



Major Highlights:

Quarter ended 30th June 2005

- Consolidated revenue increased by 56.96 % as compared to corresponding quarter of the previous year.
- Net Profit after Tax increased by 192.14 % as compared to corresponding quarter of the previous year.
- EPS for the quarter increased to Rs. 5.34 from Rs. 1.83 (adjusted for the 1:1 bonus issue of shares allotted in August 2004) for the corresponding quarter of the previous year

Other Key Information

- 3 customers added this quarter, taking the total number to 99.
- Won 5 new product orders for flagship product FinnOne™ and [Cash@Will™](#)
- Added 57 employees taking the total to 935.

CONSOLIDATED FINANCIAL RESULTS OF NUCLEUS SOFTWARE EXPORTS LIMITED AND SUBSIDIARIES FOR THE QUARTER ENDED JUNE 30, 2005

Particulars	Amt in Rs. lacs		
	Quarter Ended		Year Ended
	June 30, 2005	June 30, 2004	March 31, 2005
	Unaudited	Unaudited	Audited
Income from Software Services			
1 and Products	3,284.34	2,092.50	10,314.09
2 Software Development			
Expenses	1,680.60	1,367.92	5,971.31
3 Gross Profit	1,603.74	724.58	4,342.78
4 Selling and Marketing			
Expenses	292.25	155.99	822.40
5 General and Administration			
Expenses	233.04	132.26	813.54
6 Operating Profit before Interest, Depreciation and Withholding	1,078.45	436.33	2,706.84

Taxes (3-4-5)			
7 Depreciation	125.07	64.45	354.08
8 Withholding Taxes	69.47	82.23	392.20
Operating Profit after Interest, Depreciation and Withholding			
9 Taxes (6-7-8)	883.91	289.65	1,960.56
10 Other Income	62.07	25.62	259.40
11 Profit before Tax	945.98	315.27	2,219.96
12 Provision for Taxation			
-Current	70.72	15.64	130.13
-Fringe Benefit	10.75	-	-
-Deferred	5.78	5.68	14.86
13 Profit after Tax	858.73	293.95	2,074.97
14 Paid-up Equity Share Capital	1,609.23	803.29	1,609.23
15 Reserves excluding Revaluation Reserves	-	-	6,815.37
Earnings Per Share (Rs.)* (Par value Rs.10/- each)			
16 Basic	5.34	1.83	12.90
Diluted	5.33	1.83	12.88
Aggregate of Non-Promoter shareholding (Unaudited)			
-Number of Shares *	5,577,935	5,256,544	5,424,468
-Percentage of Shareholding	34.67%	32.72%	33.71%
* Adjusted for the issue of Bonus Shares in the ratio of 1:1 allotted on August 10, 2004, as per Accounting Standard 20 (AS 20) on Earnings Per Share			

AUDITED FINANCIAL RESULTS OF NUCLEUS SOFTWARE EXPORTS LTD. FOR THE QUARTER ENDED JUNE 30, 2005

Particulars	Quarter Ended		Amt in Rs. lacs
	June 30, 2005	June 30, 2004	Year Ended March 31, 2005
	Audited	Audited	Audited
1 Income from Software Services and Products	2,153.63	1,303.99	6,703.23
2 Software Development Expenses	909.98	824.26	3,505.55
3 Gross Profit	1,243.65	479.73	3,197.68
4 Selling and Marketing Expenses	176.83	86.84	505.01
5 General and Administration Expenses	189.52	99.08	658.31
Operating Profit before Interest, Depreciation and Withholding			
6 Taxes (3-4-5)	877.30	293.81	2,034.36
7 Depreciation	107.22	52.95	304.85
8 Withholding Taxes	51.76	82.23	374.30
Operating Profit after Interest, Depreciation and Withholding			
9 Taxes (6-7-8)	718.32	158.63	1,355.21

