

Nucleus Software Exports Ltd.

Consolidated Profit and Loss Account for the quarter ended 30 September 2005

	Schedule	For the quarter ended		For the half year ended		For the year ended
		30 September 2005 (Rupees Crore)	30 September 2004 (Rupees Crore)	30 September 2005 (Rupees Crore)	30 September 2004 (Rupees Crore)	31 March 2005 (Rupees Crore)
Sales and services	12	35.72	24.12	68.56	45.04	103.14
Software development expenses	13	20.00	15.25	36.81	28.93	59.71
<b>Gross profit</b>		<b>15.72</b>	<b>8.87</b>	<b>31.76</b>	<b>16.11</b>	<b>43.43</b>
Selling and marketing expenses	14	3.00	2.16	5.92	3.72	8.22
General and administration expenses	15	2.00	1.99	4.33	3.31	8.14
<b>Operating profit before finance charges, depreciation and withholding tax</b>		<b>10.72</b>	<b>4.72</b>	<b>21.50</b>	<b>9.08</b>	<b>27.07</b>
Finance charges		-	-	-	-	-
Depreciation	3	1.40	0.76	2.65	1.40	3.54
Withholding taxes charged off		0.63	1.09	1.32	1.91	3.92
<b>Operating profit after finance charges, depreciation and withholding tax</b>		<b>8.69</b>	<b>2.87</b>	<b>17.53</b>	<b>5.77</b>	<b>19.61</b>
Other income	16	0.71	0.72	1.33	0.97	2.59
<b>Profit before taxation</b>		<b>9.40</b>	<b>3.59</b>	<b>18.86</b>	<b>6.74</b>	<b>22.20</b>
Provision for income tax - current		0.57	0.24	1.28	0.40	1.30
- fringe benefit		0.06	(0.03)	0.17	(0.03)	-
- deferred		(0.02)	-	0.04	0.06	0.15
Provision for wealth tax		-	-	-	-	0.00
<b>Profit after taxation</b>		<b>8.78</b>	<b>3.39</b>	<b>17.36</b>	<b>6.33</b>	<b>20.75</b>
<b>Profit available for appropriation</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Profit for the year		8.78	3.39	17.36	6.33	20.75
Add: Balance brought forward		26.10	14.28	17.51	11.35	11.35
<b>Total amount available</b>		<b>34.88</b>	<b>17.67</b>	<b>34.88</b>	<b>17.67</b>	<b>32.10</b>
Final dividend		-	-	-	-	4.02
Dividend tax		-	-	-	0.01	0.56
Transferred to general reserve		-	-	-	-	10.00
<b>Balance carried forward to schedule 2</b>		<b>34.88</b>	<b>17.67</b>	<b>34.88</b>	<b>17.67</b>	<b>17.51</b>
<b>Earnings per share (equity shares, par value Rs. 10 each)</b> (refer note 10, schedule 17)						
Basic		5.46	2.10	10.81	3.93	12.90
Diluted		5.45	2.10	10.79	3.93	12.88
<b>Number of shares used in computing earnings per equity share</b>						
Basic		16,084,116	16,091,730	16,062,812	16,082,144	16,082,144
Diluted		16,103,962	16,136,238	16,093,963	16,106,121	16,106,121

Notes to the accounts

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

Nucleus Software Exports Ltd.

Schedules forming part of the consolidated financial statements

	For the quarter ended		For the half year ended		For the year ended
	30 September 2005 (Rupees Crore)	30 September 2004 (Rupees Crore)	30 September 2005 (Rupees Crore)	30 September 2004 (Rupees Crore)	31 March 2005 (Rupees Crore)
<b>SCHEDULE 12:</b>					
<b>Sales and services</b>					
Software development services and products (refer note 3, schedule 17)	35.72	24.12	68.56	45.04	103.14
	-	-	-	-	-
	<b>35.72</b>	<b>24.12</b>	<b>68.56</b>	<b>45.04</b>	<b>103.14</b>

**SCHEDULE 13:**

**Software development expenses**

Salaries and allowances	11.30	9.49	21.51	17.72	36.20
Contribution to provident and other funds	0.49	0.35	0.90	0.63	1.34
Directors' remuneration	0.17	0.02	0.35	0.11	0.41
Employee's stock compensation expenses	0.04	0.03	0.07	0.05	0.11
Staff welfare	0.21	0.15	0.42	0.35	0.80
Conveyance	0.12	0.09	0.22	0.18	0.37
Communication	0.28	0.43	0.66	0.71	1.49
Rent, rates and taxes	0.48	0.55	0.97	1.17	2.06
Legal and professional	0.13	0.20	0.27	0.46	0.88
Repair and maintenance	-	-	-	-	-
- Building	0.01	0.01	0.02	0.01	0.04
- Others	0.09	0.08	0.19	0.16	0.38
Training and recruitment	0.14	0.09	0.28	0.26	0.51
Printing and stationery	0.01	0.01	0.02	0.01	0.03
Insurance	0.04	0.08	0.13	0.15	0.31
Software and other development charges	0.14	0.16	0.23	0.38	0.67
Cost of software purchased for delivery to clients	0.29	0.09	0.48	0.31	0.40
Travelling	3.10	2.50	5.95	4.48	9.98
Advertisement	0.01	0.01	0.00	0.02	0.04
Consultancy charges	2.42	0.33	3.21	0.69	1.80
Power and fuel	0.30	0.42	0.56	0.72	1.14
Conference, exhibition and seminar	0.00	-	0.00	-	-
IT expenses	0.06	0.03	0.13	0.16	0.33
Miscellaneous expenses	0.16	0.13	0.22	0.21	0.42
	-	-	-	-	-
	<b>20.00</b>	<b>15.25</b>	<b>36.81</b>	<b>28.93</b>	<b>59.71</b>

