

Nucleus Software Exports Ltd.

Consolidated Profit and Loss Account for the quarter and nine months ended 31 December 2005

	Schedule	For the quarter ended		For the nine months ended		For the year ended 31 March 2005 (Rupees Crore)
		31 December 2005 (Rupees Crore)	31 December 2004 (Rupees Crore)	31 December 2005 (Rupees Crore)	31 December 2004 (Rupees Crore)	
Sales and services	12	37.40	27.08	105.96	72.12	103.14
Software development expenses	13	21.86	15.56	58.67	44.49	59.71
Gross profit		15.54	11.52	47.29	27.63	43.43
Selling and marketing expenses	14	2.78	1.94	8.70	5.66	8.22
General and administration expenses	15	2.69	2.28	6.94	5.59	8.14
Operating profit before finance charges, depreciation and withholding tax		10.07	7.30	31.65	16.38	27.07
Finance charges		-	-	-	-	-
Depreciation	3	0.87	1.13	3.52	2.53	3.54
Withholding taxes charged off		0.99	0.97	2.31	2.88	3.92
Operating profit after finance charges, depreciation and withholding tax		8.21	5.20	25.82	10.97	19.61
Other income	16	1.36	1.06	2.61	2.03	2.59
Profit before taxation		9.57	6.26	28.43	13.00	22.20
Provision for income tax - current		0.57	0.39	1.85	0.78	1.30
- fringe benefit		0.13	-	0.30	-	-
- deferred		0.05	(0.02)	0.10	0.00	0.15
Provision for wealth tax		0.01	0.00	0.01	0.00	0.00
Profit after taxation		8.82	5.89	26.18	12.21	20.75
Profit available for appropriation		-	-	-	-	-
Profit for the year		8.82	5.89	26.18	12.21	20.75
Add: Balance brought forward		34.88	17.67	17.51	11.35	11.35
Total amount available		43.69	23.56	43.69	23.56	32.10
Final dividend		-	-	-	-	4.02
Dividend tax		-	-	-	0.01	0.56
Transferred to general reserve		-	-	-	-	10.00
Balance carried forward to schedule 2		43.69	23.56	43.69	23.56	17.51
Earnings per share (equity shares, par value Rs. 10 each) (refer note 10, schedule 17)						
Basic		5.47	3.66	16.27	7.60	12.90
Diluted		5.46	3.65	16.23	7.59	12.88
Number of shares used in computing earnings per equity share						
Basic		16,102,595	16,090,812	16,095,365	16,079,307	16,082,144
Diluted		16,146,731	16,112,207	16,133,186	16,100,702	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 nine months ended		For the year ended
	31 December 2005 (Rupees Crore)	31 December 2005 (Rupees Crore)	31 December 2005 (Rupees Crore)	31 December 2004 (Rupees Crore)	31 March 2005 (Rupees Crore)
SCHEDULE 12:					
Sales and services					
Software development services and products (refer note 3, schedule)	37.40	27.08	105.96	72.12	103.14
	-	-	-	-	-
	37.40	27.08	105.96	72.12	103.14
SCHEDULE 13:	-	-	-	-	-
Software development expenses	-	-	-	-	-
Salaries and allowances	11.64	9.34	33.15	27.06	36.20
Contribution to provident and other funds	0.52	0.39	1.42	1.02	1.34
Directors' remuneration	0.15	0.12	0.50	0.23	0.41
Employee's stock compensation expenses	0.05	0.03	0.13	0.08	0.11
Staff welfare	0.24	0.18	0.67	0.53	0.80
Conveyance	0.13	0.09	0.35	0.27	0.37
Communication	0.32	0.42	0.98	1.12	1.49
Rent, rates and taxes	0.45	0.44	1.42	1.61	2.06
Legal and professional	0.10	0.26	0.38	0.72	0.88
Repair and maintenance	-	-	-	-	-
- Building	0.01	0.02	0.03	0.03	0.04
- Others	0.11	0.11	0.30	0.27	0.38
Training and recruitment	0.18	0.13	0.47	0.39	0.51
Printing and stationery	0.00	0.01	0.03	0.02	0.03
Insurance	0.11	0.10	0.23	0.25	0.31
Software and other development charges	0.48	0.21	0.72	0.59	0.67
Cost of software purchased for delivery to clients	0.24	(0.03)	0.73	0.27	0.40
Travelling	4.10	2.76	10.06	7.24	9.98
Advertisement	0.01	0.04	0.01	0.06	0.04
Consultancy charges	2.57	0.50	5.78	1.19	1.80
Power and fuel	0.25	0.23	0.81	0.95	1.14
Conference, exhibition and seminar	0.00	-	0.00	-	-
IT expenses	0.05	0.08	0.18	0.25	0.33
Miscellaneous expenses	0.12	0.14	0.34	0.35	0.42
	-	-	-	-	-
	21.86	15.56	58.67	44.49	59.71
SCHEDULE 14:	-	-	-	-	-
Selling and marketing expenses	-	-	-	-	-
Salaries and allowances	1.39	0.74	3.92	1.95	2.92
Contribution to provident and other funds	0.03	0.03	0.11	0.08	0.11
Directors' remuneration	0.15	0.12	0.50	0.30	0.59
Employee's stock compensation expenses	-	0.00	0.01	0.01	0.01
Staff welfare	0.08	0.02	0.25	0.06	0.15
Conveyance	0.04	0.03	0.10	0.08	0.10
Communication	0.10	0.09	0.32	0.30	0.39
Rent, rates and taxes	0.17	0.09	0.42	0.30	0.40
Legal and professional	0.01	0.03	0.15	0.03	0.05
Repair and maintenance	-	-	-	-	-
- Building	0.00	0.00	0.00	0.00	0.00
- Others	0.01	0.01	0.03	0.03	0.04
Training and recruitment	0.01	0.01	0.04	0.02	0.02
Printing and stationery	0.01	0.00	0.03	0.02	0.03
Insurance	0.03	0.01	0.04	0.03	0.04
Travelling	0.42	0.50	1.75	1.58	2.23
Advertisement and business promotion	0.23	0.15	0.51	0.36	0.50
Consultancy charges	-	-	-	-	-
Power and fuel	0.03	0.02	0.09	0.08	0.10
Conference, exhibition and seminar	0.01	0.07	0.15	0.18	0.25
IT expenses	0.01	0.01	0.02	0.02	0.02
Commission on sales	0.02	(0.03)	0.13	0.18	0.19
Marketing survey expenses	-	-	0.06	-	-
Miscellaneous expenses	0.02	0.02	0.06	0.06	0.07
	-	-	-	-	-
	2.78	1.94	8.70	5.66	8.22

