



**Major Highlights:**

- Consolidated revenue increased by 14.8% as compared to corresponding quarter of the previous year.
- Net Profit after Tax increased by 90 % in comparison to corresponding quarter of the previous year
- EPS for the quarter increased to Rs. 3.66 from Rs. 1.95 for the corresponding quarter of the previous year
- Six customers added this quarter, taking the total number to 85.
- Four significant product orders received in the quarter taking product installs to 134 globally.
- Won its first significant deal from Sri Lanka.
- Japan and ASEAN business continues to grow
- Added 2 new business partners
- 2 new products launched – BankOnet for Internet Banking for retail and corporates; Customer Acquisition System for Loans/Mortgages and Cards

**FINANCIAL RESULTS OF NUCLEUS SOFTWARE GROUP (CONSOLIDATED) FOR THE QUARTER ENDED JUNE 30, 2004**

Particulars	Quarter Ended		Year Ended
	June 30, 2004	June 30, 2003	March 31, 2004
	Unaudited	Unaudited	Audited
Income from Software Services and Products	2,085.95	1,817.63	8,009.07
Software Development Expenses	1,367.92	1,237.14	5,088.41
Gross Profit	718.03	580.49	2,920.66
Selling and Marketing Expenses	155.99	183.41	782.08
General and Administration Expenses	137.74	135.27	613.67
Operating Profit before Interest, Depreciation and Withholding Taxes (3-4-5)	424.30	261.81	1,524.91
Interest	-	0.14	0.14
Depreciation	64.45	90.78	324.26
Withholding Taxes	82.23	53.95	328.42

Operating Profit after Interest, Depreciation and Withholding Taxes (6-7-8-9)	277.62	116.94	872.09
Other Income	37.65	26.62	144.31
Profit before Tax	315.27	143.56	1,016.40
Provision for Taxation			
-Current	15.64	17.20	54.30
-Deferred	5.68	(28.07)	(10.49)
Profit after Tax	293.95	154.43	972.59
Paid-up Equity Share Capital	803.29	791.27	803.29
Reserves excluding Revaluation Reserves	-	-	5,982.89
Total Number of Equity Shares	8,031,406	7,911,150	8,031,406
Earnings Per Share (Rs.)			
Basic	3.66	1.95	12.23
Diluted	3.65	1.92	12.22

**AUDITED FINANCIAL RESULTS OF NUCLEUS SOFTWARE EXPORTS LTD. FOR THE QUARTER ENDED JUNE 30, 2004**

Particulars	Rs in		
	Quarter Ended		Year Ended
	June 30, 2004	June 30, 2003	March 31, 2004
	Audited	Audited	Audited
Income from Software Services and Products	1,302.65	1,181.20	5,406.46
Software Development Expenses	824.26	724.99	3,004.22
Gross Profit	478.39	456.21	2,402.24
Selling and Marketing Expenses	86.84	88.11	442.48
General and Administration Expenses	104.56	104.74	455.13
Operating Profit before Interest, Depreciation and Withholding Taxes (3-4-5)	286.99	263.36	1,504.63
Interest	-	0.14	0.14
Depreciation	52.95	76.12	268.51
Withholding Taxes	82.23	53.94	328.42
Operating Profit after Interest, Depreciation and Withholding Taxes (6-7-8-9)	151.81	133.16	907.56
Other Income			
	27.56	33.06	157.02
Profit before Tax	179.37	166.22	1,064.58
Provision for Taxation			
-Current	2.50	15.00	44.35
-Deferred	5.68	(28.07)	(14.65)
Profit after Tax	171.19	179.29	1,034.88
Paid-up Equity Share Capital	803.29	791.27	803.29
Reserves excluding Revaluation Reserves	-	-	5,849.31
Total Number of Equity Shares	8,031,406	7,911,150	8,031,406
Earnings Per Share (Rs.)			
Basic	2.13	2.27	13.02
Diluted	2.11	2.23	13.00
Aggregate of Non-Promoter shareholding			
-Number of Shares	2,628,272	2,333,724	2,628,022
-Percentage of Shareholding	32.72%	29.50%	32.72%

## Segment Reporting

	Quarter Ended June 30, 2004	Quarter Ended June 30,2003	Year Ended March 31,2004
<b>Revenue by Geographical Segment</b>			
India	212.80	370.68	1,266.62
Far East	407.01	474.45	1,660.36
Singapore	498.42	254.08	1,537.98
Others	184.42	81.99	941.50
Total	1,302.65	1,181.20	5,406.46
Less:- Inter Segment Revenue	-	-	-
Net Revenue From Operations	1,302.65	1,181.20	5,406.46
Segment Profit / (Loss) before Tax and Interest			
India	(58.46)	56.96	(16.14)
Far East	68.76	130.24	522.58
Singapore	184.90	69.75	651.38
Others	65.61	17.10	339.84
Total	260.81	274.05	1,497.66
Add:- Other Income	27.56	33.06	157.02
Less:- Interest	-	0.14	0.14
Less:- Other Unallocable Expenditure	109.00	140.75	589.96
Operating Profit before Tax	179.37	166.22	1,064.58
Operating Profit Before Tax	179.37	166.22	1,064.58
Capital Employed (Refer Note 10 below)	6,829.76	5,983.16	6,654.10

Notes: 1) The above quarterly results were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on July 22, 2004.

### 2) Other Information: Nucleus Software Exports Limited

	Quarter Ended June 30, 2004	Quarter Ended June 30, 2003	Year ended March 31, 2004
Staff Cost	523.09	440.04	1963.29
Item exceeding 10% of aggregate expenditure			
Travel Expenditure	225.23	223.08	802.17

3) Final dividend of Rs. 2.50 per share for the financial year ended March 31, 2004 was approved by shareholders in Annual General Meeting held on July 8, 2004 and paid on July 21, 2004.

4) Shareholders approved issue of one share for each equity share held in the Annual General Meeting held on July 8, 2004. The Board of Directors have fixed August 9, 2004 as the record date for entitlement of bonus shares.

5) The Board of Directors at their meeting held on July 22,2004 have allotted 14,000 fully paid up equity shares of Rs.10/- each to employees in pursuance of stock options exercised in July 2004.

6) While there were no investor complaints pending at the beginning of the quarter, 1 investor complaint was received during the current quarter and is in the process of being resolved..

7) VirStra i- Technology Services Limited, a subsidiary Company was incorporated on May 6, 2004 to provide business process management and allied services and to develop and provide software and allied services. The Company has invested Rs. 29.99 lakhs through 2,99,940 fully paid up equity shares of Rs. 10/- each at par in this subsidiary.

8) The Company has utilized funds raised through the preferential issue of equity shares made in June 2001 in accordance with the objects.

- 9) These accounts have been prepared in accordance with applicable Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI).
- 10) Previous quarter/year figures have been regrouped /reclassified, wherever necessary.
- 11) Fixed assets used in the Company's business cannot be specifically identified with any of the reportable segments, as these are used interchangeably between various segments. The Management believes that it is not practicable to provide segment-wise disclosures relating to total assets and liabilities since a meaningful segregation of the available data is not possible.

**Date: July 22, 2004**

**Place: NOIDA**

**By order of the Board**

**Vishnu R Dusad  
Managing Director**