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Nucleus' Q2 net up 29% on forex gains

Our Bureau

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Nucleus Software Exports has posted about 29 per cent growth in consolidated net profit for three months ended September 2011, to Rs 11.4 crore.

The performance came on the back of forex gains and deeper engagements with clients on product licences, a top company official said. Nucleus said it has not seen any adverse impact of the global uncertainty on its business operations.

Nucleus, a mid-tier IT company, sells software solutions, development and consultancy services to banks and financial

organisation, for functions such as retail banking, corporate banking, cards and cash management.

"Our order sizes are relatively small and if we demonstrate value, then the need for the customers to postpone their decisions because the global macro environment is much lower," said Mr Vishnu R. Dusad, CEO of Nucleus Software.

OTHER INCOME

Consolidated revenue stood at about Rs 74 crore, up 5.3 per cent over the corresponding period previous year. The net profit was 127 per cent higher compared to the June quarter.

Nucleus



Nucleus shares on the BSE ended at Rs 72.15 per share, 1.33 per cent higher than Friday's closing. "The other income helped the sequential performance. That includes investments in mutual funds and also a foreign exchange benefit of Rs 4 crore," Mr Dusad said.

The company plans to hire

150-200 people between October and December, its third quarter of fiscal 2012. The company will hire in Noida and Jaipur. "We will also ramp up our sales presence in Europe, Japan, the UAE and the US," he said.

Nucleus flagged off a development facility with 250 seats in Jaipur during the September quarter. "So we will be hiring in Jaipur to fill up the space."

With expenses at about Rs 63 crore in comparison to about Rs 58.5 crore in the year-ago period, the consolidated earnings before interest, tax, depreciation and amortisation (EBITDA) was at Rs 10.7 crore

against Rs 11.7 crore in the year-ago period.

For the quarter just ended, the company won four product orders worldwide, and added three customers.

In a statement, Mr Dusad said that while the macro-economic trends are a worrying factor for banking and financial institutions across the globe, they continue to streamline business processes further, including reducing turnaround time for customer servicing. He said Nucleus is optimistic about the upcoming market opportunities in Latin America, Europe, West Asia, South-East Asia and Africa.