



# **Q3 FY 10**

# **Earnings Conference Call**

# **January 18, 2010**

## **Members of Nucleus Management**

- |                       |                         |
|-----------------------|-------------------------|
| - Mr. Vishnu R Dusad  | Managing Director & CEO |
| - Mr. Niraj Vedwa     | Chief Operating Officer |
| - Mr. Pramod K Sanghi | President Finance & CFO |
| - Mr. Ravi Verma      | President and Head HR   |

## **Conference Call Participants**

- |                       |                      |
|-----------------------|----------------------|
| - Mr. Manik Taneja    | Emkay Global         |
| - Mr. Kunal Bhatia    | Dalal & Broacha      |
| - Mr. Jasdeep Walia   | Kotak Securities     |
| - Mr. Anil            | Core Strategic       |
| - Mr. Kushal Patel    | Anagram Capital      |
| - Mr. Krupal Maniar   | ICICI Securities Ltd |
| - Mr. Nilotpal        | IDFC                 |
| - Mr. Sudhakar Prabhu | Span Capital         |
| - Mr. Vinay Bhandari  | Enam Securities      |

## Nucleus Software Exports Limited

### Gaurav:

Good evening ladies and gentlemen. I am Gaurav, the moderator for this conference. Welcome to the Nucleus Software Exports Limited IR Conference Call. For the duration of the presentation, all participants' lines will be in the listen-only mode. I will be standing by for the question and answer session. I would now like to handover the floor to Ms. Meenakshi Sharma. Thank you and over to you ma'am.

### Meenakshi Sharma:

Thank you Gaurav, and good afternoon ladies and gentlemen. This is Meenakshi Sharma from the Investor Relations team at Nucleus Software. We accord a very warm welcome to all of you to the investor conference call of the Company to discuss the financial results for the quarter and nine months ended December 31, 2009. We have with us today Mr. Vishnu R. Dusad, CEO and Managing Director; Mr. Pramod. K. Sanghi, President Finance and the Chief Financial Officer; Niraj Vedwa, Chief Operating Officer; and Mr. Ravi Verma, President and Head HR. We would commence with the brief comments on the performance of our Company straight from the CEO and MD, and after that, we would be open for the question and answer session. With this, I hand over to Mr. Dusad for his comments.

### Vishnu:

Thank you Meenakshi and good afternoon ladies and gentlemen. It gives me immense pleasure to announce the results of third quarter and nine months' period ended December 31, 2009.

Before starting with numbers, I would like to start by highlighting the fact that despite a dip of Rs. 22.84 crore in our top line for the 9 month period ending December 31, 2009, we have increased the bottom line by Rs. 6.57 crore. This is an indicator of increased productivity through elimination of risk and better use of technology or internal system. We have a long, long way to go in terms of increasing productivity.

Now, first the quarterly numbers,

- **Our consolidated revenue from software products and services** for the quarter is Rs. 68.47 crore against Rs. 84.24 crore on YoY basis
- **Revenue from the product business** for the quarter is at Rs. 39.69 crore, 58% of the total revenue against Rs. 55.70 crore, 66% of the total revenue on YoY basis

Nucleus Software Exports Limited  
Third Quarter and Nine Month Period Ended December 31, 2009