10	Other Income	63.49	20.74	310.15
11	Profit before Tax	781.81	179.37	1,665.36
12	Provision for Taxation			
	-Current	41.00	2.50	65.18
	- Fringe Benefit	8.75	-	-
	-Deferred	5.78	5.68	17.34
13	Profit after Tax	726.28	171.19	1,582.84
14	Paid-up Equity Share Capital	1,609.23	803.29	1,609.23
15	Reserves excluding Revaluation Reserves	-	-	6,184.17
16	Earnings Per Share (Rs.)* (Par value Rs.10/- each)			
	Basic	4.51	1.07	9.84
	Diluted	4.50	1.06	9.82
17	Aggregate of Non-Promoter shareholding (Unaudited)			
	-Number of Shares *	5,577,935	5,256,544	5,424,468
	-Percentage of Shareholding	34.67%	32.72%	33.71%

* Adjusted for the issue of Bonus Shares in the ratio of 1:1 allotted on August 10, 2004, as per Accounting Standard 20 (AS 20) on Earnings Per Share

Segment Reporting

	Quarter Ended June 30, 2005	Quarter Ended June 30, 2004	Year Ended March 31, 2005
a) Revenue by Geographical Segment			
India	398.03	212.80	1,137.09
Far East	259.55	407.51	1,833.48
Singapore	719.64	499.04	2,227.06
Europe	399.05	31.99	447.82
Others	377.36	152.65	1,057.78
Total	2,153.63	1,303.99	6,703.23
Less:- Inter Segment Revenue	-	-	-
Net Revenue From Operations	2,153.63	1,303.99	6,703.23
b) Segment Profit / (Loss) before Tax and Interest			
India	100.37	(35.84)	(17.42)
Far East	80.11	62.86	397.94
Singapore	365.64	177.67	970.69
Europe	199.49	8.59	210.18
Others	191.73	54.35	471.56
Total	937.34	267.63	2,032.95
Add:- Other Income	63.49	20.74	310.15
Less:- Other Unallocable Expenditure	219.02	109.00	677.74
Operating Profit before Tax	781.81	179.37	1,665.36

c) Capital Employed (Refer Note 7 below) - - 7,796.65

Other Information (Nucleus Software Exports Limited)

	Quarter Ended June 30, 2005	Quarter Ended June 30, 2004	Year Ended March 31, 2005
Staff Cost	649.91	523.09	2395.95
Items exceeding 10% of aggregate expenditure			
Travel Expenditure	319.74	225.23	1084.55

- Notes: 1) The above results were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on July 17, 2005 and July 18, 2005.
- 2) Final dividend of Rs. 2.50 per share for the financial year ended March 31, 2005 was approved by shareholders in Annual General Meeting held on July 8, 2005 and is currently being processed for payment.
- 3) On July 8, 2005 the Company has allotted 2,000 equity shares of Rs.10/- each in pursuance to the exercise of stock options by certain employees.
- 4) There were 2 investor complaints pending at the beginning of the quarter which were resolved during the quarter. 5 new investor complaints were received and resolved during the current quarter.
- 5) These accounts have been prepared in accordance with applicable Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI).
- 6) Previous period/year figures have been regrouped /reclassified, wherever necessary.
- 7) 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.

By the Order of the Board

Date: July 18, 2005
Place: NOIDA

Vishnu R Dusad
Managing Director



Nucleus Software Exports Ltd.

