for				
Depreciation & Amortisation	589,641		821,125	
Interest income	(12,568)		(41,109)	
Interest expense	8,761,592	9,338,665	5,817,415	6,597,431
Operating profit/(loss) before working capital changes		(12,065,387)		(634,709)
Adjustments for				
Changes in Current Assets				
(Increase) / Decrease in Long Term loans & Advances	(10,982,857)		(421,204)	
(Increase) / Decrease in Other Non Current Assets	8,577,699			
(Increase) / Decrease in Trade Receivable	1,537,661		(1,085,013)	
(Increase) / Decrease in Short Term loans & Advances	11,438,477		(11,318,218)	
(Increase) / Decrease in Other Current assets	(4,893)	10,566,087	(7,119)	(12,831,554)
Changes in Current Liabilities				
Increase / (Decrease) in Long Term Provisions	356,893		(22,406)	
Increase / (Decrease) in Trade payables	(443,718)		(6,269)	
Increase / (Decrease) in Other current liabilities	(5,829,613)		2,949,552	
Increase / (Decrease) in Short term Provision	(2,409)		(97,310)	
Cash used in operations before taxes		(5,918,847)		2,823,567
Refund recd / (Taxes paid) (Including TDS & STT of earlier year w/off)		(7,418,148)		(10,642,696)
Earlier year Tax Adjustment				
Net cash used in operating activities	3,794	3,794		
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		(7,414,354)		(10,642,696)
Purchase of fixed assets	(314,250)		(584,330)	
Interest received	12,568		41,109	
Net cash used in investing activities		(301,682)		(543,221)
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceed of unsecured Loan (Net of repayments)	15,661,392		17,825,000	
Interest Paid	(8,761,592)		(5,817,415)	
Net cash used in financing activities		6,899,800		12,007,585
<b>D Net increase/(decrease) in cash &amp; cash equivalents (A+B+C)</b>		(816,236)		821,668
<b>E Cash and cash equivalents at the beginning of the year</b>		1,143,150		321,482
<b>F Cash and cash equivalents at the end of the year (D+E)</b>		326,914		1,143,150

**NOTES TO CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST**

**1 Cash & Cash Equivalents Include :**

Cash on Hand

Balance with Banks In Current and Cash Credit Accounts

27,775	8,221
299,140	1,134,929
<u>326,914</u>	<u>1,143,150</u>

2 The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Accounting Standard-3 on Cash Flow Statements notified under the Companies (Accounting Standards) Rules, 2006.

As Per Our Report of even date attached

For Manek & Associates

Chartered Accountants

Firm Registration No. 10126679W

*Shailish L. Manek*

Shailish L. Manek

Proprietor

Mem No- 34925

Place: Mumbai

Dated : 20th May, 2015



For and on behalf of Board

*Pankaj Parmar*

Pankaj Parmar  
Director

Dated : 20th May, 2015

*Purvi Ambani*

Purvi Ambani  
Director

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS****Corporate Information**

The company is engaged in information technology enabled services and provides services to clients both domestic and abroad.

**Significant Accounting Policies****1. Basis of preparation of financial statements:**

The accompanying financial statements are prepared and presented under the historical cost convention, on the accrual basis of accounting and comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 to the extent applicable. The financial statements are presented in Indian Rupees.

**2. Use of estimates:**

The preparation of financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between the actual results and the estimates are recognized in the period in which the results are known / materialized.

**3. Revenue Recognition:**

Revenue is recognized on accrual basis as under:

- a. Information Technology Enabled Services (ITES) and Software Services Fees: Income from services rendered of ITES is recognized on services rendered. Software services fees are accounted on its completion and acceptance by the customers.
- b. Interest income is recognized on time proportion basis.
- c. All expenses are accounted on accrual basis except leave travel allowance and medical reimbursement to employees which are accounted on payment basis.

**4. Fixed Assets:****a. Tangible Assets:**

Fixed assets are stated as cost less accumulated depreciation.

**b. Intangible Assets:**

Intangible assets are stated at cost, less any accumulated amortization / impairment losses.

Cost includes original cost of acquisition, including incidental expenses related to such acquisition.