Nucleus Software Exports Ltd.

Schedules forming part of the consolidated financial statements

	For the quarter ended		For the nine months ended		For the year ended
	31 December 2005	31 December 2005	31 December 2005	31 December 2004	31 March 2005
	(Rupees Crore)	(Rupees Crore)	(Rupees Crore)	(Rupees Crore)	(Rupees Crore)
SCHEDULE 15:					
General and administration expenses					
Salaries and allowances	0.86	0.64	2.31	1.82	2.60
Contribution to provident and other funds	0.04	0.04	0.12	0.11	0.15
Directors' remuneration	0.09	0.11	0.32	0.25	0.40
Employee's stock compensation expenses	-	0.00	0.01	0.01	0.01
Staff welfare	0.03	0.02	0.10	0.05	0.11
Conveyance	0.04	0.06	0.11	0.12	0.16
Communication	0.12	0.09	0.34	0.31	0.43
Rent,	0.03	0.10	0.14	0.22	0.33
Rates and Taxes	0.04	0.26	0.08	0.66	-
Legal and professional	0.48	-	1.19	-	1.02
Repair and maintenance	-	-	-	-	-
- Building	0.00	0.01	0.01	0.01	0.01
- Others	0.03	0.03	0.09	0.06	0.10
Training and recruitment	0.03	0.01	0.07	0.11	0.13
Printing and stationery	0.07	0.04	0.18	0.14	0.19
Loss on sale of fixed assets (net)	-	-	-	0.01	0.01
Loss on discarded assets	-	0.03	0.01	0.03	0.03
Insurance	0.01	0.01	0.03	0.02	0.04
Bank charges	0.09	0.04	0.19	0.10	0.16
Public issue expenses written off	-	-	-	-	-
Preliminary expenses written off	-	-	-	-	-
Travelling	0.04	0.03	0.19	0.11	0.14
Advertisement	0.03	0.01	0.08	0.03	0.03
Consultancy charges	0.02	0.02	0.08	0.06	0.08
Power and fuel	0.07	0.06	0.23	0.21	0.26
Conference, exhibition and seminar	0.03	0.00	0.03	0.01	0.03
IT expenses	0.00	0.01	0.01	0.03	0.04
Bad debts written off	-	0.01	0.15	0.01	0.18
Advances/ other current assets written off	-	-	0.29	-	0.28
Provision for doubtful debts/advances/other current assets	0.06	0.46	(0.11)	0.58	0.45
Miscellaneous expenses	0.13	0.21	0.45	0.54	0.79
Loss on foreign exchange fluctuation on consolidation (net)	0.31	-	0.25	-	-
	-	-	-	-	-
	2.69	2.28	6.94	5.59	8.14
SCHEDULE 16:					
Other income					
Dividend received from non-trade investments	0.04	0.14	0.19	0.21	0.32
Gain on foreign exchange fluctuation (net)	-	-	-	-	0.46
Interest [Gross of tax deducted at source Rs.66,586 (Rs 225,792)]	0.13	0.19	0.47	0.20	0.40
Profit on sale of investments (net)	0.93	0.46	1.19	1.12	1.15
Profit on sale of assets	0.01	0.00	0.01	0.00	0.01
Miscellaneous income	0.23	0.07	0.67	0.16	0.25
Gain on foreign exchange fluctuation on consolidation (net)	0.02	0.20	0.08	0.34	0.01
	-	-	-	-	-
	1.36	1.06	2.61	2.03	2.59