

**INDEPENDENT AUDITORS' REPORT
TO THE BOARD OF DIRECTORS OF
NUCLEUS SOFTWARE EXPORTS LIMITED**

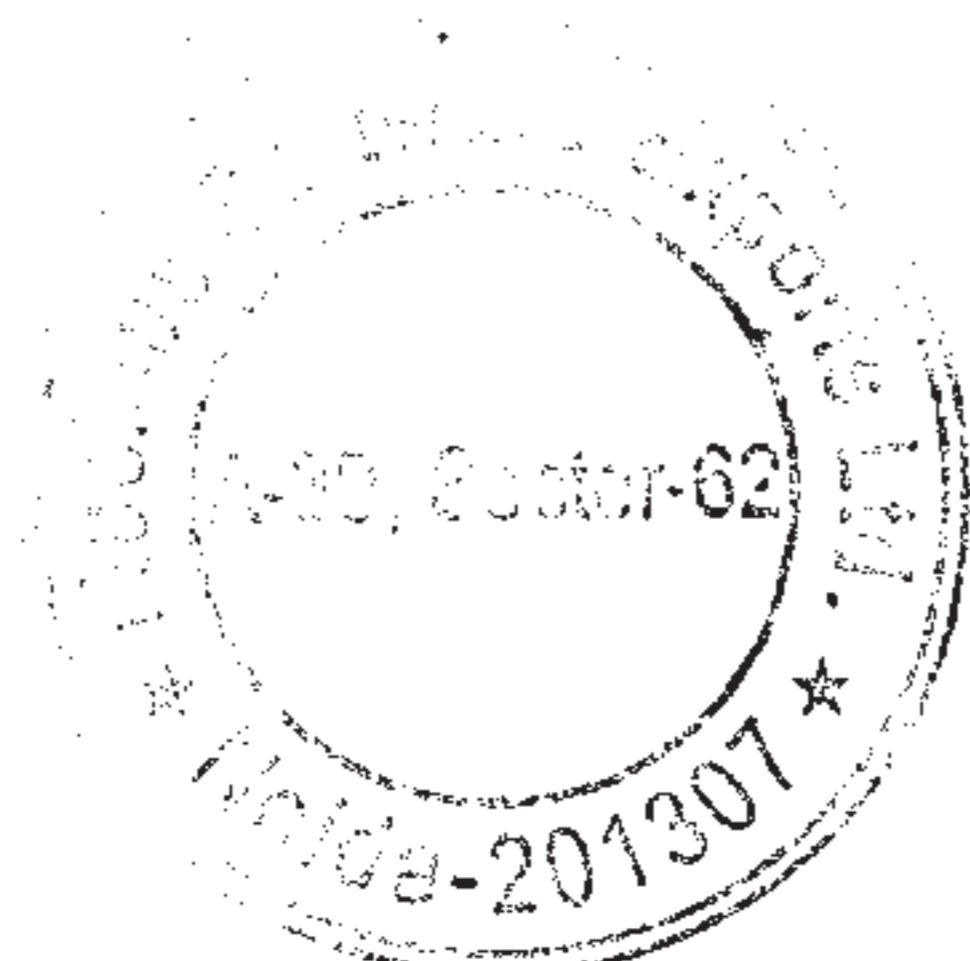
1. We have audited the accompanying Statement of Financial Results of **NUCLEUS SOFTWARE EXPORTS LIMITED** ("the Company") for the year ended 31 March, 2014 ("the Statement") being submitted by the Company pursuant to the requirement of Clause 41 of the Listing Agreements with the Stock Exchanges except for the disclosures in Part II - Select Information referred to in paragraph 4 below. This Statement has been prepared on the basis of the related annual financial statements, which is the responsibility of the Company's Management and have been approved by the Board of Directors. Our responsibility is to express an opinion on the Statement, based on our audit of the related annual financial statements, which have been prepared in accordance with the Accounting Standards notified under the Companies Act, 1956 (which continues to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and other accounting principles generally accepted in India.
2. We conducted our audit of the Statement in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement is free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the Statement. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall Statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
 - (i) is presented in accordance with the requirements of Clause 41 of the Listing Agreements with the Stock Exchanges and
 - (ii) gives a true and fair view in conformity with the accounting principles generally accepted in India of the net profit and other financial information of the Company for the year ended 31 March, 2014.
4. Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding and the number of shares as well as the percentage of shares pledged / encumbered and non-encumbered in respect of the aggregate amount of promoters and promoter group shareholding, in terms of Clause 35 of the Listing Agreements with the Stock Exchanges and the particulars relating to the investor complaints disclosed in Part II - Select Information for the year ended 31 March, 2014 of the Statement, from the details furnished by the Management/Registrars.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm Registration No.015125N)



RASHIM TANDON
Partner
(Membership No. 95540)

