

Nucleus Software Exports Ltd.

Consolidated Profit and Loss Account for the quarter and nine months ended 31 December 2007

Schedule	For the quarter ended		For the nine months ended		For the year ended	
	31 December 2007 (Rupees)	31 December 2006 (Rupees)	31 December 2007 (Rupees)	31 December 2006 (Rupees)	31 March 2007 (Rupees)	
Sales and services	11	73.64	56.18	210.66	161.03	221.19
Software development expenses	12	43.47	31.68	128.33	92.92	125.11
Gross profit		30.17	24.50	82.33	68.11	96.08
Selling and marketing expenses	13	6.33	5.53	15.61	12.76	17.93
General and administration expenses	14	5.33	3.29	14.19	9.23	14.87
Operating profit before depreciation and withholding tax		18.51	15.68	52.53	46.12	63.28
Depreciation	3	3.15	1.71	8.61	4.81	6.88
Withholding taxes charged off		0.87	1.25	1.97	3.42	4.68
Operating profit after depreciation and withholding tax		14.49	12.72	41.95	37.89	51.72
Other income	15	1.32	1.59	5.93	4.77	5.62
Profit before taxation		15.81	14.31	47.89	42.66	57.34
Provision for tax - current income tax		1.46	0.19	5.14	0.93	0.95
-MAT credit entitlement		(0.96)	-	(3.45)	-	-
- fringe benefit tax		0.20	0.22	0.52	0.45	0.61
- deferred tax charge (refer note 2, schedule 16)		(0.42)	(0.05)	(0.20)	0.07	0.40
- income tax for earlier year		-	-	0.14	0.01	0.23
Provision for wealth tax		0.01	0.01	0.01	0.01	0.01
Profit after taxation		15.53	13.94	45.72	41.20	55.15
Profit available for appropriation						
Profit for the year		15.53	13.94	45.72	41.20	55.15
Add: Balance brought forward		107.08	65.43	76.88	38.17	38.17
Total amount available for appropriation		122.61	79.37	122.61	79.37	93.31
Final dividend		-	-	-	-	-
Interim dividend		-	-	-	-	5.64
Corporate dividend tax		-	-	-	-	0.79
Transferred to general reserve		-	-	-	-	10.00
Balance carried forward to the Balance Sheet		122.61	79.37	122.61	79.37	76.88
Earnings per share (par value Rs. 10 each) (refer note 10, schedule 16)						
Basic		4.80	4.32	14.13	12.78	17.09
Diluted		4.74	4.27	13.97	12.65	16.99
Number of shares used in computing earnings per equity share						
Basic		32366672	32232624	32356343	32225013	32273966
Diluted		32759391	32674225	32735110	32555655	32453325

Significant accounting policies and notes to the accounts 16

The schedules referred to above form an integral part of the consolidated 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 2007	31 December 2006	31 December 2007	31 December 2006	31 March 2007
SCHEDULE 11:					
Sales and services					
Software development services and products	73.64	56.18	210.66	161.03	221.19
	73.64	56.18	210.66	161.03	221.19
SCHEDULE 12:					
Software development expenses					
Salaries and allowances	25.64	20.50	76.41	58.52	78.14
Contribution to provident and other funds	1.37	1.00	3.63	2.71	3.73
Directors' remuneration (including stock compensation expenses Rs. 1,396,831 (Nil))	0.22	0.21	0.77	0.65	0.97
Employee's stock compensation expenses	0.12	0.08	0.38	0.23	0.43
Staff welfare	0.39	0.41	1.26	1.08	1.51
Conveyance	0.35	0.32	0.87	0.67	0.96
Communication	0.49	0.46	1.41	1.62	2.03
Rent	2.45	0.61	6.91	1.62	2.35
Legal and professional	0.40	0.24	1.38	0.86	1.34
Repair and maintenance		0.00	0.00	0.00	
- Building	0.05	0.00	0.09	0.01	0.03
- Others	0.38	0.16	0.71	0.35	0.52
Training and recruitment	0.70	0.49	1.60	1.77	2.23
Printing and stationery	0.02	0.01	0.12	0.05	0.09
Insurance	0.13	0.10	0.39	0.32	0.42
Software and other development charges	0.19	0.24	0.66	0.56	0.73
Cost of software purchased for delivery to clients	4.08	0.47	7.38	1.14	1.51
Travelling	4.23	4.05	12.78	10.95	15.28
Advertisement	0.00	0.02	0.01	0.03	0.03
Consultancy charges	1.45	1.51	8.61	7.57	9.64
Power and fuel	0.44	0.50	2.02	1.54	2.06
Conference, exhibition and seminar	0.02	0.00	0.04	0.01	0.01
IT expenses	0.14	0.19	0.44	0.34	0.48
Miscellaneous expenses	0.21	0.11	0.49	0.34	0.63
	43.47	31.68	128.33	92.92	125.11
SCHEDULE 13:					
Selling and marketing expenses					
Salaries and allowances	2.89	2.05	7.23	5.35	7.43
Contribution to provident and other funds	0.07	0.07	0.19	0.16	0.22
Directors' remuneration (including stock compensation expenses Rs. 1,396,831(Nil))	0.22	0.21	0.77	0.65	0.97
Employee's stock compensation expenses	0.01	0.01	0.03	0.01	0.03
Staff welfare	0.08	0.11	0.26	0.26	0.37
Conveyance	0.08	0.07	0.26	0.17	0.29
Communication	0.14	0.10	0.40	0.29	0.42
Rent	0.22	0.15	0.66	0.39	0.57
Legal and professional	0.16	0.08	0.39	0.14	0.25
Repair and maintenance	0.00	0.00	0.00	0.00	0.00
- Building	0.00	0.00	0.01	0.00	0.00
- Others	0.02	0.01	0.04	0.03	0.04
Training and recruitment	0.08	0.02	0.17	0.07	0.08
Printing and stationery	0.05	0.08	0.32	0.12	0.13
Insurance	0.01	0.02	0.03	0.04	0.03
Travelling	1.01	0.78	2.44	1.74	2.75
Advertisement and business promotion	0.30	0.17	0.92	0.64	0.86
Power and fuel	0.02	0.03	0.12	0.07	0.10
Conference, exhibition and seminar	0.72	0.69	0.80	0.79	0.93
IT expenses	0.01	0.01	0.02	0.01	0.02
Commission on sales	0.22	0.83	0.51	1.76	2.35
Marketing survey expenses	0.00	0.00	0.00	0.00	0.00
Miscellaneous expenses	0.03	0.03	0.06	0.07	0.08
	6.33	5.53	15.61	12.76	17.93