**5. Depreciation/ Amortization:**

In respect of fixed assets acquired during the year, depreciation / amortisation is charged on a Written Down Value basis so as to write off the cost of the assets over the useful lives and for the assets acquired prior to April 1, 2014, the carrying amount as on April 1, 2014 is depreciated over the remaining useful life based on an evaluation basis. Further in case, where the remaining useful life has been completed on April 1, 2014, the carrying amount of assets, after retaining residual value, amounting to Rs.16,46,670/- has been recognized in the opening balance of retained earnings. Intangible asset being computer software is amortized over a period of three years for which the Company expects the benefits to accrue.

**6. Retirement Benefits:**

Company's contribution to Provident Fund is charged to Statement of Profit and Loss. Gratuity benefits payable to employees and Leave encashment are provided on the basis of actuarial valuation on the Balance Sheet date.

**7. Taxation:**

Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with relevant tax regulations.

Deferred tax resulting from timing differences between book and tax profits is accounted for at the current rate of tax / substantively enacted tax rates by the Balance Sheet date, to the extent that the timing differences are expected to crystallize.

Deferred Tax Assets are recognized where realization is reasonably certain whereas in case of carried forward losses or unabsorbed depreciation, deferred tax assets are recognized only if there is a virtual certainty of realization backed by convincing evidence. Deferred Tax Assets are reviewed for the appropriateness of their respective carrying values at each Balance Sheet date.

In compliance with Accounting Standard-22, the Management has been regularly reviewing the Carrying amounts of the deferred tax assets arising from the carried forward loss etc. Accordingly, the management has reviewed the same considering the present circumstances and in view of its implementing various measures it is confident that it has ability to generate adequate future income and economic benefit so as to contribute towards realisation of the carried amount of deferred Tax assets.

SUN

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing at the date of transaction. Monetary items denominated in foreign currency at the year end are translated at year end rates. In respect of monetary items which are covered by forward exchange contracts, the difference between the year end rate and the rate on the date of the contract is recognized as exchange difference and the premium on such forward contracts is recognized over the life of the forward contract. The exchange difference arising on settlement/ translation are recognized in the revenue accounts.

**9. Borrowing Costs:**

Borrowing costs that are attributable to the acquisition or construction of a qualifying asset are capitalized as part of such asset till such time as the asset is ready for its intended use. All other borrowing costs are recognized as an expense in the period in which they are incurred.

**10. Impairment of assets**

The company assess at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss Account. If at the Balance Sheet date there is an indication that the previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

**11. Provisions, Contingent liabilities and Contingent Assets**

A provision is recognized when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits would be required to settle the obligation, and in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimates required to settle the obligation at the balance sheet date. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimation. A contingent liability is disclosed unless the possibility of an outflow of resources embodying the economic benefits is remote or a reliable estimate of the amount of obligation cannot be made.

8/11

**NUCLEUS IT ENABLED SERVICES LIMITED**

Notes to the Financial Statements

**Note 3 Share Capital**

Particulars	As at 31/03/2015	As at 31/03/2014
<b>Authorised</b>		
<b>Par Value Rs.10 Per share</b>		
50,00,000 [Previous Year 50,00,000] Equity Shares of Rs.10 each	50,00,000	50,00,000
<b>Issued, Subscribed &amp; Paid up</b>		
30,00,000 [Previous Year 30,00,000] Equity Shares of Rs.10 each	30,00,000	30,00,000
<b>Total</b>	30,00,000	30,00,000

**3.2 Reconciliation of Number of shares**

Particulars	Equity Shares
Shares outstanding at the beginning of the year	30,00,000
	(30,00,000)
Shares outstanding at the end of the year	30,00,000
	(30,00,000)

Figures in Brackets relate to the previous year

**3.3 Disclosure pursuant to shareholding By holding Co.**

30,00,000 Equity Shares are held by Asit C Mehta Financial Services Ltd., the holding company.

**3.4 Details of Shareholder holding more than 5% of share capital**

Name of Shareholder	As at 31/03/2015		As at 31/03/2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Asit C Mehta Financial Services Ltd.	3,000,000	100	3,000,000	100

**3.5 Rights attached to Equity shares**

The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity share is entitled to one vote per share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion to number of equity shares held by shareholders.

