

Nucleus Software Exports Ltd.

Consolidated Profit and Loss Account for the quarter and nine months ended 31 December 2006

	Schedule	For the quarter ended		For the nine months ended		For the year ended
		31 December 2006 (Rupees Crore.)	31 December 2005 (Rupees Crore.)	31 December 2006 (Rupees Crore.)	31 December 2005 (Rupees Crore.)	31 March 2006 (Rupees Crore.)
Sales and services	11	56.18	37.40	161.03	105.96	148.05
Software development expenses	12	31.68	21.86	92.92	58.67	80.50
Gross profit		24.50	15.54	68.11	47.29	67.55
Selling and marketing expenses	13	5.53	2.78	12.76	8.70	11.75
General and administration expenses	14	3.29	2.69	9.23	6.94	10.68
Operating profit before depreciation and withholding tax		15.68	10.07	46.12	31.65	45.13
Depreciation	3	1.71	0.87	4.81	3.52	4.76
Withholding taxes charged off		1.25	0.99	3.42	2.31	3.24
Operating profit after depreciation and withholding tax		12.72	8.21	37.89	25.82	37.13
Other income	15	1.59	1.36	4.77	2.61	3.07
Profit before taxation		14.31	9.57	42.66	28.43	40.20
Provision for income tax - current		0.19	0.57	0.93	1.85	2.69
- fringe benefit		0.22	0.13	0.45	0.30	0.43
- deferred		(0.05)	0.05	0.07	0.10	0.14
- earlier year tax		-	-	0.01	-	(0.15)
Provision for wealth tax		0.01	0.01	0.01	0.01	0.01
Profit after taxation		13.94	8.82	41.20	26.18	37.08
Profit available for appropriation		-	-	-	-	-
Profit for the year		13.94	8.82	41.20	26.18	37.08
Add: Balance brought forward		65.43	34.88	38.17	17.51	17.51
Total amount available		79.37	43.69	79.37	43.69	54.59
Final dividend		-	-	-	-	5.64
Dividend tax		-	-	-	-	0.79
Transferred to general reserve		-	-	-	-	10.00
Balance carried forward to the Balance Sheet		79.37	43.69	79.37	43.69	38.17
Earnings per share (equity shares, par value Rs. 10 each) (refer note 10, schedule 17)		-	-	-	-	-
Basic		8.65	5.47	25.57	16.27	23.04
Diluted		8.57	5.46	25.46	16.23	22.98
Number of shares used in computing earnings per equity share		-	-	-	-	-
Basic		16,116,312	16,102,595	16,112,507	16,095,365	16,097,694
Diluted		16,263,233	16,146,731	16,182,357	16,133,186	16,137,555

Significant accounting policies and notes to the accounts 16

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 2006 (Rupees Crore.)	31 December 2005 (Rupees Crore.)	31 December 2006 (Rupees Crore.)	31 December 2005 (Rupees Crore.)	31 March 2006 (Rupees Crore.)
SCHEDULE 11:					
Sales and services					
Software development services and products	56.18	37.40	161.03	105.96	148.05
	-	-	-	-	-
	56.18	37.40	161.03	105.96	148.05
SCHEDULE 12:					
Software development expenses					
Salaries and allowances	20.50	11.64	58.52	33.15	45.17
Contribution to provident and other funds	1.00	0.52	2.71	1.42	1.97
Directors' remuneration	0.21	0.15	0.65	0.50	0.70
Employee's stock compensation expenses	0.08	0.05	0.23	0.13	0.17
Staff welfare	0.41	0.24	1.08	0.67	1.08
Conveyance	0.32	0.13	0.67	0.35	0.50
Communication	0.46	0.32	1.62	0.98	1.30
Rent, rates and taxes	0.61	0.45	1.62	1.42	1.87
Legal and professional	0.24	0.10	0.86	0.38	0.52
Repair and maintenance	-	-	-	-	-
- Building	0.00	0.01	0.01	0.03	0.04
- Others	0.16	0.11	0.35	0.30	0.40
Training and recruitment	0.49	0.18	1.77	0.47	0.92
Printing and stationery	0.01	0.00	0.05	0.03	0.07
Insurance	0.10	0.11	0.32	0.23	0.28
Software and other development charges	0.24	0.48	0.56	0.72	1.07
Cost of software purchased for delivery to clients	0.47	0.24	1.14	0.73	1.28
Travelling	4.05	4.10	10.95	10.06	13.82
Advertisement	0.02	0.01	0.03	0.01	0.01
Consultancy charges	1.51	2.57	7.57	5.78	7.58
Power and fuel	0.50	0.25	1.54	0.81	1.08
Conference, exhibition and seminar	(0.00)	0.00	0.01	0.00	0.00
IT expenses	0.19	0.05	0.34	0.18	0.26
Miscellaneous expenses	0.11	0.12	0.34	0.34	0.41
	-	-	-	-	-
	31.68	21.86	92.92	58.67	80.50
SCHEDULE 13:					
	-	9.82	-	-	-
	-	-	-	-	-
Selling and marketing expenses					
Salaries and allowances	2.05	1.39	5.35	3.92	5.80
Contribution to provident and other funds	0.07	0.03	0.16	0.11	0.15
Directors' remuneration	0.21	0.15	0.65	0.50	0.70
Employee's stock compensation expenses	0.01	-	0.01	0.01	0.01
Staff welfare	0.11	0.08	0.26	0.25	0.34
Conveyance	0.07	0.04	0.17	0.10	0.15
Communication	0.10	0.10	0.29	0.32	0.43
Rent, rates and taxes	0.15	0.17	0.39	0.42	0.56
Legal and professional	0.08	0.01	0.14	0.15	0.08
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	0.02	0.01	0.07	0.04	0.08
Printing and stationery	0.08	0.01	0.12	0.03	0.03
Insurance	0.02	0.03	0.04	0.04	0.05
Travelling	0.78	0.42	1.74	1.75	1.85
Advertisement and business promotion	0.17	0.23	0.64	0.51	0.67
Power and fuel	0.03	0.03	0.07	0.09	0.11
Conference, exhibition and seminar	0.69	0.01	0.79	0.15	0.21
IT expenses	0.01	0.01	0.01	0.02	0.02
Commission on sales	0.83	0.02	1.76	0.13	0.22
Marketing survey expenses	-	-	-	0.06	0.14
Miscellaneous expenses	0.03	0.02	0.07	0.06	0.08
	-	-	-	-	-
	5.53	2.78	12.76	8.70	11.75