- **Product revenue from own business**, products developed by Nucleus, for the quarter is Rs. 35.96 crore, 53% of the total revenue against Rs. 52.64 crore, 63% of revenue on YoY basis
- **Projects and services business revenue** for the quarter is Rs. 28.78 crore, 42% of total revenue against Rs. 28.54 crore, 34% of the revenue on YoY basis
- **EBITDA** for the quarter is Rs. 12.24 crore against Rs. 15.21 crore on YoY basis
- **Net profit** for the quarter is Rs. 9.20 crore, 13% of revenue against Rs. 10.55 crore, 13% of revenue on YoY basis
- **EPS** is at Rs. 2.84 for the quarter against Rs. 3.26 for the corresponding quarter previous year.
- **For the Nine Month Period, our consolidated revenue from software products and services** is Rs. 219.76 crore against Rs. 242.59 crore
- **Revenue from the product business** for the Nine Month Period is at Rs. 126.07 crore, 57% of the total revenue against Rs. 165.06 crore, 68% of total revenue
- **Product revenue from own business**, product developed by Nucleus, for the Nine Month Period is Rs. 115.25 crore, 52% of the total revenue against Rs. 149.75 crore, 62% of revenue
- **Projects and services business revenue** for the Nine Month Period is Rs. 93.68 crore, 43% of total revenue against Rs. 77.53 crore, 32% of the revenue
- **EBITDA** for Nine Month Period is Rs. 40.22 crore against Rs. 37.80 crore
- **Net profit** for Nine Month Period is Rs. 29.21 crore, 13% of revenue against Rs. 22.66 crore, 9% of revenue
- **EPS** for Nine Month Period is at Rs. 9.02 against Rs. 7.00 for corresponding period previous year.
- **Our total Current investments and bank position** is at Rs. 147 crore as on December 31, 2009 against Rs. 130 crore as at September 30, 2009.
- In terms of **manpower**, we are at 1668 as on December 31, 2009 against 1805 as on September 30, 2009.

Nucleus Software Exports Limited  
Third Quarter and Nine Month Period Ended December 31, 2009

Nucleus Software is heading towards becoming one of the icons of the capabilities of our country in the field of intellectual property creation. Our products are becoming a benchmark across the globe with analyst firms like Gartner and Forrester recognizing Nucleus Software among the leading vendors in lending space. We believe that our technology leadership position in the industry is becoming increasingly clear with 22 order wins in the last nine months. We are very optimistic about the long-term opportunity for Nucleus Software and will continue to deliver value to our customers and boost our market share in Latin America, Europe, Middle East, South East Asia and India.

Now, over to Niraj. Please welcome Niraj who has been appointed Chief Operating Officer on 1<sup>st</sup> of January. He would give you an update on sales, delivery and product management.

**Niraj:**

Thank you Vishnu and good afternoon to everybody, and wish you all a very happy new year. I would be covering sales, marketing, delivery, product management, quality, and IT as part of the overview. With sales and marketing, it has been a fair quarter for us.

This quarter, we won 8 new product orders for 29 modules, taking our 9-month tally to 22 product orders and 78 modules. The slowdown resulted in lower orders, but we have a strong pipeline, and we are looking at an early revival. At the same time, we have offered customers, innovative pricing options in order to help faster decisions. These orders have come from multiple regions, and we have increased our sales presence in Europe and Latin America, and we are confident that we would be able to get some business from these markets. We continue to be optimistic about our business model, and continue to invest in products. The sentiments globally are now improving, and we are seeing this trend with lot of RFP's or Request For Proposals coming in from across the world in the last quarter, and also an increase in the trend of the number of demonstrations that we are doing for our prospective customers. We participated in World Islamic Retail Banking Forum in Dubai, Metrodata Solutions Day in Indonesia, and SME Banking Excellence in Mumbai, in terms of banking event, and number of good leads were generated through these events.

As Vishnu mentioned, Gartner, Forrester continue to recognize Nucleus among the top vendors in lending space. Forrester, recently, has again recognized Nucleus as an industry vertical specialist in their report "Working With Tier Two Offshore Providers". Celent featured Nucleus in the Celent Core Banking Report for medium-sized core banking vendor, and our FinnOne<sup>TM</sup> Forecaster product has been recognized as the loan portfolio management solution by Gartner in their recent report for loan portfolio management. The continued recognition of Nucleus by such reputable research firms shows our leading position in the lending space, and also growing expansion into cash management spectrum. During the quarter, we added three channel partners, and we are in discussion with at least 10 more which are expected to be signed in this quarter.

