

Nucleus Software Exports Ltd.

Consolidated Profit and Loss Account for the quarter and half year ended 30 September 2007

Schedule	For the quarter ended				For the half year ended		For the year ended	
	30 September 2007 (Rupees Crore)	30 June 2007 (Rupees Crore)	30 June 2006 (Rupees Crore)	30 September 2006 (Rupees Crore)	30 September 2007 (Rupees Crore)	30 September 2006 (Rupees Crore)	31 March 2007 (Rupees Crore)	
Sales and services	11	70.37	66.66	49.76	55.09	137.02	104.85	221.19
Software development expenses	12	43.31	41.55	29.09	32.16	84.87	61.24	125.11
Gross profit		27.05	25.10	20.67	22.93	52.15	43.60	96.08
Selling and marketing expenses	13	4.45	4.82	3.21	4.01	9.27	7.22	17.93
General and administration expenses	14	4.65	4.17	3.05	2.93	8.82	5.94	14.87
Operating profit before depreciation and withholding tax		17.95	16.11	14.42	15.99	34.06	30.44	63.28
Depreciation	3	2.98	2.48	1.45	1.66	5.46	3.10	6.88
Withholding taxes charged off		0.76	0.34	0.90	1.27	1.10	2.17	4.68
Operating profit after depreciation and withholding tax		14.21	13.29	12.07	13.06	27.50	25.17	51.72
Other income	15	3.18	1.39	2.18	1.04	4.57	3.18	5.62
Profit before taxation		17.39	14.68	14.25	14.10	32.07	28.35	57.34
Provision for tax - current income tax		1.95	1.73	0.68	0.06	3.68	0.73	0.95
-MAT credit entitlement		(1.18)	(1.31)	-	-	(2.49)	-	-
- fringe benefit tax		0.17	0.16	0.09	0.14	0.33	0.23	0.61
- deferred tax charge (refer note 2, schedule 16)		0.14	0.09	0.08	0.04	0.22	0.12	0.40
- income tax for earlier year		0.14	-	0.01	-	0.14	0.01	0.23
Provision for wealth tax		-	-	-	-	-	-	0.01
Profit after taxation		16.18	14.01	13.40	13.86	30.20	27.26	55.15
Profit available for appropriation		-	-	-	-	-	-	-
Profit for the year		16.18	14.01	13.40	13.86	30.20	27.26	55.15
Add: Balance brought forward		90.89	76.88	38.17	51.57	76.88	38.17	38.17
Total amount available for appropriation		107.08	90.89	51.57	65.43	107.08	65.43	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		107.08	90.89	51.57	65.43	107.08	65.43	76.88
Earnings per share (par value Rs. 10 each) (refer note 10, schedule 16)								
Basic		5.00	4.34	8.32	4.30	9.33	8.46	17.09
Diluted		4.98	4.24	8.29	4.29	9.25	8.44	16.99
Number of shares used in computing earnings per equity share								
Basic		32,357,450	32,320,624	16,104,812	32,232,624	32,349,957	32,226,905	32,273,966
Diluted		32,515,343	33,017,918	16,166,424	32,318,828	32,630,169	32,296,127	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 quarter ended			For the half year ended		For the year ended	
	30 September 2007 (Rupees Crore)	30 June 2007 (Rupees Crore)	30 June 2006 (Rupees Crore)	30 September 2006 (Rupees Crore)	30 September 2007 (Rupees Crore)	30 September 2006 (Rupees Crore)	For the year ended 31 March 2007 (Rupees Crore)
SCHEDULE 11:							
Sales and services							
Software development services and products	70.37	66.66	49.76	55.09	137.02	104.85	221.19
	-	-	-	-	-	-	-
