

Nucleus Software Exports Ltd.

Consolidated Profit and Loss Account for the year ended 31 March 2008

	Schedule	For the year ended 31 March 2008 (Rupees)	For the year ended 31 March 2007 (Rupees)
Sales and services	11	2,887,174,622	2,211,873,274
Software development expenses	12	1,745,144,014	1,251,060,641
Gross profit		1,142,030,608	960,812,633
Selling and marketing expenses	13	206,281,697	179,296,675
General and administration expenses	14	201,633,126	148,724,677
Operating profit before depreciation and withholding tax		734,115,785	632,791,281
Depreciation	3	118,463,957	68,768,476
Withholding taxes charged off		41,497,730	46,806,861
Operating profit after depreciation and withholding tax		574,154,098	517,215,944
Other income	15	70,472,179	56,211,717
Profit before taxation		644,626,277	573,427,661
Provision for tax - current income tax		82,886,834	9,513,304
- MAT credit entitlement (refer note 7, schedule 16)		(59,650,000)	-
- fringe benefit tax		7,167,414	6,124,139
- deferred tax charge / (credit) (refer note 2, schedule 16)		(2,784,932)	3,955,757
- income tax for earlier year		(455,387)	2,298,081
Provision for wealth tax		70,040	63,952
Profit after taxation		617,392,308	551,472,428
Profit available for appropriation			
Profit for the year		617,392,308	551,472,428
Add: Balance brought forward		768,827,982	381,673,741
Total amount available for appropriation		1,386,220,290	933,146,169
Proposed dividend		97,101,072	-
Interim dividend		-	56,407,092
Corporate dividend tax		33,497,327	7,911,095
Transferred to general reserve		84,415,178	100,000,000
Balance carried forward to the Balance Sheet		1,171,206,713	768,827,982
Earnings per share (par value Rs. 10 each)			
(refer note 12, schedule 16)			
Basic		19.08	17.09
Diluted		18.93	16.99
Number of shares used in computing earnings per equity share			
Basic		32,358,999	32,273,966
Diluted		32,615,059	32,453,325

Significant accounting policies and notes to the accounts

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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 year ended 31 March 2008	For the year ended 31 March 2007
SCHEDULE 11:		
Sales and services		
Software development services and products	2,887,174,622	2,211,873,274
	<u>2,887,174,622</u>	<u>2,211,873,274</u>
SCHEDULE 12:		
Software development expenses		
Salaries and allowances	1,058,348,603	781,373,427
Contribution to provident and other funds	53,397,685	37,253,342
Directors' remuneration [including stock compensation expenses Rs. 125,089 (Rs. 1,396,831)]	10,493,089	9,719,409
Employee's stock compensation expenses	4,791,600	4,307,968
Staff welfare	15,677,029	15,051,676
Conveyance	12,048,374	9,584,535
Communication	19,890,854	20,349,920
Rent	99,756,817	23,538,515
Legal and professional	16,827,363	13,446,553
Repair and maintenance		
- Building	1,425,432	278,462
- Others	10,594,224	5,183,433
Training and recruitment	25,483,363	22,301,956
Printing and stationery	1,442,204	896,922
Insurance	5,381,706	4,160,895
Software and other development charges	12,761,828	7,288,344
Cost of software purchased for delivery to clients	91,742,260	15,113,102
Travelling	174,042,664	152,784,806
Advertisement	213,632	286,551
Consultancy charges	92,446,348	96,375,920
Power and fuel	24,503,009	20,624,344
Conference, exhibition and seminar	520,574	68,808
Information technology expenses	6,974,150	4,780,679
Miscellaneous expenses	6,381,206	6,291,074
	<u>1,745,144,014</u>	<u>1,251,060,641</u>
SCHEDULE 13:		
Selling and marketing expenses		
Salaries and allowances	99,884,663	74,308,780
Contribution to provident and other funds	2,519,521	2,223,522
Directors' remuneration [including stock compensation expenses Rs. 125,089 (Rs. 1,396,831)]	10,493,089	9,719,409
Employee's stock compensation expenses	366,506	251,224
Staff welfare	3,166,088	3,720,708
Conveyance	3,536,193	2,926,184
Communication	5,772,541	4,189,225
Rent	7,025,292	5,660,474
Legal and professional	4,392,965	2,483,651
Repair and maintenance		
- Building	78,510	23,876
- Others	559,851	428,836
Training and recruitment	2,375,674	783,167
Printing and stationery	4,198,746	1,339,987
Insurance	353,748	270,791
Travelling	30,938,942	27,525,959
Advertisement and business promotion	11,821,908	8,621,639
Power and fuel	1,528,670	1,013,741
Conference, exhibition and seminar	7,954,870	9,306,035
Information technology expenses	328,882	223,736
Commission to channel partners	8,192,431	23,490,758
Miscellaneous expenses	792,607	784,973
	<u>206,281,697</u>	<u>179,296,675</u>

Nucleus Software Exports Ltd.

Schedules forming part of the consolidated financial statements

	For the year ended 31 March 2008 (Rupees)	For the year ended 31 March 2007 (Rupees)
SCHEDULE 14:		
General and administration expenses		
Salaries and allowances	85,867,662	61,895,521
Contribution to provident and other funds	4,324,557	3,189,825
Directors' remuneration [including stock compensation expenses Rs. 62,545 (Rs. 698,414)]	8,548,345	6,986,895
Employee's stock compensation expenses	519,439	326,139
Staff welfare	2,402,361	1,877,771
Conveyance	3,768,525	3,401,882
Communication	3,788,527	2,581,450
Rent	3,247,405	1,725,296
Rates and Taxes	5,219,069	3,880,990
Legal and professional	18,632,917	14,409,847
Repair and maintenance		
- Building	368,327	71,483
- Others	3,221,238	1,911,295
Training and recruitment	3,406,015	1,575,706
Printing and stationery	2,135,244	2,723,162
Insurance	786,643	774,941
Bank charges	3,002,821	2,942,801
Travelling	6,068,332	2,344,825
Advertisement	5,924,593	1,018,417
Consultancy charges	5,241,680	1,119,459
Power and fuel	2,187,513	1,287,652
Conference, exhibition and seminar	368,729	444,346
Information technology expenses	694,718	367,178
Advances and other current assets written off	6,609,696	290,466
Provision for doubtful debts /advances / other current assets *	6,838,935	23,926,167
Miscellaneous expenses	18,459,835	7,651,163
	201,633,126	148,724,677

*includes bad debts written off Rs. 8,613,363 (Rs. 12,546,037)

SCHEDULE 15:

Other income

Dividend received from non-trade investments	21,405,254	11,991,342
Gain on foreign exchange fluctuation (net)	(2,068,062)	2,904,414
Interest on fixed deposit [Gross of tax deducted at source Rs. 25,974 (Rs. 913,379)]	1,378,783	2,348,378
Profit on sale of investments	24,833,708	23,269,833
Profit on sale of fixed assets (net)	907,591	196,292
Miscellaneous income	22,929,749	14,520,673
Gain on foreign exchange fluctuation on consolidation (net)	1,085,156	980,785
	70,472,179	56,211,717