Nucleus Software Exports Limited  
Third Quarter and Nine Month Period Ended December 31, 2009

also implemented our first end-to-end Islamic product in a leading Middle East Islamic bank. We are working on a number of initiatives on our GMAC relationship and our implementations have been doing extremely well, and we have been getting extremely high voice of customer ratings.

On the process side, we have been working endlessly on improving our processes to give maximum possible benefit to our customers. We are making every effort to have extremely high voice of customer rating for all our implementations through 100% process compliance. The slowdown in the market has given us enough time to work on enhancing our products, and our new upcoming version of FinnOne, the FinnOne Pro, which is built on the latest J2EE technology with SOA principles that will provide customers robustness, and longevity. It will also support multi-country, multi-branch, multi-currency, multi-product, and multi-lingual implementation and is now in the final stages of testing, and we are hopeful of a launch some time in April. We continue to enrich our existing products with newer versions in terms of functionality.

With regard to quality, we are going for CMMI level III Certification, this process was launched in the first week of January, and we are keeping a very tight and close check on all the processes to ensure 100% compliance. That is from my side. I would now handover to Pramod Sanghi to give a finance overview.

**Pramod K Sanghi:**

Good afternoon everyone. Welcome to the conference.

- **On a sequential basis, revenues** are at Rs. 68.47 crore, decline of 3% from Rs. 70.75 crore previous quarter.
- **Product revenue** at Rs. 39.69 crore against Rs. 39.07 crore previous quarter, growth of 1.57%
- **Traded revenue from products** included in this product revenue is Rs. 3.73 crore against Rs. 1.37 crore previous quarter
- **Revenue from own Products is** Rs. 35.96 crore against Rs. 37.70 crore last qtr , decline of 4.62%
- **Revenue from projects and services is** at Rs. 28.78 crore, against Rs. 31.68 crore previous quarter, a decline of 9.15%
- **Cost of delivery** has increased marginally to 67.83% against 67.39% previous quarter. Cost of delivery for the nine month period is 67%, similar to 67% last year.
- **Marketing expenses** are at 8.05% of revenue this quarter, against 8.94 % of revenue previous quarter. In absolute terms, this is Rs. 5.51 crore against Rs. 6.33 crore previous qtr. Marketing expense for the nine month period is 8%, 8.6% of revenue last year.

Nucleus Software Exports Limited  
Third Quarter and Nine Month Period Ended December 31, 2009

- **The G&A expenses** are at 6.25% revenue this quarter, against 6.77% of revenue previous quarter. In absolute terms, this is Rs. 4.28 crore against Rs. 4.79 crore previous qtr. G&A expense for the 9 month period is 6%, 8.57% of revenue last year.
- **Total expenses** in the quarter are at Rs. 56.23 crore, 4% lower than Rs. 58.80 crore previous quarter, and we are moving towards achieving a 10% reduction in overall expense for the year. On a 9 month basis, expense is Rs. 179.54 crore, 12.33% lower than Rs. 204.8 crore in the nine month period last year.
- **Total expenses in the qtr excluding trading related costs** are Rs 53.23 crore against Rs. 57.72 crore in previous quarter, a 7.79 % reduction. On a nine month basis, expense is Rs. 171.35 crore, 11.56 % lower than Rs. 193.75 crore in the 9 month period last year.

Our total expenses in the quarter excluding trading, which is really cost of delivery are Rs. 53.23 crore against Rs. 57.72 crore in previous quarter, a 7.79% reduction. On a nine month basis, expense is Rs. 171.35 crore, 11.56% lower than Rs. 193.57 crore in the 9 month period last year.

- **EBITDA** is at 18% this quarter against 17% previous quarter. For the nine month period, EBITDA is 18.30% against 15.58%
- **Other income** is at Rs. 2.28 crore against Rs. 2.17 crore previous quarter. For the nine month period, Rs. 7.59 crore, against Rs. 11.68 crore.
- **There is a foreign exchange loss** of Rs. 1.66 crore against a gain of Rs. 34 Lakhs previous quarter with a 2.6% appreciation of the Rupee against Dollar. At the same time there is a Rs. 1.03 crore gain on forwards which is part of the revenue stream.