**SCHEDULE 14:**

**Selling and marketing expenses**

Salaries and allowances	1.41	0.68	2.53	1.21	2.92
Contribution to provident and other funds	0.03	0.03	0.07	0.05	0.11
Directors' remuneration	0.17	0.07	0.35	0.18	0.59
Employee's stock compensation expenses	0.01	0.00	0.01	0.01	0.01
Staff welfare	0.06	0.02	0.18	0.04	0.15
Conveyance	0.03	0.02	0.07	0.04	0.10
Communication	0.10	0.10	0.22	0.21	0.39
Rent, rates and taxes	0.14	0.09	0.25	0.20	0.40
Legal and professional	0.02	0.01	0.13	0.01	0.05
Repair and maintenance	-	-	-	-	-
- Building	0.00	0.00	0.00	0.00	0.00
- Others	0.01	0.01	0.02	0.02	0.04
Training and recruitment	0.01	0.01	0.03	0.02	0.02
Printing and stationery	0.00	0.01	0.01	0.01	0.03
Insurance	0.00	0.01	0.01	0.01	0.04
Software and other development charges	-	-	-	-	-
Travelling	0.54	0.64	1.33	1.08	2.23
Advertisement and business promotion	0.14	0.13	0.28	0.21	0.50
Consultancy charges	-	-	-	-	-
Power and fuel	0.03	0.03	0.06	0.05	0.10
Conference, exhibition and seminar	0.13	0.08	0.14	0.10	0.25
IT expenses	0.00	0.00	0.01	0.01	0.02
Commission on sales	0.05	0.18	0.11	0.21	0.19
Marketing survey expenses	0.06	-	0.06	-	-
Miscellaneous expenses	0.03	0.04	0.04	0.05	0.07
	-	-	-	-	-
	<b>3.00</b>	<b>2.16</b>	<b>5.92</b>	<b>3.72</b>	<b>8.22</b>

Nucleus Software Exports Ltd.

Schedules forming part of the consolidated financial statements

	For the quarter ended		For the half year ended		For the year ended
	30 September 2005 (Rupees Crore)	30 September 2004 (Rupees Crore)	30 September 2005 (Rupees Crore)	30 September 2004 (Rupees Crore)	31 March 2005 (Rupees Crore)
<b>SCHEDULE 15:</b>					
<b>General and administration expenses</b>					
Salaries and allowances	0.82	0.72	1.45	1.18	2.60
Contribution to provident and other funds	0.04	0.04	0.08	0.07	0.15
Directors' remuneration	0.11	0.07	0.22	0.14	0.40
Employee's stock compensation expenses	0.01	0.00	0.01	0.01	0.01
Staff welfare	0.05	0.02	0.07	0.03	0.11
Conveyance	0.03	0.03	0.06	0.06	0.16
Communication	0.11	0.12	0.22	0.23	0.43
Rent,	0.03	0.04	0.10	0.09	0.33
Rates and Taxes	0.04	0.03	0.04	0.03	-
Legal and professional	0.45	0.20	0.71	0.40	1.02
Repair and maintenance	-	-	-	-	-
- Building	0.00	0.00	0.01	0.00	0.01
- Others	0.02	0.02	0.06	0.03	0.10
Training and recruitment	0.02	0.08	0.04	0.10	0.13
Printing and stationery	0.04	0.05	0.10	0.09	0.19
Loss on sale of fixed assets (net)	-	0.01	0.01	0.01	0.01
Loss on discarded assets	-	-	0.01	-	0.03
Insurance	0.01	0.00	0.02	0.01	0.04
Bank charges	0.05	0.03	0.10	0.06	0.16
Public issue expenses written off	-	-	-	-	-
Preliminary expenses written off	-	-	-	-	-
Software and other development charges	-	-	-	-	-
Travelling	0.05	0.03	0.15	0.08	0.14
Advertisement	0.03	0.00	0.05	0.02	0.03
Consultancy charges	0.03	0.02	0.05	0.04	0.08
Power and fuel	0.09	0.09	0.16	0.15	0.26
Conference, exhibition and seminar	0.00	0.00	0.00	0.00	0.03
IT expenses	0.00	0.00	0.01	0.02	0.04
Bad debts written off	0.01	-	0.15	-	0.18
Advances/ other current assets written off	0.01	-	0.29	-	0.28
Provision for doubtful debts/advances/other current assets	(0.23)	0.18	(0.17)	0.12	0.45
Miscellaneous expenses	0.16	0.20	0.32	0.33	0.79
Loss on foreign exchange fluctuation on consolidation (net)	-	-	-	-	-
	-	-	-	-	-
	<b>2.00</b>	<b>1.99</b>	<b>4.33</b>	<b>3.31</b>	<b>8.14</b>

**SCHEDULE 16:**

**Other income**

Dividend received from non-trade investments	0.05	0.02	0.15	0.06	0.32
Gain on foreign exchange fluctuation (net)	(0.09)	0.04	0.06	(0.03)	0.46
Interest [Gross of tax deducted at source Rs.66,586 (Rs 225,792)]	0.15	0.01	0.34	0.01	0.40
Profit on sale of investments (net)	0.03	0.52	0.26	0.66	1.15
Profit on sale of assets	0.01	-	0.01	-	0.01
Miscellaneous income	0.24	0.05	0.44	0.09	0.25
Gain on foreign exchange fluctuation on consolidation (net)	0.31	0.07	0.06	0.17	0.01
	-	-	-	-	-
	<b>0.71</b>	<b>0.72</b>	<b>1.33</b>	<b>0.97</b>	<b>2.59</b>