NOIDA, 3 May, 2014
RT/SK/2014



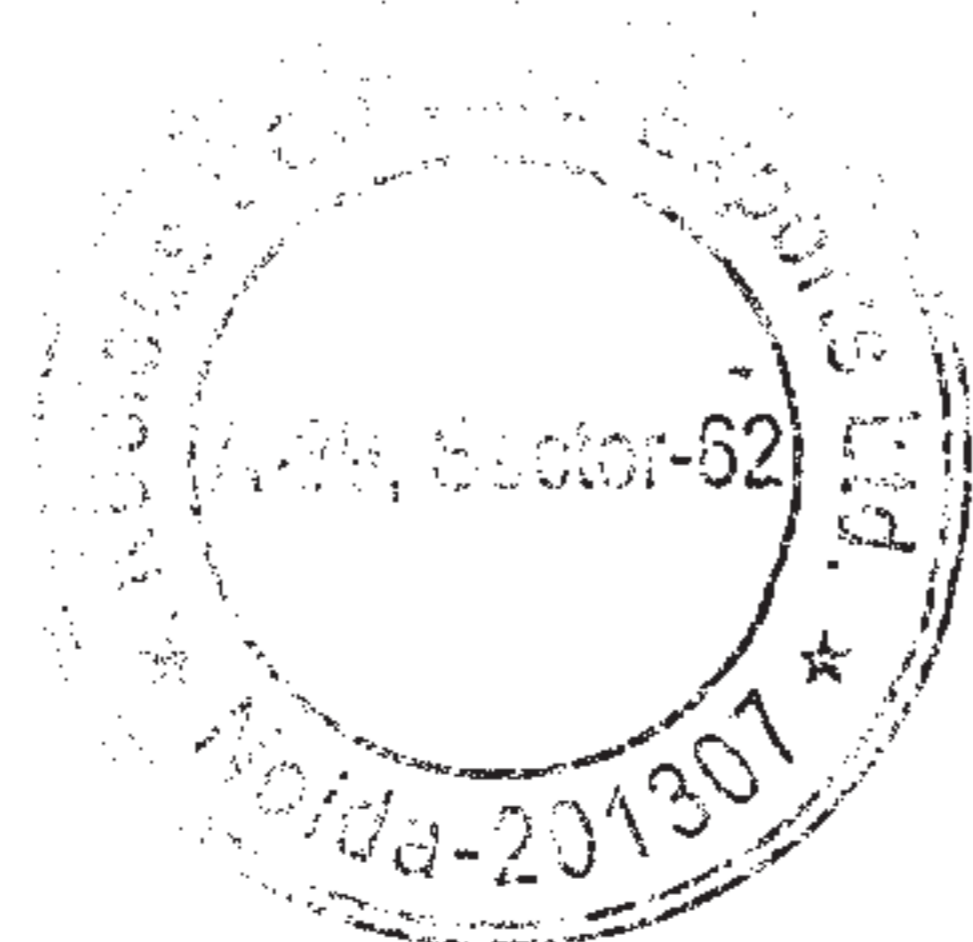
For NUCLEUS SOFTWARE EXPORTS LIMITED



Company Secretary

**INDEPENDENT AUDITORS' REPORT
TO THE BOARD OF DIRECTORS OF
NUCLEUS SOFTWARE EXPORTS LIMITED**

1. We have audited the accompanying Statement of Consolidated Financial Results of **NUCLEUS SOFTWARE EXPORTS LIMITED** ("the Company") and its subsidiaries (the Company and its subsidiaries constitute "the Group") for the year ended 31 March, 2014 ("the Statement"), being submitted by the Company pursuant to the requirement of Clause 41 of the Listing Agreements with the Stock Exchanges. This Statement has been prepared on the basis of the related annual consolidated financial statements, which is the responsibility of the Company's Management and have been approved by the Board of Directors. Our responsibility is to express an opinion on the Statement, based on our audit of the related annual consolidated financial statements, which have been prepared in accordance with the Accounting Standards notified under the Companies Act, 1956 (which continues to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and other accounting principles generally accepted in India.
2. We conducted our audit of the Statement in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement is free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the Statement. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall Statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of 2 subsidiaries whose financial statements reflect total Revenues of Rs. 842,630,657 and total Profit after Tax of Rs. 46,271,419 for the year ended 31 March, 2014 as considered in the consolidated results. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors.
4. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors referred to in paragraph 3 above, the Statement:
 - (i) Includes the results of the following entities
 - a. The Holding Company
- Nucleus Software Exports Limited
 - b. Wholly owned subsidiary companies :-
 - Nucleus Software Solutions Pte Ltd, Singapore
 - Nucleus Software Japan Kabushiki Kaisha, Japan
 - Nucleus Software Inc., USA
 - Nucleus Software Netherlands B.V., Netherlands
 - Nucleus Software Australia Pty Ltd, Australia
 - VirStra i-Technology Services Limited, India
 - Nucleus Software Limited, India
 - (ii) is presented in accordance with the requirements of Clause 41 of the Listing Agreements with the Stock Exchanges and