**Note 4 Reserves & Surplus**

Particulars	As at 31/03/2015	As at 31/03/2014
<b>Surplus in Statement of Profit &amp; Loss</b>		
Opening Balance		
Add :Net Loss For the current year	(51,979,532)	(44,747,392)
Less: Adjustment as per Schdule II to the Companies Act, 2013	(21,400,259)	(7,232,140)
[Refer Note - 2 (5)]	(1,646,670)	
Closing Balance	(75,026,460)	(51,979,532)
	(75,026,460)	(51,979,532)

SLM

**NUCLEUS IT ENABLED SERVICES LIMITED**

Notes to the Financial Statements

**Note 5 Long Term Provisions**

Particulars	As at 31/03/2015	As at 31/03/2014
<b>Provision for employee benefits</b>		
Gratuity (funded)	949,443	601,637
Leave Encashment (unfunded)	126,093	117,006
	<b>1,075,536</b>	<b>718,643</b>

**Note 6 Short Term Borrowings**

Particulars	As at 31/03/2015	As at 31/03/2014
<b>Secured</b>		
<u>Overdraft from Bank of India</u> (Secured against the FDR pledged with BANK of India, Stock Exchange Br.) (Security provided by M/s. Asit C. Mehta Investment Intermediates Ltd., a fellow subsidiary) (Rate of Interest 1.5% above Term Deposit rate)	57,000,000	-
<b>Unsecured</b>		
<b>Loans and advances from related parties (Refer Note 24)</b>		
Inter Corporate Deposit From Holding Co. (Repayable on Demand and Rate of Interest- 15%)	7,852,388	-
<b>Loans and advances from Others</b>		
Inter Corporate Deposit from Asit C Mehta Commodity services Ltd. (Repayable on Demand and Rate of Interest- 13.50% (P.Y- 11%))	6,784,004	55,975,000
	<b>71,636,392</b>	<b>55,975,000</b>

**Note 7 Trade Payable**

Particulars	As at 31/03/2015	As at 31/03/2014
Creditors for Expenses	419,184	862,902
	<b>419,184</b>	<b>862,902</b>

7.2 The Company has not received any intimation from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2002 and therefore no such disclosures under the Act is considered necessary. This has been relied upon by the auditors.

Amounts payable to Micro and Small Enterprises	As at 31/03/2015	As at 31/03/2014
(i) On Principal Account	Nil	Nil
(ii) On Interest Account	Nil	Nil
(iii) Outstanding beyond due date	Nil	Nil
(iv) Interest Paid or Interest Accrued, due and Payable or unpaid interest	Nil	Nil
(v) Payments made to above suppliers beyond due date	Nil	Nil

5/11

**NUCLEUS IT ENABLED SERVICES LIMITED**

Notes to the Financial Statements

**Note 8 Other Current Liabilities**

Particulars	As at 31/03/2015	As at 31/03/2014
a) Interest accrued and due on borrowings		
Unsecured, Considered good	58,624	4,122,170
(b) Other Statutory Dues	1,227,492	1,384,411
(C) Salary payable	11,991	1,621,139
	<b>1,298,107</b>	<b>7,127,720</b>

**Note 9 Short Term Provisions**

Particulars	As at 31/03/2015	As at 31/03/2014
Provision for employee benefits		
Gratuity	-	13,687
Leave Encashment	14,160	2,882
	<b>14,160</b>	<b>16,569</b>