Withholding taxes are nil. **Total taxes including withholding taxes** for the quarter are 9.3% of PBT against 13.7% of PBT last quarter at a group level. Taxes for nine months are 12.27% of PBT.

- **PAT** is Rs.9.20 crore, 13.44 % of revenue against Rs. 9.88 crore, 13.97% of revenue previous quarter.
- In terms of **foreign currency hedges**, we had on Dec 31, USD 8.73 million dollars of forward contracts at an average rate of 47.55 which are designated as highly probable forecast transactions, and there is a mark-to-market gain of about Rs. 60.75 lakhs which is taken to hedging reserve in the balance sheet. We have an old 1.00 million \$ option which is marked to market at Rs. 46.88 in the accounts.

Nucleus Software Exports Limited  
Third Quarter and Nine Month Period Ended December 31, 2009

- **Our total hedge** is USD 9.73 million including an option of US\$ 1 million which is an old option, and this is close to our India receivables which are USD 10.37 million as of Dec 31. The Coverage is same as of date
- With regard to **receivables**, we are running now at Rs. 62 crore against Rs. 75 crore previous quarter and the **DSR** as on 31<sup>st</sup> December is at 78 days.
- **Top 5 clients** revenue is at 69% against 67% last quarter.
- **The order book position** is Rs. 179 crore including Rs. 117 crore of products business and Rs. 62 crore of projects and services business, against Rs. 180 crore last quarter with Rs. 123 crore of products and Rs. 57 crore of services.

**Some details of our bank deposits:**

- We have balances with scheduled banks in India of Rs. 11.97 crore, against Rs. 18.37 crore as at September end.
- We have balances outside India including our subsidiaries of Rs.20.74 crore against Rs. 13.70 crore as at September end.
- We have fixed deposits with Citibank, HDFC Bank, Canara Bank, Bank, Punjab National Bank, ICICI Bank, State Bank of India, Corporation Bank and Bank of India totaling to Rs. 45.41 crore. Against Rs. 66.59 crore as at September end.

We have mutual funds of Rs.67.90 crore against Rs. 30.79 crore in September. The average maturity period is 60 to 90 days of maturity for the entire fund. I will now hand you over to Ravi to take you through the HR related matters.

**Ravi Verma:**

Thank you Pramod and good afternoon everyone. Q3 brought new challenges as IT sector in India started reviving from recession and IT companies are back on hiring spree. Our focus has been to manage all our requirements with the internal resources and their movements, as soon as possible, and improve productivity of the existing teams.

Hiring was selective for skills not available internally, and we continue to take temporary and contract staff for short-term ramp up requirements of the projects. Manpower numbers have therefore been kept under strict control and have reduced from 1805 to 1668, as some of the vacant positions due to employees leaving organization, have been filled internally which I stated earlier. Extensive skill enhancement programs are being conducted for technology and framework knowledge of our products, and we continued our efforts of capturing product knowledge and translating into Computer-Based Trainings (CBT's). This has ensured the building of knowledge repository at the organization level.

Nucleus Software Exports Limited  
Third Quarter and Nine Month Period Ended December 31, 2009

Project management and planning tool developed internally were further enhanced. This tool is helping the projects in proper planning and monitoring productivity of the resources. In addition, the tool is being further enhanced for identifying warning in each phase of the project, thereby providing opportunity for timely action to ensure quality delivery as well.

Employee retention strategies have been worked out for our key resources. Regular communication with Nucleites, open houses and understanding and resolving their concerns has been a major activity over the last quarter. A special interim appraisal for employees was also carried out in December 2009. Attrition levels have increased slightly; however, these are well under control and has no adverse impact on business.

**Meenakshi:**

Thank you Ravi and now we are open to the question and answer session.

**Gaurav:**

We have Anil from Core Strategic.