For NUCLEUS SOFTWARE EXPORTS LIMITED


Company Secretary

**Deloitte
Haskins & Sells**

(iii) gives a true and fair view in conformity with the accounting principles generally accepted in India of the net profit and other financial information of the Group for the year ended 31 March, 2014.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm Registration No. 015125N)



RASHIM TANDON
Partner
(Membership No. 95540)

NOIDA, 3 May, 2014
RT/SK/2014



For NUCLEUS SOFTWARE EXPORTS LIMITED

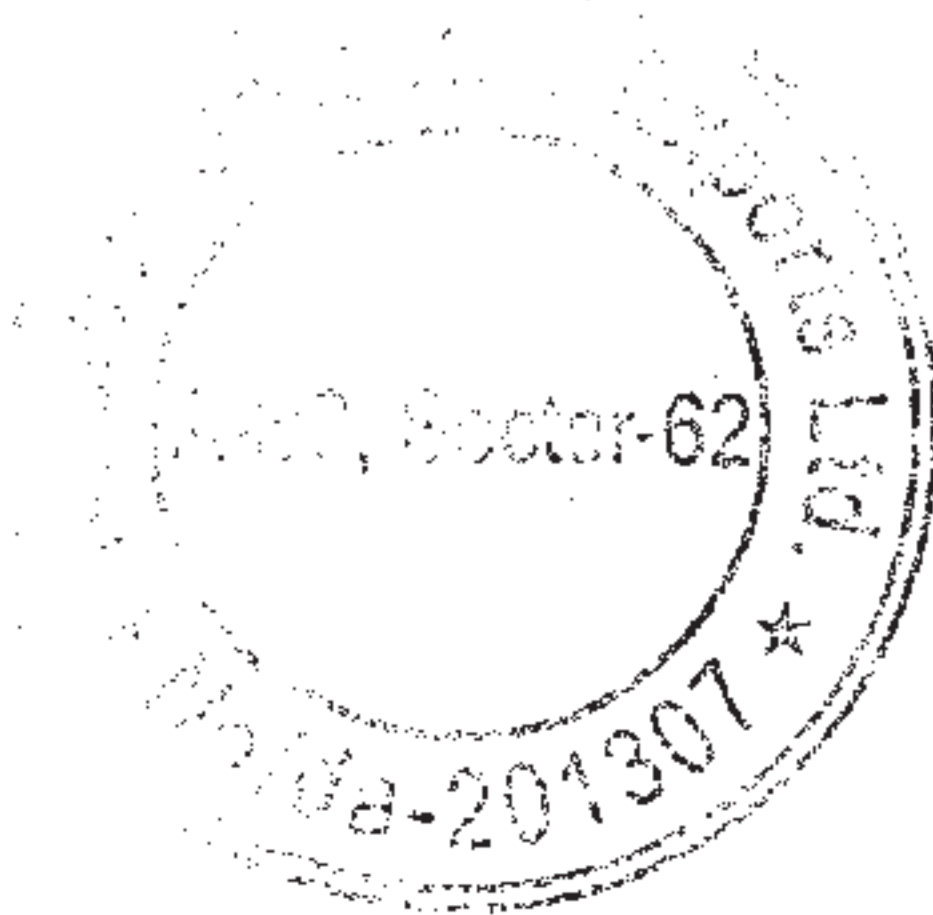


Company Secretary

**PART I : STATEMENT OF CONSOLIDATED PROFIT AND LOSS OF NUCLEUS SOFTWARE EXPORTS LIMITED AND SUBSIDIARIES
FOR THE QUARTER AND YEAR ENDED MARCH 31, 2014**

(Amount in Rupees lakhs)