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 2007	31 December 2006	31 December 2007	31 December 2006	31 March 2007
	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)
SCHEDULE 14:					
General and administration expenses					
Salaries and allowances	2.15	1.66	6.57	4.40	6.19
Contribution to provident and other funds	0.12	0.09	0.32	0.23	0.32
Directors' remuneration (including stock compensation expenses Rs. 698,414 (Nil))	0.17	0.14	0.60	0.45	0.70
Employee's stock compensation expenses	0.01	0.01	0.04	0.01	0.03
Staff welfare	0.06	0.04	0.17	0.11	0.19
Conveyance	0.10	0.07	0.25	0.17	0.34
Communication	0.12	0.08	0.27	0.20	0.26
Rent,	0.04	0.03	0.12	0.13	0.17
Rates and Taxes	0.05	0.10	0.44	0.22	0.39
Legal and professional	0.40	0.33	1.21	1.06	1.44
Repair and maintenance		0.00	0.00	0.00	
- Building	0.01	0.00	0.02	0.00	0.01
- Others	0.10	0.06	0.22	0.14	0.19
Training and recruitment	0.12	0.06	0.23	0.12	0.16
Printing and stationery	0.05	0.07	0.13	0.17	0.27
Loss on sale of fixed assets (net)	0.00	0.00	0.00	0.00	0.00
Loss on discarded assets	0.00	0.00	0.00	0.00	0.00
Insurance	0.02	0.01	0.05	0.02	0.08
Bank charges	0.07	0.05	0.22	0.17	0.29
Travelling	0.14	0.05	0.30	0.10	0.23
Advertisement	0.02	0.04	0.23	0.06	0.10
Consultancy charges	0.00	0.04	0.02	0.08	0.11
Power and fuel	0.04	0.04	0.19	0.09	0.13
Conference, exhibition and seminar	0.01	0.00	0.03	0.04	0.04
IT expenses	0.01	0.01	0.04	0.02	0.04
Bad debts written off	0.00	1.03	0.00	1.19	0.00
Advances/ other current assets written off	0.28	0.00	0.28	0.03	0.03
Provision for doubtful debts, advances and other current assets	0.52	-1.00	0.80	-0.67	2.39
Provision for Contingency	0.00	0.00	0.00		0.00
Loss on foreign exchange fluctuation	0.00		0.00		0.00
Loss on foreign exchange fluctuation on consolidation (net)	0.00	0.00	0.00	0.00	
Miscellaneous expenses	0.72	0.28	1.43	0.67	0.77
	5.33	3.29	14.19	9.23	14.87

SCHEDULE 15:

Other income

Dividend received from non-trade investments	0.66	0.26	1.38	0.59	1.20
Gain on foreign exchange fluctuation (net)	0.53	-0.07	0.91	-0.01	0.29
Interest on fixed deposit [Gross of tax deducted at source Rs.913,379 (Rs 1,399,539)]	0.03	0.01	0.08	0.21	0.23
Profit on sale of investments	0.13	0.91	2.46	2.32	2.33
Profit on sale of fixed assets (net)	0.03	0.00	0.07	0.01	0.02
Miscellaneous income	0.58	0.47	1.58	1.53	1.45
Gain on foreign exchange fluctuation on consolidation (net)	-0.64	0.00	-0.54	0.11	0.10
	1.32	1.59	5.93	4.77	5.62