**Anil:**

Why has the top line reduced so much, all the other software companies have been reporting increasing top lines, so why is the top line down so much?

**Pramod**

If you look at our geographic segments, and you will find that compared to last year, revenues from the Far East region have gone down. With regard to the quarter ended December 2009, we are at Rs. 30 crore against Rs. 42 crore from Japan in the quarter ended December 31, 2008. Therefore if you look at it on a y-o-y basis, you will find that our revenues from Japan have contributed to the fall. We have been unable to make up the shortfall, so we have better revenues happening in Middle East as well as in South East Asia.

**Anil:**

Any guidance for the next quarter?

**Pramod**

We don't give any guidance for revenue.

**Anil:**

Thank you.

Nucleus Software Exports Limited  
Third Quarter and Nine Month Period Ended December 31, 2009

**Gaurav:**

We have Mr. Manik Taneja from Emkay Global.

**Manik:**

Sir just wanted to have the figure for your order book as on Q3 end. And also wanted you to throw some light on some large deals that we have been pursuing and especially given the fact, that we have seen significant pickup in sign up of off shoring deals from the financial services sector, so just your comments on that side would be really helpful. Thank you.

**Pramod**

Order book is Rs. 179 crore as of December 31. Out of this, Rs. 117 crore is Products and Rs. 62 crore of Projects and Services.

**Niraj :**

We are following up some large deals in different geographies and we are actively working towards closure of those deals. We are hopeful of closing the mid-sized deals which are in the range of half a million to one million, a couple of them, in this quarter. The larger ones, we are focusing on two markets, one is Japan and the other one is Europe, and we have some bids having gone in and they are in the decision phase. At least in Europe, some of the bids that we have done in the last 3 months, we have seen an increase in the number of requests for proposals from customers. Also, increase in the number of demos that are happening across, and this is a phenomena across the region, and we are hopeful of much higher conversion in this quarter. We are also hopeful of a higher order book at the end of this quarter.

**Manik:**

Any reduction in terms of sales and marketing expenses going forward from here. I think you have been reducing your sales and marketing expenses.

**Niraj**

No, actually, we are trying to increase our sales and marketing effort, which as Pramod said, is 8%, and we have hired number of people with local culture or local flavor. Like in the last quarter, we had a British person who joined us in our UK sales team, we had a European person who joined us in the European sales team, and we also had a person from the North African market who joined our sales team for those markets. We have added many people, especially direct sales force. So, we are not in any way reducing our sales force. We are also adding on partners, we are spending money on certain events. The fact is that a lot of investment is going into presales, in terms of demos and RFPs, a good indicator that efforts are being increased because of the coverage that we have either through partners or direct sales force. We are getting more requirements

Nucleus Software Exports Limited  
Third Quarter and Nine Month Period Ended December 31, 2009

and more demos are happening in the market, and with the marketing opening up, we are confident that we will be able to do a much higher conversion of product orders.

**Manik:**

So, should we assume that our sales and marketing expenses in absolute figure terms should go up going forward from here, because we have actually seen a reduction in that?

**Niraj**

It will go up in this quarter, and as we move on.

**Manik:**

Sure Sir, thank you.

**Gaurav**

We have Mr. Kunal Bhatia from Dalal & Broacha.

**Kunal:**

Thanks for taking my question. I just missed out on the hedges that you have taken. If you could just give me how was it last year vis-à-vis this year?

**Pramod**

As of now we are running at about total hedge of USD 9.73 million, of which USD 8.73 million is forwards at an average rate of 47.55, and there is a 1 million dollar option which is mark to market at 46.88 which is the figure used for the closing in December. A year ago, we probably would have been at the similar level, but 15 months ago, we would have been higher.

**Kunal:**

Thank you so much.

**Gaurav**

We have Mr. Jasdeep Walia from Kotak Securities.

**Jasdeep:**

I wanted to ask about the ACOM contract, now that contract continued for around two years, so you must have done a lot of implementation at various locations at ACOM. I wanted to find out what is happening to those implementations, were they scrapped or are they continuing right now.