| | Particulars | Quarter Ended | | | Year Ended | |
|-----|--|-------------------|----------------------|-------------------|-------------------|-------------------|
| | | March 31, 2014 | December 31, 2013 | March 31, 2013 | March 31, 2014 | March 31, 2013 |
| | | Unaudited | Unaudited | Unaudited | Audited | Audited |
| 1. | INCOME FROM OPERATIONS | | | | | |
| | Income from software products and services | 8,768.59 | 8,996.15 | 7,343.50 | 34,622.21 | 29,375.85 |
| | Total Income from operations (net) | 8,768.59 | 8,996.15 | 7,343.50 | 34,622.21 | 29,375.85 |
| 2. | EXPENSES | | | | | |
| | a) Changes in inventories of stock-in-trade | - | - | - | 494.86 | - |
| | b) Employee benefits expense | 4,600.08 | 4,579.87 | 3,890.80 | 18,075.71 | 16,340.57 |
| | c) Depreciation and amortisation expense | 265.51 | 193.10 | 151.64 | 793.56 | 609.16 |
| | d) Travel expense | 517.81 | 495.48 | 489.41 | 1,990.08 | 2,020.18 |
| | e) Other expenses | 1,628.67 | 1,962.16 | 1,723.66 | 7,351.64 | 6,381.40 |
| | Total Expenses | 7,012.07 | 7,230.61 | 6,255.51 | 28,705.85 | 25,351.31 |
| 3. | PROFIT FROM OPERATIONS BEFORE OTHER INCOME, FINANCE COSTS AND TAXES (1-2) | 1,756.52 | 1,765.54 | 1,087.99 | 5,916.36 | 4,024.54 |
| 4. | Other Income | 748.45 | 764.92 | 415.11 | 2,455.34 | 2,025.10 |
| 5. | PROFIT FROM OPERATIONS BEFORE FINANCE COSTS AND TAXES (3+4) | 2,504.97 | 2,530.46 | 1,503.10 | 8,371.70 | 6,049.64 |
| 6. | Finance costs | 12.49 | 13.96 | 13.38 | 51.48 | 44.20 |
| 7. | PROFIT BEFORE TAXES (5-6) | 2,492.48 | 2,516.50 | 1,489.72 | 8,320.22 | 6,005.44 |
| 8. | Tax expense | 608.24 | 177.87 | 444.78 | 1,886.34 | 1,488.53 |
| 9. | PROFIT AFTER TAXES (7-8) | 1,884.24 | 2,338.63 | 1,044.94 | 6,433.88 | 4,516.91 |
| 10. | Minority Interest | - | - | - | - | - |
| 11. | NET PROFIT FOR THE PERIOD (9-10) | 1,884.24 | 2,338.63 | 1,044.94 | 6,433.88 | 4,516.91 |
| 12. | Paid-up Equity Share Capital (Face Value Rs.10 each) | 3,238.52 | 3,238.52 | 3,238.51 | 3,238.52 | 3,238.51 |
| 13. | Reserves excluding Revaluation Reserves | | | | 36,462.18 | 31,760.35 |
| 14. | Earnings Per Share (Rs.) (Par value Rs.10 each) (not annualised) | | | | | |
| | Basic | 5.82 | 7.22 | 3.23 | 19.87 | 13.95 |
| | Diluted | 5.82 | 7.22 | 3.23 | 19.87 | 13.95 |



FOR NUCLEUS SOFTWARE EXPORTS LIMITED

Company Secretary

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**PART I : STATEMENT OF PROFIT AND LOSS OF NUCLEUS SOFTWARE EXPORTS LIMITED
FOR THE QUARTER AND YEAR ENDED MARCH 31, 2014**

(Amount in Rupees lakhs)

| Particulars | Quarter Ended | | | Year Ended | |
|---|-------------------|----------------------|-------------------|-------------------|-------------------|
| | March 31, 2014 | December 31, 2013 | March 31, 2013 | March 31, 2014 | March 31, 2013 |
| | Audited | Audited | Audited | Audited | Audited |
| 1. INCOME FROM OPERATIONS | | | | | |
| Income from software products and services | 6,050.74 | 6,203.85 | 5,137.95 | 24,111.07 | 20,228.18 |
| Total Income from operations (net) | 6,050.74 | 6,203.85 | 5,137.95 | 24,111.07 | 20,228.18 |
| 2. EXPENSES | | | | | |
| a) Changes in inventories of stock-in-trade | - | - | - | 494.86 | - |
| b) Employee benefits expense | 3,143.97 | 3,075.95 | 2,802.56 | 12,480.32 | 11,758.44 |
| c) Depreciation and amortisation expense | 239.34 | 162.72 | 123.31 | 676.03 | 497.02 |
| d) Travel expense | 423.79 | 448.83 | 396.16 | 1,737.85 | 1,607.66 |
| e) Other expenses | 1,243.64 | 1,305.25 | 987.28 | 4,905.14 | 3,765.86 |
| Total Expenses | 5,050.74 | 4,992.75 | 4,309.31 | 20,294.20 | 17,628.98 |
| 3. PROFIT FROM OPERATIONS BEFORE OTHER INCOME, FINANCE COSTS AND TAXES (1-2) | 1,000.00 | 1,211.10 | 828.64 | 3,816.87 | 2,599.20 |
| 4. Other Income | 380.27 | 742.86 | 418.00 | 2,993.92 | 2,398.64 |
| 5. PROFIT FROM OPERATIONS BEFORE FINANCE COSTS AND TAXES (3+4) | 1,380.27 | 1,953.96 | 1,246.64 | 6,810.79 | 4,997.84 |
| 6. Finance costs | 8.69 | 9.68 | 9.61 | 35.00 | 29.88 |
| 7. PROFIT BEFORE TAXES (5-6) | 1,371.58 | 1,944.28 | 1,237.03 | 6,775.79 | 4,967.96 |
| 8. Tax expense | 270.85 | 62.41 | 333.30 | 1,267.01 | 1,259.19 |
| 9. NET PROFIT FOR THE PERIOD (7-8) | 1,100.73 | 1,881.87 | 903.73 | 5,508.78 | 3,708.77 |
| 10. Paid-up Equity Share Capital (Face Value Rs.10 each) | 3,238.52 | 3,238.52 | 3,238.51 | 3,238.52 | 3,238.51 |
| 11. Reserves excluding Revaluation Reserves | | | | 32,322.29 | 28,709.15 |
| 12. Earnings Per Share (Rs.) (Par value Rs.10 each) (not annualised) | | | | | |
| Basic | 3.40 | 5.81 | 2.79 | 17.01 | 11.45 |
| Diluted | 3.40 | 5.81 | 2.79 | 17.01 | 11.45 |