	70.37	66.66	49.76	55.09	137.02	104.85	221.19
SCHEDULE 12:							
Software development expenses							
Salaries and allowances	26.04	24.73	17.58	20.44	50.77	38.02	78.14
Contribution to provident and other funds	1.41	0.84	0.76	0.95	2.25	1.71	3.73
Directors' remuneration (including stock compensation expenses Rs. 1,396,831 (Nil))	0.28	0.27	0.22	0.21	0.55	0.43	0.97
Employee's stock compensation expenses	0.13	0.13	0.07	0.08	0.26	0.14	0.43
Staff welfare	0.35	0.52	0.35	0.32	0.87	0.67	1.51
Conveyance	0.25	0.27	0.15	0.20	0.52	0.35	0.96
Communication	0.46	0.46	0.69	0.47	0.92	1.16	2.03
Rent	2.18	2.28	0.49	0.52	4.45	1.01	2.35
Legal and professional	0.59	0.40	0.23	0.39	0.99	0.62	1.34
Repair and maintenance	-	-	-	-	-	0.00	-
- Building	0.03	0.01	0.00	0.00	0.04	0.11	0.03
- Others	0.20	0.13	0.08	0.11	0.33	0.78	0.52
Training and recruitment	0.67	0.23	0.59	0.69	0.90	0.61	2.23
Printing and stationery	0.03	0.08	0.02	0.01	0.10	0.13	0.09
Insurance	0.14	0.12	0.11	0.11	0.26	0.30	0.42
Software and other development charges	0.32	0.16	0.14	0.19	0.47	0.30	0.73
Cost of software purchased for delivery to clients	0.88	2.42	0.51	0.16	3.30	3.97	1.51
Travelling	4.21	4.33	3.44	3.46	8.54	3.44	15.28
Advertisement	0.00	0.00	0.01	0.00	0.00	3.00	0.03
Consultancy charges	3.93	3.23	3.07	2.99	7.16	3.67	9.64
Power and fuel	0.85	0.72	0.44	0.60	1.57	0.44	2.06
Conference, exhibition and seminar	0.01	0.00	0.01	-	0.02	0.10	0.01
IT expenses	0.14	0.16	0.06	0.09	0.31	0.23	0.48
Miscellaneous expenses	0.21	0.07	0.06	0.17	0.28	0.06	0.63
	-	-	-	-	-	-	-
	43.31	41.55	29.09	32.16	84.87	61.24	125.11
SCHEDULE 13:							
Selling and marketing expenses							
Salaries and allowances	2.06	2.28	1.37	1.93	4.34	3.30	7.43
Contribution to provident and other funds	0.06	0.06	0.04	0.05	0.12	0.09	0.22
Directors' remuneration (including stock compensation expenses Rs. 1,396,831(Nil))	0.28	0.27	0.22	0.21	0.55	0.43	0.97
Employee's stock compensation expenses	0.01	0.01	-	-	0.02	-	0.03
Staff welfare	0.10	0.08	0.05	0.09	0.18	0.14	0.37
Conveyance	0.07	0.11	0.04	0.06	0.18	0.09	0.29
Communication	0.13	0.12	0.10	0.10	0.26	0.20	0.42
Rent	0.24	0.21	0.11	0.13	0.44	0.24	0.57
Legal and professional	0.14	0.09	0.02	0.03	0.23	0.05	0.25
Repair and maintenance	-	-	-	-	-	-	-
- Building	0.00	0.00	0.00	0.00	0.00	0.00	0.00
- Others	0.01	0.01	0.01	0.01	0.02	0.02	0.04
Training and recruitment	0.03	0.05	0.02	0.03	0.08	0.05	0.08
Printing and stationery	0.09	0.18	0.03	0.01	0.27	0.04	0.13
Insurance	0.01	0.01	0.01	0.01	0.02	0.02	0.03
Travelling	0.69	0.73	0.46	0.50	1.42	0.97	2.75
Advertisement and business promotion	0.29	0.34	0.17	0.30	0.63	0.47	0.86
Power and fuel	0.05	0.04	0.02	0.03	0.09	0.05	0.10
Conference, exhibition and seminar	0.04	0.04	0.04	0.06	0.08	0.10	0.93
IT expenses	0.01	0.01	0.00	0.00	0.02	0.01	0.02
Commission on sales	0.12	0.18	0.49	0.44	0.29	0.93	2.35
Marketing survey expenses	-	-	-	-	-	-	-
Miscellaneous expenses	0.03	0.01	0.01	0.03	0.04	0.04	0.08
	-	-	-	-	-	-	-