Sum

## Notes to the Financial Statements

## NUCLEUS IT-ENABLED SERVICES LIMITED

## NOTE-10 : FIXED ASSETS

ASSETS	GROSS BLOCK			DEPRECIATION		NET BLOCK	
	COST AS ON 01/04/2014	ADDITIONS	DEDUCTIONS	TOTAL AS ON 31/03/2015	FOR THE PERIOD 31/03/2014 UPTO 31/03/2015 Adjustment (As per Co. Act 2013)	UPTO 31/03/2015	AS AT 31/03/2015 AS AT 31/03/2014
Tangible Assets							
Computers	7,004,459 (6,420,129)	314,250 -	-	7,318,709 (7,004,459)	505,059 (409,467)	6,678,231 (5,993,175)	640,478 (1,011,284)
Electrical Fittings	210,132 (210,132)	-	-	210,132 (210,132)	-	199,625 (121,017)	89,115 (103,513)
Furniture and Fixtures	2,577,841 (2,577,841)	-	-	2,577,841 (2,577,841)	-	698,373 (182,828)	128,892 (827,265)
office and other Equipments	1,367,196 (1,367,196)	-	-	1,367,196 (1,367,196)	84,582 (96,550)	1,288,779 (769,643)	78,417 (597,553)
Motor car	1,646,022 (1,646,022)	-	-	1,646,022 (1,646,022)	-	1,563,721 (1,308,583)	82,301 (337,439)
	12,805,650 (12,221,320)	314,250 584,330	-	13,119,900 (12,805,650)	589,641 (821,125)	12,179,305 (9,942,994)	940,595 (2,862,656)
Intangible Assets							
Software	4,313,871 (4,313,871)	-	-	4,313,871 (4,313,871)	-	4,313,871 (4,313,871)	-
	4,313,871 (4,313,871)	-	-	4,313,871 (4,313,871)	-	4,313,871 (4,313,871)	-
Total:	17,119,521 (16,535,191)	314,250 584,330	-	17,433,771 (17,119,521)	589,641 (821,125)	16,493,176 (14,256,865)	940,595 (2,862,656)
Previous Year:							

Note- Figures in bracket relates to the previous year.

SM

**NUCLEUS IT ENABLED SERVICES LIMITED**

Notes to the Financial Statements

**Note 11 Long term loans & advances**

11.1	Particulars	As at 31/03/2015	As at 31/03/2014
	Unsecured, considered good		
	<b>A. Security Deposits</b>		
	Deposit for Premises	22,000,000	11,000,000
		22,000,000	11,000,000
	Unsecured, considered good		
	<b>B. Others</b>		
	Margin money with bank for BG		
	Advance tax	50,000	50,000
	Prepaid Expenses	1,173,568	1,077,375
	Fixed Deposit with Bank	20,096	33,432
			100,000
		1,243,664	1,260,807
		23,243,664	12,260,807

11.2 Security Deposit is given to the Holding Company against use of premises on Leave and Licence basis.

**Note 12 Other Non Current Assets**

12.1	Particulars	As at 31/03/2015	As at 31/03/2014
	<b>Long term trade receivables</b>		
	Unsecured, considered good	1,900,041	1,900,041
	Doubtful		
	Less: Provision for doubtful debts	-	23,675,355
			(15,097,656)
		1,900,041	10,477,740
		1,900,041	10,477,740

12.2 Debtors include

i) The Company has decided to withdraw the case filed against the ILFS, as per the Arbitration Award passed on 14th Oct 2014, and the Company has nothing to receive from the ILFS towards their outstanding dues.

ii) A disputed debt of Rs. 19,00,041/- (Previous year Rs. 19,00,041/-) due from a debtor. The Company had referred the disputed matter to arbitration and an Award in favour of company is received on 17/4/2012 and hence no provision is made by the Company. However the Debtor has challenged the Arbitration order in High Court in July 2012 and based on the status available from High court website the matter is still shown as pending. The management is confident, based on expert advice, that they have a good case & will recover the amount and hence there is no need to make any provision.

**Note 13 Trade receivables**

	Particulars	As at 31/03/2015	As at 31/03/2014
	Trade receivables outstanding for a period exceeding six months from the date they are due		
	Unsecured, considered good	140,167	150,702
		140,167	150,702
	Trade receivables outstanding for a period less than six months		
	Unsecured, considered good	2,709,682	4,236,808
		2,709,682	4,236,808
		2,849,849	4,387,510

SLM

**Note 14 Cash and cash equivalents**

₹		
Particulars	As at 31/03/2015	As at 31/03/2014
Balance in Current accounts	299,140	1,134,929
Cash on hand	27,775	8,221
	326,914	1,143,150