For NUCLEUS SOFTWARE EXPORTS LIMITED

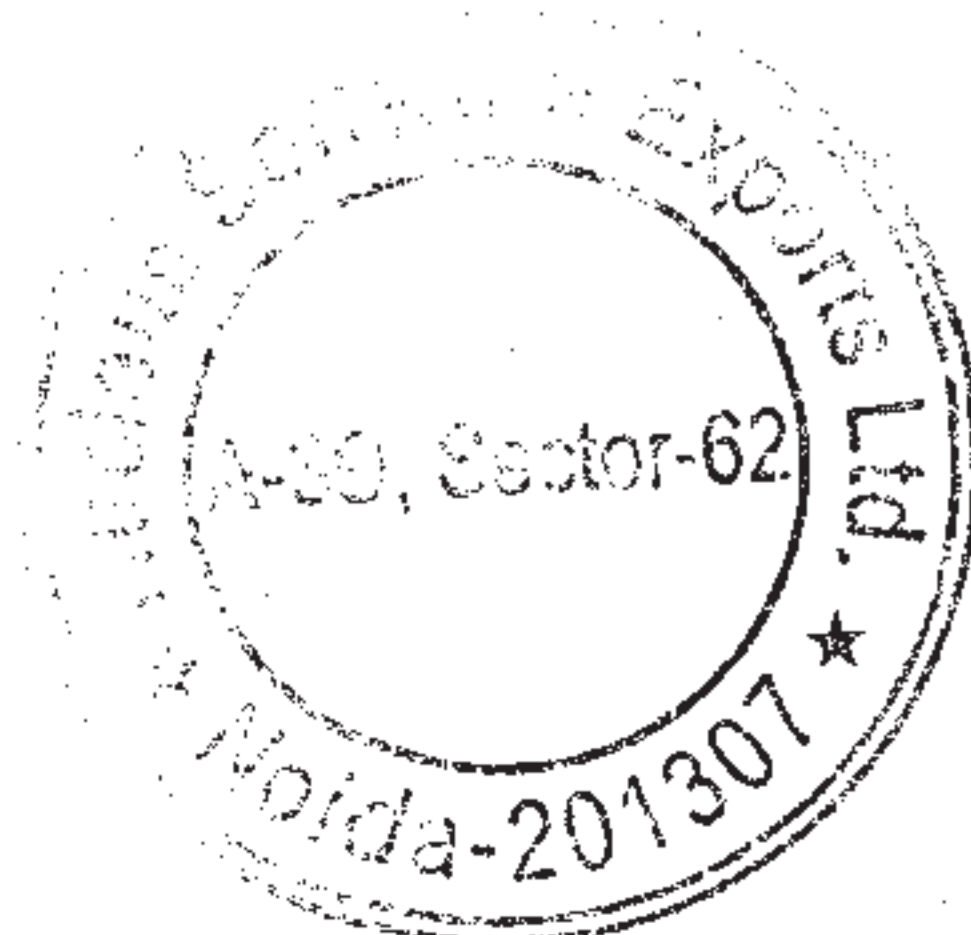
P. A. S.
Company Secretary

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PART II : SELECTED INFORMATION FOR THE QUARTER AND YEAR ENDED MARCH 31, 2014

| | Particulars | Quarter Ended | | | Year Ended | |
|----------|--|----------------|-------------------|----------------|----------------|----------------|
| | | March 31, 2014 | December 31, 2013 | March 31, 2013 | March 31, 2014 | March 31, 2013 |
| A | PARTICULARS OF SHAREHOLDING | | | | | |
| 1. | Public shareholding | | | | | |
| | - Number of Shares | 13,773,058 | 13,773,058 | 13,781,768 | 13,773,058 | 13,781,768 |
| | - Percentage of Shareholding | 42.53% | 42.53% | 42.56% | 42.53% | 42.56% |
| 2. | Promoters and Promoter Group Shareholding | | | | | |
| | a) Pledged / Encumbered | | | | | |
| | - Number of shares | - | - | - | - | - |
| | - Percentage of shares (as a % of the total shareholding of promoter and promoter group) | - | - | - | - | - |
| | - Percentage of shares (as a % of the total share capital of the company) | - | - | - | - | - |
| | b) Non - encumbered | | | | | |
| | - Number of shares | 18,610,666 | 18,610,666 | 18,601,866 | 18,610,666 | 18,601,866 |
| | - Percentage of shares (as a % of the total shareholding of promoter and promoter group) | 100% | 100% | 100% | 100% | 100% |
| | - Percentage of shares (as a % of the total share capital of the company) | 57.47% | 57.47% | 57.44% | 57.47% | 57.44% |

| | Particulars | 3 months ended March 31, 2014 |
|----------|--|----------------------------------|
| B | INVESTOR COMPLAINTS | |
| | Pending at the beginning of the quarter | - |
| | Received during the quarter | 9 |
| | Disposed of during the quarter | 9 |
| | Remaining unresolved at the end of the quarter | - |