Nucleus Software Exports Limited  
Third Quarter and Nine Month Period Ended December 31, 2009

**Niraj:**

With regard to the ACOM implementation, we have gone live with the ATM switch and the credit card part, and we have about 2,000 ATMs and about 500 plus ACM, which are Automatic Contract Machines. They are live and they are running and we have a support contract for supporting them.

**Jasdeep:**

You mentioned about large deals in Japan. What is the hope of bagging large deals in Japan, and ACOM would have been a big client for you, so what do you have to say on that?

**Niraj:**

First of all, ACOM is not the only implementation that we have. Prior to ACOM, we have implemented at Tokyo Star Bank which is a very large bank also, and we had gone live. We have also implemented at APLUS, which is a subsidiary of Shinsei. And very recently, they acquired the GE portfolio, and we are also implementing there. There was another Company called NCC Mortgages, where we had implemented our solution, but NCC Mortgage later on got acquired by Tokyo Star Bank and they merged together. So, we have multiple implementations. Even with ACOM, we have the credit card part, which is running, so while there could be a temporary issue which we had, we have resolved most of the issues, and we have a number of prospective customers to whom we are talking about. There are multiple implementations that we have done very successfully, even where there has been an issue, partially it has been a very good implementation. So we leveraged our strength and references and we will make sure that we are able to bring in business in Japanese markets because there is a requirement there as number of organizations to replace systems.

**Jasdeep:**

In the ACOM contract, what part of the project had the problem and was not implemented?

**Pramod**

If you remember, we have stated in all our communication till date that we have had a partial cancellation from Japan, without mentioning the name of the client, so we really can't answer questions about specific clients.

**Jasdeep:**

But about this cancellation in Japan, what part of the project was not implemented?

Nucleus Software Exports Limited  
Third Quarter and Nine Month Period Ended December 31, 2009

**Pramod**

The cancellation in Japan, has an impact on our order book, at that point, may be around 8 to 10 million dollars.

**Jasdeep:**

But what part of the project was not implemented.

**Pramod**

What it meant was that of course some products are delivered and installed and some products will not be delivered. That is what the partial cancellation would imply here.

**Jasdeep:**

So, what was not implemented, that is what I am asking?

**Niraj**

Actually, we are guarded by confidentiality on that to disclose the details of what is implemented and what is not implemented, and even the customer name, so it will not be possible for us to give a brief on that.

**Jasdeep:**

Fine, thank you.

**Gaurav:**

We have Mr. Kushal Patel from Anagram Capital.

**Kushal:**

Good afternoon sir. If you look at the numbers reported by Indian IT majors, we can see a clear uptrend in the BFSI segment and especially in the US, so I am wondering why US has a very minimal contribution to your geographical revenue breakup?

**Niraj**

1. We have been in the product area and in the lending area. In US, this area is actually dominated by 5 or 6 players who have existed for a number of years, and almost the entire market is shared between those 5 to 6 players. That has been one reason, that we have not strategically tried to enter that market because the entry cost is very high and then

Nucleus Software Exports Limited  
Third Quarter and Nine Month Period Ended December 31, 2009

there are those extremely large organizations who have been there with a decent set of customers on a hosted model.

2. There was a lot of investment to be done on the product part of it, so that was another call we had to take, we then focused our energies on other markets. And as you have seen that, we have implementations across Japan and South East Asia, Middle East, Africa. Europe and Latin America is what we are targeting. Last to last quarter, we had announced that in the US we are going with a very specific product which is our Cash Management Payments product, and at this stage I can say that we have signed our first customer. It is basically on a hosted transaction based pricing model, and those revenues will come from February onwards, and we are hopeful of more business coming on from the Cash Management Payment product side.

**Kushal:**

Sir, if you take a look at your cash position, it has risen actually to Rs. 147 crore, so I was wondering if any acquisitions or anything is on the cards right now.