**Note 15 Short-term loans and advances**

₹			
15.1	Particulars	As at 31/03/2015	As at 31/03/2014
	<b>Unsecured, Considered good</b>		
	Statutory dues receivable	52,426	80,206
	Prepaid Expenses	25,691	79,909
	Advances recoverable in cash or in kind	17,600	318,000
	Loans to staff	30,000	86,078
	Deposit for Premises	-	11,000,000
		125,717	11,564,193

15.2 Security Deposit is given to the Holding Company against use of premises on Leave and Licence basis.

**Note 16 Other current assets**

₹		
Particulars	As at 31/03/2015	As at 31/03/2014
<b>Unsecured, Considered good</b>		
Accrued interest	30,139	25,246
	30,139	25,246

**Note 17 Revenue from operations**

₹		
Particulars	For the year ended 31/03/2015	For the year ended 31/03/2014
<b>Sale of services</b>		
Income Back office function	12,207,502	16,190,095
Income From Export Services	9,149,811	6,646,162
Software Development Chg.	50,000	50,000
Out of pocket expenses	66,129	45,149
	21,473,442	22,931,406

**Note 18 Other income**

₹		
Particulars	For the year ended 31/03/2015	For the year ended 31/03/2014
Interest Income	12,568	41,109
Interest on income tax refund	27,600	26,847
Exchange Rate Difference	-	16,206
Miscellaneous income	802,767	781
Prov for Doubtful debts written back	-	
Profit on Trading	-	60,268
	842,935	145,211

5/11/15

## Note 19 Employee benefits expense

19.1	Particulars	For the year ended 31/03/2015	For the year ended 31/03/2014
	Salaries, Wages & Bonus	13,827,067	14,075,447
	Contribution to PF and Other funds	1,098,451	2,142,281
	Staff Welfare	414,659	302,817
	Leave Encashment	173,039	40,799
	Gratuity	334,119	30,960
		15,847,335	16,592,304

19.2 The disclosures required as per AS 15 are as under:

a) Post-employment benefit plans

b) Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

c) For defined benefit schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognized in full in the Profit and Loss Statement for the year in which they occur. Past service cost is recognized immediately to the extent that the benefits are already vested, and otherwise is amortized on a straight line basis over the average period until the benefits become vested. The retirement benefit obligations recognized in the balance sheet represents the present value of the defined benefit obligations as adjusted for unrecognized past service cost.

a) Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized during the year when the employee renders the service.

b) The following table sets out the funded status of the gratuity plan and unfunded compensated leave absences and the amounts recognized in the Company's financial statements as at March 31, 2015.

Particulars	2014-15		2013-14	
	Gratuity (funded)	Leave Encashment (unfunded)	Gratuity (funded)	Leave Encashment (unfunded)
Reconciliation of liability recognized in the Balance sheet				
Present value of commitments	949,443	140,253	615,324	119,888
Fair value of plans	-	-	-	-
Net liability in the Balance sheet as on 31st March, 2015	949,443	140,253	615,324	119,888
Movement in net liability recognized in the Balance sheet				
Opening liability at the beginning of the period	615,324	119,888	736,494	118,434
Net expense recognized in the Profit and Loss Statement	334,119	173,039	30,960	40,799
Contribution during the year	-	(152,674)	(152,130)	(39,345)
Net liability as at 31st March, 2015	949,443	140,253	615,324	119,888
Expense recognized in the Profit and Loss Statement				
Current service cost	186,318	111,915	116,081	48,489
Interest cost	52,923	3,920	58,920	9,652
Expected return on plan assets	149,449	57,204	(144,041)	(17,342)
Expense charged to the Profit and Loss Statement	388,690	173,039	30,960	40,799
Return on plan assets	-	-	-	-
Expected return on plan assets	84,500	-	-	-
Actuarial (gains)/ losses	72,999	-	-	-
Actual return on plan assets	157,499	-	-	-
Reconciliation of defined-benefit commitments				
Opening liability at the beginning of the period	615,324	119,888	736,494	118,434
Current service cost	186,318	111,915	116,081	48,489
Interest cost	52,923	3,920	58,920	9,652
Paid benefits	(54,571)	(152,674)	(152,130)	(39,345)
Actuarial (gains)/ losses	149,449	57,204	(144,041)	(17,342)
Commitments as at 31st March, 2015	949,443	140,253	615,324	119,888

The above expenses have been shown separately under the employee's cost in the profit and loss Statement.