For NUCLEUS SOFTWARE EXPORTS LIMITED

[Signature]
Company Secretary

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| SEGMENT REPORTING (STANDALONE) | | (Amount in Rupees lakhs) | | | | |
|--|------------------|--------------------------|------------------|------------------|------------------|--|
| Particulars | Quarter Ended | | | Year Ended | | |
| | March 31, 2014 | December 31, 2013 | March 31, 2013 | March 31, 2014 | March 31, 2013 | |
| a) | | | | | | |
| India | 1,659.78 | 1,487.26 | 1,361.80 | 6,985.31 | 5,333.25 | |
| Far East | 689.75 | 760.05 | 871.27 | 3,098.53 | 3,703.38 | |
| South East Asia | 1,008.49 | 888.58 | 926.54 | 3,588.25 | 3,430.39 | |
| Europe | 591.42 | 731.94 | 400.62 | 2,150.08 | 1,885.62 | |
| Middle East | 1,338.67 | 1,162.17 | 1,234.12 | 4,976.61 | 4,224.32 | |
| Africa | 319.85 | 781.30 | 171.68 | 2,030.33 | 996.25 | |
| Others | 442.78 | 392.54 | 171.92 | 1,281.96 | 654.97 | |
| Total | 6,050.74 | 6,203.85 | 5,137.95 | 24,111.07 | 20,228.18 | |
| Less:- Inter segment revenue | - | - | - | - | - | |
| Net revenue from operations | 6,050.74 | 6,203.85 | 5,137.95 | 24,111.07 | 20,228.18 | |
| b) | | | | | | |
| Segment Profit before Tax | | | | | | |
| India | 543.27 | 521.71 | 488.60 | 2,234.00 | 1,315.31 | |
| Far East | 410.46 | 460.77 | 535.92 | 1,746.49 | 2,299.20 | |
| South East Asia | 457.85 | 280.18 | 420.09 | 1,044.62 | 1,230.07 | |
| Europe | 293.21 | 306.30 | 185.90 | 995.63 | 732.21 | |
| Middle East | 918.89 | 733.14 | 747.99 | 3,014.35 | 2,423.60 | |
| Africa | 214.13 | 430.72 | 55.73 | 1,157.94 | 602.22 | |
| Others | 346.55 | 220.06 | 45.85 | 766.63 | 142.44 | |
| Total | 3,184.36 | 2,952.88 | 2,480.08 | 10,959.66 | 8,745.07 | |
| Add:- Other Income | 380.27 | 742.86 | 418.00 | 2,993.92 | 2,398.64 | |
| Less:- Other Unallocable Expenditure | 2,193.05 | 1,751.46 | 1,661.05 | 7,177.79 | 6,175.75 | |
| Operating Profit before Tax | 1,371.58 | 1,944.28 | 1,237.03 | 6,775.79 | 4,967.96 | |
| c) | | | | | | |
| Capital Employed (Refer Note 9 below) | 35,560.81 | 36,544.00 | 31,947.79 | 35,560.81 | 31,947.79 | |

| OTHER INFORMATION (STANDALONE) | | (Amount in Rupees lakhs) | | | | |
|--|----------------|--------------------------|----------------|-----------------|-----------------|--|
| Particulars | Quarter Ended | | | Year Ended | | |
| | March 31, 2014 | December 31, 2013 | March 31, 2013 | March 31, 2014 | March 31, 2013 | |
| Details of other income: | | | | | | |
| Interest Received | 167.11 | 147.22 | 229.30 | 795.36 | 733.38 | |
| Dividend received from non-trade investments | 150.19 | 190.78 | 104.29 | 574.02 | 717.31 | |
| Dividend received from Subsidiary Company | - | - | - | 939.32 | 300.00 | |
| Profit on sale of investments | 43.25 | 425.53 | 103.28 | 497.11 | 103.28 | |
| Foreign Exchange Gain/(Loss) | (40.50) | (24.71) | (47.09) | 117.31 | 419.11 | |
| Miscellaneous Income | 60.22 | 4.04 | 28.22 | 70.80 | 125.56 | |
| Total | 380.27 | 742.86 | 418.00 | 2,993.92 | 2,398.64 | |