**Vishnu:**

See, as far as acquisitions are concerned, we are open to looking at some small acquisitions and if there are any opportunities that are coming our way, we are evaluating that and as and when something interesting happens, we will let you know.

**Kushal:**

Sir, one last question, if you take a look at the product revenue, we normally don't have contract renewals, so only the maintenance cost is what we get every year, so are we trying to focus more on services business where we can get recurring revenue or something.

**Vishnu:**

We have a typical 70:30 or 65:35 kind of a ratio that we have, when we do our business planning, and we will continue with those ratios 65% to 70% revenues coming from products and related services, and 30% to 35% revenues coming from services.

**Kushal:**

Thank you Sir, good luck.

**Gaurav:**

We have Mr. Krupal from ICICI Prudential.

Nucleus Software Exports Limited  
Third Quarter and Nine Month Period Ended December 31, 2009

**Krupal:**

Sir, just would like to know what are the reasons for decline in revenues from the Middle East region?

**Pramod**

There is no particular reason for decline. The only reason is that certain projects are finishing and certain new projects starting off and that is the main reason for the change. Middle East continues to be very strong for us.

**Krupal:**

Sir is it possible that for the next year, we should be growing in line with maybe broad industry range.

**Vishnu:**

We are trying our level best for that.

**Krupal:**

Thanks a lot.

**Gaurav:**

We have Mr. Nilotpal from IDFC.

**Nilotpal:**

I would like to know if the potential liability out of partial cancellation of the Japanese order has been quantified.

**Pramod**

We are close to concluding that discussion, and as we have mentioned in notes, that we do expect it to be resolved positively, and it will be done in January, and we should be able to inform the exchange.

**Nilotpal:**

Any sense on the quantity.

**Pramod**

I did say that we are expecting extremely positive development.

Nucleus Software Exports Limited  
Third Quarter and Nine Month Period Ended December 31, 2009

**Nilotpai:**

Fine, thank you.

**Gaurav:**

We have a follow up question coming from Mr. Kushal Patel of Anagram Capital.

**Kushal:**

Sir, I was just going through the revenue breakup, and if you see the revenue from Far East has gone down by Rs. 60 crore, and the segment profit has doubled from that area, so any extraordinary item was there?

**Pramod**

You are actually, referring to the segment revenue for the standalone Company.

**Kushal:**

Yes, standalone.

**Pramod**

Standalone Company does not give you the full results. You need to look at the consolidated figures which we have given.

**Kushal:**

I just noticed that this is the standalone part.

**Gaurav:**

We have Mr. Sudhakar Prabhu from Span Capital.

**Prabhu:**

When do we see the Company seeing sequential growth in revenue and profit? We have been seeing that over the last 3 to 4 quarters, there is a sequential decline, when do you see the Company having a matured top line?

**Vishnu:**

I think we seemed to have reached the bottom, and we do look forward to a sustained top line growth.

**Prabhu:**

Do you see any inorganic growth opportunities coming forward?

Nucleus Software Exports Limited  
Third Quarter and Nine Month Period Ended December 31, 2009

**Vishnu:**

As I had mentioned to one of the responses earlier, we have started looking at opportunities that come our way, and that we are evaluating them, so as soon as something interesting happens, we will let you know.

**Prabhu:**

Thank you.

**Gaurav:**

We have Mr. Vinay Bhandari from Enam Securities.

**Vinay:**

Which areas would we be looking in terms of acquisition, like in product, product services, or specifically in product and services?

**Pramod**

We would really look at complementary products in the BFSI space, and we may look for services also in the BFSI for acquisition.

**Vinay:**

Thank you.

**Meenakshi**

Thank you everybody for joining us in this call. Now, I would like to hand it over back to Vishnu for closing the call.

**Vishnu:**

I would like to thank all of you for continued interest in Nucleus Software and once again I would like to reassure you that we would continue to build an organization that continues to deliver value to all its customers. Thank you very much.

---