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 2006 (Rupees Crore.)	31 December 2005 (Rupees Crore.)	31 December 2006 (Rupees Crore.)	31 December 2005 (Rupees Crore.)	31 March 2006 (Rupees Crore.)
SCHEDULE 14:					
General and administration expenses					
Salaries and allowances	1.66	0.86	4.40	2.31	3.36
Contribution to provident and other funds	0.09	0.04	0.23	0.12	0.17
Directors' remuneration	0.14	0.09	0.45	0.32	0.44
Employee's stock compensation expenses	0.01	-	0.01	0.01	0.01
Staff welfare	0.04	0.03	0.11	0.10	0.16
Conveyance	0.07	0.04	0.17	0.11	0.18
Communication	0.08	0.12	0.20	0.34	0.50
Rent,	0.03	0.03	0.13	0.14	0.12
Rates and Taxes	0.10	0.04	0.22	0.08	0.20
Legal and professional	0.33	0.48	1.06	1.19	1.98
Repair and maintenance	-	-	-	-	-
- Building	0.00	0.00	0.00	0.01	0.02
- Others	0.06	0.03	0.14	0.09	0.12
Training and recruitment	0.06	0.03	0.12	0.07	0.15
Printing and stationery	0.07	0.07	0.17	0.18	0.20
Loss on sale of fixed assets (net)	-	-	-	-	-
Loss on discarded assets	-	-	-	0.01	0.02
Insurance	0.01	0.01	0.02	0.03	0.04
Bank charges	0.05	0.09	0.17	0.19	0.24
Travelling	0.05	0.04	0.10	0.19	0.22
Advertisement	0.04	0.03	0.06	0.08	0.11
Consultancy charges	0.04	0.02	0.08	0.08	0.55
Power and fuel	0.04	0.07	0.09	0.23	0.31
Conference, exhibition and seminar	0.00	0.03	0.04	0.03	0.04
IT expenses	0.01	0.00	0.02	0.01	0.02
Bad debts written off	1.03	-	1.19	0.15	0.20
Advances/ other current assets written off	-	-	0.03	0.29	0.59
Provision for doubtful debts/advances/other current assets	(1.00)	0.06	(0.67)	(0.11)	(0.10)
Loss on foreign exchange fluctuation on consolidation (net)	-	0.31	-	0.25	0.23
Miscellaneous expenses	0.28	0.13	0.67	0.45	0.62
	-	-	-	-	-
	3.29	2.69	9.23	6.94	10.68
SCHEDULE 15:					
Other income					
Dividend received from non-trade investments	0.26	0.04	0.59	0.19	0.27
Gain on foreign exchange fluctuation (net)	(0.07)	0.02	(0.01)	0.08	-
Interest [Gross of tax deducted at source Rs.1,399,539 (Rs 66,586)]	0.01	0.13	0.21	0.47	0.71
Profit on sale of investments (net)	0.91	0.93	2.32	1.19	1.30
Profit on sale of assets	-	0.01	0.01	0.01	0.00
Miscellaneous income	0.47	0.23	1.53	0.67	0.78
Gain on foreign exchange fluctuation on consolidation (net)	(0.00)	-	0.11	-	-
	-	-	-	-	-
	1.59	1.36	4.77	2.61	3.07