For NUCLEUS SOFTWARE EXPORTS LIMITED

Company Secretary



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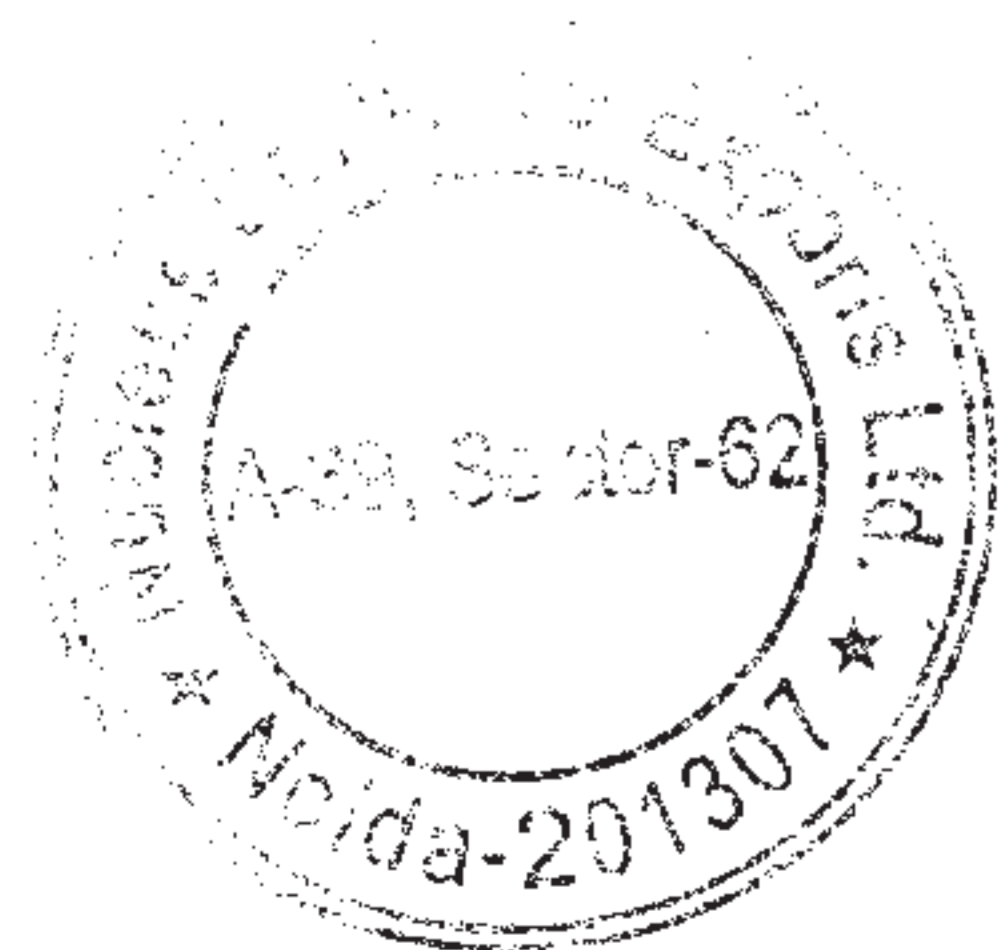
AUDITED STATEMENT OF ASSETS AND LIABILITIES (STANDALONE)

(Amount in Rupees lakhs)

| | Particulars | As at | As at |
|----------|---------------------------------------|------------------|------------------|
| | | March 31, 2014 | March 31, 2013 |
| A | EQUITY AND LIABILITIES | | |
| 1. | SHAREHOLDERS' FUNDS | | |
| a) | Share capital | 3,238.52 | 3,238.51 |
| b) | Advance pursuant to stock option plan | - | 0.13 |
| c) | Reserves and surplus | 32,322.29 | 28,709.15 |
| | | 35,560.81 | 31,947.79 |
| 2. | NON-CURRENT LIABILITIES | | |
| a) | Long-term provisions | 1,063.44 | 1,039.18 |
| | | 1,063.44 | 1,039.18 |
| 3. | CURRENT LIABILITIES | | |
| a) | Trade payables | 1,620.62 | 1,889.40 |
| b) | Other current liabilities | 5,122.53 | 5,105.18 |
| c) | Short-term provisions | 2,644.14 | 1,494.80 |
| | | 9,387.29 | 8,489.38 |
| | TOTAL - EQUITY AND LIABILITIES | 46,011.54 | 41,476.35 |
| B | ASSETS | | |
| 1. | NON-CURRENT ASSETS | | |
| a) | Fixed assets | 4,518.75 | 3,312.96 |
| b) | Non-current investments | 3,735.62 | 1,329.12 |
| c) | Deferred tax assets (net) | 613.85 | 542.40 |
| d) | Long-term loans and advances | 2,523.51 | 2,603.27 |
| e) | Other non current assets | 46.88 | 18.36 |
| | | 11,438.61 | 7,806.11 |
| 2. | CURRENT ASSETS | | |
| a) | Current investments | 18,902.49 | 15,082.38 |
| b) | Inventories - Trading goods | - | 494.86 |
| c) | Trade receivables | 3,193.35 | 5,729.41 |
| d) | Cash and bank balances | 7,198.74 | 9,046.71 |
| e) | Short-term loans and advances | 1,671.59 | 741.82 |
| f) | Other current assets | 3,606.76 | 2,575.06 |
| | | 34,572.93 | 33,670.24 |
| | TOTAL - ASSETS | 46,011.54 | 41,476.35 |