The actuarial calculations used to estimate commitments and expenses in respect of gratuity and leave encashment are

## Actuarial Assumptions

Particulars	2014-2015		2013-2014	
	Gratuity (funded)	Leave (unfunded)	Gratuity (funded)	Leave (unfunded)
Mortality Rate (L.I.C.)	2006-08 (Ultimate)	2006-08 (Ultimate)	2006-08 (Ultimate)	2006-08 (Ultimate)
Discount Rate	7.80%	7.80%	9.00%	9.00%
Salary Escalation	5%	5%	5%	5%
Rate of return (expected) on plan assets	9%	-	-	-
Withdrawal rates	1%	1%	1%	1%

SLM

## Note 20 Finance costs

Particulars	For the year ended 31/03/2015	For the year ended 31/03/2014
Interest expense	8,761,592	5,817,415
Other borrowing costs	26,233	24921
	8,787,825	5,842,336

## Note 21 Other expenses

21.1	Particulars	For the year ended 31/03/2015	For the year ended 31/03/2014
	Data Processing charges	52,351	859,890
	Leave & Licence fees	5,814,000	1,240,500
	Rates & Taxes	22,393	26,958
	Travelling & Conveyance	146,898	928,586
	Electricity Exp.	754,651	599,884
	Legal & Professional Charges	1,251,128	973,784
	Repairs & Maintenance - Others	241,688	427,969
	Insurance Exp.	18,318	33,894
	Exchange Rate Difference	69,917	-
	<u>Auditors Remuneration</u>		
	Audit fees	175,000	175,000
	Tax Audit fees	50,000	50,000
	Office Expenses	509,247	500,166
	Vehical Exp.	217,187	46,192
	Bad Debts W/off	8,577,699	-
	Miscellaneous Exp.	576,405	653,071
	Penalties	17,858	501,065
	Prior Period Exp.	888	36,033
		18,495,628	7,052,992

- 21.2 The Company has a Leave and Licence arrangement in respect of Office Premises with its holding company. The arrangement is for a period of 2 years and is renewable for further period with mutual consent. Under the arrangement, refundable interest free security deposit is given and the arrangement is on a non-cancellable operating lease on the following payment terms:

Lease rental obligation:	As at 31/03/2015	As at 31/03/2014
Not More than one Year	5,814,000	5,814,000
Later than one Year but not later than three year	3,672,000	7,344,000

## Note 22 Earning Per Share

Earning Per Share	As at 31/03/2015	As at 31/03/2014
a. Profit Computation for both basic and Diluted Earning Per Share of Rs.10/- each Net Profit as per Statement of Profit & Loss available for equity shareholders	(21,404,052)	(7,232,140)
b. Weighted average number of equity share for Earning Per Share computation For Basic/adjusted and Diluted Earning Per Share	3,000,000	3,000,000
c. Earning Per Share Basic and Diluted (Rs.)	(7.13)	(2.41)

SUM

NOTES TO ACCOUNTS

23. Estimated amount of contracts remaining to be executed on Capital account and not provided for Rs Nil.

24. Related Parties

a) Controlling Company

Asit C Mehta Financial Services Ltd - the holding company (holds 100% equity capital as at 31<sup>st</sup> March, 2015)

b) Other Related party

Asit C Mehta Investment Intermediates Limited - Fellow Subsidiary from 15th December, 2014

c) Key Management Personnel (KMP)