	4.45	4.82	3.21	4.01	9.27	7.22	17.93

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 2007 (Rupees Crore)	30 June 2007 (Rupees Crore)	30 June 2006 (Rupees Crore)	30 September 2006 (Rupees Crore)	30 September 2007 (Rupees Crore)	30 September 2006 (Rupees Crore)	31 March 2007 (Rupees Crore)
SCHEDULE 14:							
General and administration expenses							
Salaries and allowances	2.13	2.29	1.28	1.46	4.42	2.74	6.19
Contribution to provident and other funds	0.11	0.09	0.07	0.08	0.20	0.14	0.32
Directors' remuneration (including stock compensation expenses Rs. 698,414 (Nil))	0.22	0.20	0.15	0.16	0.42	0.31	0.70
Employee's stock compensation expenses	0.01	0.02	-	-	0.03	-	0.03
Staff welfare	0.06	0.05	0.03	0.04	0.11	0.07	0.19
Conveyance	0.08	0.07	0.05	0.06	0.15	0.11	0.34
Communication	0.08	0.07	0.03	0.09	0.16	0.12	0.26
Rent,	0.04	0.04	0.03	0.08	0.08	0.11	0.17
Rates and Taxes	0.33	0.06	0.03	0.09	0.39	0.12	0.39
Legal and professional	0.35	0.47	0.45	0.28	0.81	0.74	1.44
Repair and maintenance	-	-	-	-	-	-	-
- Building	0.01	0.00	0.00	0.00	0.01	0.00	0.01
- Others	0.07	0.05	0.04	0.04	0.12	0.08	0.19
Training and recruitment	0.08	0.03	0.02	0.04	0.11	0.06	0.16
Printing and stationery	0.04	0.04	0.05	0.05	0.08	0.10	0.27
Loss on sale of fixed assets (net)	0.01	(0.05)	-	-	(0.04)	-	-
Loss on discarded assets	-	-	-	-	-	-	-
Insurance	0.02	0.02	0.01	0.01	0.04	0.02	0.08
Bank charges	0.10	0.05	0.06	0.06	0.15	0.12	0.29
Travelling	0.04	0.13	0.00	0.04	0.17	0.05	0.23
Advertisement	0.05	0.15	0.00	0.02	0.21	0.02	0.10
Consultancy charges	0.02	0.01	0.02	0.02	0.03	0.04	0.11
Power and fuel	0.08	0.06	0.01	0.04	0.14	0.05	0.13
Conference, exhibition and seminar	0.00	0.01	0.03	0.01	0.01	0.04	0.04
IT expenses	0.01	0.01	0.00	0.01	0.03	0.01	0.04
Bad debts written off	-	-	0.16	-	-	0.16	-
Advances/ other current assets written off	-	-	-	0.03	-	0.03	0.03
Provision for doubtful debts, advances and other current assets	0.28	0.00	0.31	0.02	0.28	0.33	2.39
Provision for Contingency	-	-	-	-	-	-	-
Loss on foreign exchange fluctuation	-	-	-	-	-	-	-
Loss on foreign exchange fluctuation on consolidation (net)	-	-	-	-	-	-	-
Miscellaneous expenses	0.43	0.28	0.17	0.22	0.71	0.39	0.77
	-	-	-	-	-	-	-
	4.65	4.17	3.05	2.93	8.82	5.94	14.87
SCHEDULE 15:							
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Other income							
Dividend received from non-trade investments	0.47	0.25	0.18	0.15	0.72	0.33	1.20
Gain on foreign exchange fluctuation (net)	1.68	(1.31)	-	0.06	0.38	0.06	0.29
Interest on fixed deposit [Gross of tax deducted at source Rs.913,379 (Rs 1,399,539)]	0.03	0.02	0.17	0.03	0.05	0.20	0.23
Profit on sale of investments	0.39	1.95	1.20	0.21	2.34	1.41	2.33
Profit on sale of fixed assets (net)	-	-	0.01	-	-	0.01	0.02
Miscellaneous income	0.58	0.41	0.63	0.43	0.99	1.06	1.45
Gain on foreign exchange fluctuation on consolidation (net)	0.03	0.07	(0.04)	0.15	0.10	0.12	0.10
	-	-	-	-	-	-	-
	3.18	1.39	2.18	1.04	4.57	3.18	5.62