For NUCLEUS SOFTWARE EXPORTS LIMITED

Company Secretary

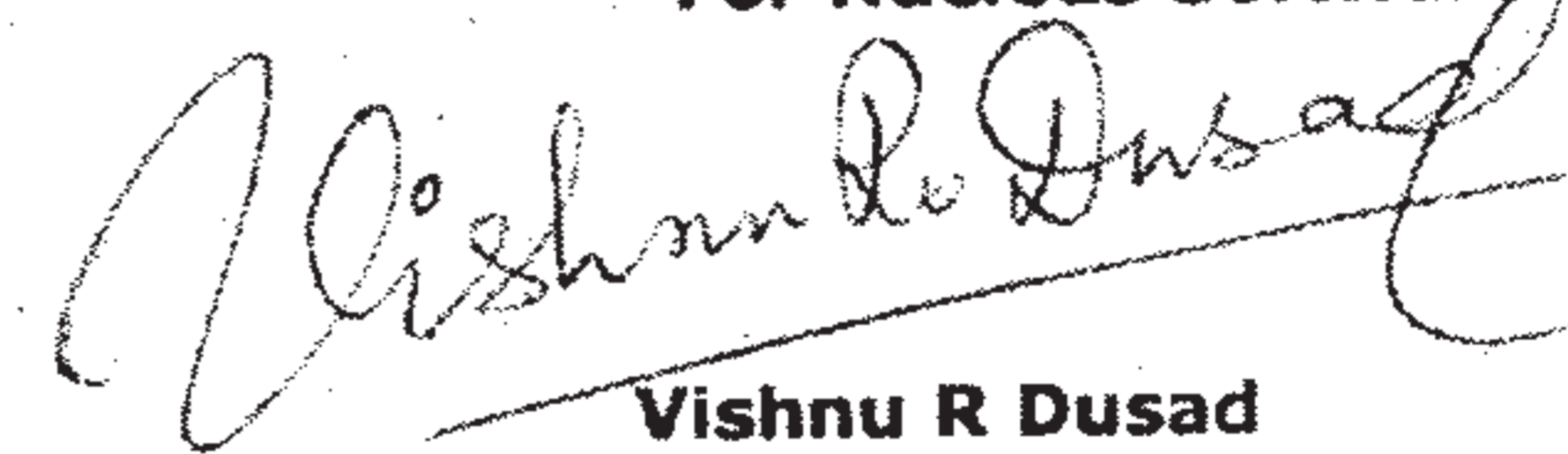


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NOTES:

1. The above financial results were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on May 3, 2014.
2. The Auditors have carried out an audit of standalone results of the Company for quarter and year ended March 31, 2014 and audit of consolidated results for the year ended March 31, 2014. There are no qualifications in the Auditors' report on these financial statements.
3. The Board of Directors recommended a Final Dividend of Rs. 3 per share (on equity share of par value of Rs. 10 each) and a special dividend of Rs. 3 per share (on equity share of par value of Rs. 10 each) on account of completion of 25 years of the company, at their Board meeting held on May 3, 2014. The payment is subject to the approval of the shareholders at the ensuing Annual General Meeting.
4. During the year, the Company received dividend of Rs. 939.32 lakhs from Nucleus Software Solutions Pte. Ltd., a wholly owned subsidiary.
5. During the quarter, VirStra i-Technology (Singapore) Pte. Ltd., Singapore, a step-down subsidiary was de-registered as per applicable laws of that country.
6. During the quarter, the Company has incorporated wholly owned subsidiary Nucleus Software Australia Pty. Ltd. in Australia.
7. Tax expenses include current tax, deferred tax, taxes pertaining to earlier years and withholding taxes charged off.
8. During the year, the Company allotted 90 shares under Employee Stock Option Scheme 2005.
9. Fixed assets used in the Company's business cannot be specifically identified with any of the reportable segments, as these are used interchangeably between various segments. The Management believes that it is not practicable to provide segment-wise disclosures relating to total assets and liabilities since a meaningful segregation of the available data is not possible.
10. Previous period/year figures have been regrouped /reclassified, wherever necessary.

**By Order of the Board
For Nucleus Software Exports Limited**



Vishnu R Dusad
CEO & Managing Director

**Place: Noida
Date : May 3, 2014**

For NUCLEUS SOFTWARE EXPORTS LIMITED



Company Secretary