Pankaj Parmar - Director

Purvi Ambani - Director

Tushar Kapadia - Director

Details of Transactions	Holding Company	Fellow entities	KMP	Relatives of KMP	Total
Inter-corporate loan taken- ACMFSL	154,811,869	-	-	-	154,811,869
	(26,970,000)	-	-	-	(26,970,000)
Inter-corporate loan repaid- ACMFSL	148,147,236	-	-	-	148,147,236
	(54,970,000)	-	-	-	(54,970,000)
Inter-corporate loan given - ACMFSL	-	-	-	-	-
	(30,640,000)	-	-	-	(30,640,000)
Inter-corporate loan received back - ACMFSL	-	-	-	-	-
	(30,640,000)	-	-	-	(30,640,000)
Deposit for Premises- ACMFSL	15,000,000	-	-	-	15,000,000
	(11,000,000)	-	-	-	(11,000,000)
Refund of Deposit for Office Premises- ACMFSL	15,000,000	-	-	-	15,000,000
	-	-	-	-	-
Interest on loan	1,319,728	-	-	-	1,319,728
	(1,459,419)	-	-	-	(1,459,419)
Leave & License fees paid/payable to ACMFSL	5,814,000	-	-	-	5,814,000
	(1,240,500)	-	-	-	(1,240,500)
Back Office Income - ACMIIL	-	342,000	-	-	342,000
	-	-	-	-	-
Income Received by ACMFSL	-	-	-	-	-
	(33,990)	-	-	-	(33,990)
Closing balance payable- ACMFSL	7,852,388	-	-	-	7,852,388
	-	-	-	-	-
Closing balance Receivable- ACMFSL towards Deposit	22,000,000	-	-	-	22,000,000
	(22,000,000)	-	-	-	(22,000,000)

(Figures in bracket relates to the previous year)

25

a) Earnings in foreign currency (on accrual basis)

Particulars	31-Mar-15
Export of IT Enabled Services	9,149,811
	(6,646,162)

(Figures in bracket relates to previous period)

26. Disclosure of Derivatives:

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

Trade Receivables	USD 11,688.76	7,31,598 INR
	(USD 17,242.85)	(10,36,295) INR

(Figures in bracket relates to previous period)

The Cash flow is expected to occur and impact the Statement of Profit and Loss within a period of 1 year.

SM

**NUCLEUS IT ENABLED SERVICES LIMITED**

**Notes to the Financial Statements**

27. The Company's primary business segment of Information Technology Enabled Services (ITES) falls under single primary business segment and accordingly disclosures requirement as per Accounting Standard 17 in this regard are not applicable.

The disclosure under Secondary Segment Reporting (by geographic segments) is as under:

₹

	Domestic (In India)	Exports to USA	Total
Segment Revenue	12,323,631	9,149,811	21,473,442
	(16,285,244)	(6,646,162)	(22,931,406)
Total Carrying Value of Segment Assets	*	*	*
Capital Expenditure	*	*	*

(Figures in bracket relates to previous period)

\* In view of the interwoven, inter-mix nature of business and segment assets, other geographical segmental information is not ascertainable.

28. Deferred Tax adjustments recognized in the financial statements are as under:

₹

Particulars	Opening Balance	Change/credit During year	Closing Balance
Deferred Tax Liability			
On account of difference in book value and tax value of fixed assets	(216,105)	(372,104)	(588,209)
TOTAL	(216,105)	(372,104)	(588,209)
Deferred Tax Asset			
Unabsorbed depreciation	(1,294,245)	(2,419,765)	(3,714,010)
43B items (Gratuity and leave encashment )	(227,181)	-109,535	(336,716)
TOTAL	(1,521,425)	(2,529,300)	(4,050,726)
Net Deferred Tax (Asset) / Liability	(1,737,530)	(2,901,404)	(4,638,934)

Note: "The above deferred tax asset is not recognized on consideration of prudence as set out in AS 22 on "Accounting for Taxes on Income"

29. As at the year end there are no amounts due and outstanding, to be credited to Investors' Education and Protection Fund.

30. Previous year's figures are restated / regrouped / rearranged wherever necessary in order to confirm to current years grouping and classifications.

See accompanying notes 1 to 30 forming parts of the financial statements.

As Per Our Report of even date attached

For Manek & Associates

Chartered Accountants

Firm Registration No-0126679W

Chillesh L.Manek

Proprietor

Mem No- 34925

Place: Mumbai

Dated : 20th May, 2015



For and on behalf of Board

*[Signature]*

Pankaj Parmar  
Director

Dated : 20th May, 2015

*[Signature]*

Purvi Ambani  
Director