Consolidated Balance Sheet as at 30 June 2005

	(Unaudited) As at 30 June 2005 (Rupees)	(Unaudited) As at 30 June 2004 (Rupees)	(Audited) As at 31 March 2005 (Rupees)
Sources of funds			
Shareholders' funds			
Share capital	160,923,120	80,329,060	160,923,120
Share application money pending allotment	935,500	405,000	325,000
Reserves and surplus	767,892,761	627,875,641	681,536,943
	<u>929,751,381</u>	<u>708,609,701</u>	<u>842,785,063</u>
Application of funds			
Fixed assets			
Gross block	456,789,336	253,042,130	436,241,317
Less: Accumulated depreciation	(170,760,155)	(144,556,751)	(158,912,213)
Net block	286,029,181	108,485,379	277,329,104
Add: Capital work in progress (including capital advances)	1,842,276	112,728,258	6,546,841
	<u>287,871,457</u>	<u>221,213,637</u>	<u>283,875,945</u>
Investments	557,623,129	335,268,060	487,117,730
Deferred tax asset	1,143,043	2,631,334	1,708,063
Current assets, loans and advances			
Sundry debtors	261,216,263	149,872,261	192,203,388
Cash and bank balances	181,270,092	108,934,602	266,461,406
Loans and advances	40,051,291	28,552,082	36,593,389
Other current assets	46,480,218	30,833,060	27,485,346
	<u>529,017,864</u>	<u>318,192,005</u>	<u>522,743,529</u>
Less: Current liabilities and provisions			
Current liabilities	368,399,881	129,516,540	382,905,304
Provisions	77,504,231	39,372,115	69,754,900
	<u>445,904,112</u>	<u>168,888,655</u>	<u>452,660,204</u>
Net current assets	83,113,752	149,303,350	70,083,325
Miscellaneous expenditure	-	193,320	-
	<u>929,751,381</u>	<u>708,609,701</u>	<u>842,785,063</u>



Nucleus Software Exports Ltd.

Consolidated Profit and Loss Account for the quarter ended 30 June 2005

	(Unaudited) For the quarter ended 30 June 2005 (Rupees)	(Unaudited) For the quarter ended 30 June 2004 (Rupees)	(Audited) For the year ended 31 March 2005 (Rupees)
Sales and services	328,433,980	209,249,744	1,031,408,859
Software development expenses	168,059,677	136,791,716	597,131,248
Gross profit	160,374,303	72,458,028	434,277,612
Selling and marketing expenses	29,225,184	15,598,998	82,240,048
General and administration expenses	23,304,345	13,226,216	81,354,190
Operating profit before finance charges, depreciation and withholding tax	107,844,774	43,632,814	270,683,374
Finance charges			
Depreciation	12,506,633	6,444,736	35,407,537
Withholding taxes charged off	6,947,535	8,222,612	39,220,150
Operating profit after finance charges, depreciation and withholding tax	88,390,607	28,965,466	196,055,687
Other income	6,207,705	2,562,487	25,940,505
Profit before taxation	94,598,311	31,527,952	221,996,192
Provision for income tax - current	7,071,600	1,564,661	12,994,929
- fringe benefit	1,075,000	-	-
- deferred	577,969	568,142	1,485,742
Provision for wealth tax	-	-	18,331
Profit after taxation	85,873,742	29,395,149	207,497,190
Profit available for appropriation			
Profit for the year	85,873,742	29,395,149	207,497,190
Add: Balance brought forward	175,109,779	113,481,458	113,481,459
Total amount available	260,983,521	142,876,607	320,978,649
Final dividend	-	-	40,227,030
Dividend tax	-	51,451	5,641,841
Transferred to general reserve	-	-	100,000,000
Balance carried forward to Balance Sheet	260,983,521	142,825,156	175,109,778

Earnings per share (equity shares, par value Rs. 10 each)

Basic	5.34	1.83	12.90
Diluted	5.33	1.83	12.88

Number of shares used in computing earnings per equity share

Basic	16,084,116	16,062,812	16,082,144
Diluted	16,103,962	16,093,963	16,106,121



Consolidated Segment Information of Nucleus Software Group

REVENUE BY	R s. in lacs					
	Quarter ended				Year ended	
	June 30, 2005	% of Revenue	June 30, 2004	% of Revenue	March 31, 2005	% of Revenue
INDIA	248.02	7.55	212.80	10.17	857.09	8.31
FAR EAST	1260.99	38.39	983.30	46.99	5098.35	49.43
SOUTH EAST ASIA	1201.42	36.58	692.42	33.09	3191.41	30.94
EUROPE/U.K.	399.05	12.15	31.99	1.53	466.99	4.53
USA & CANADA	66.47	2.02	73.16	3.50	216.70	2.10
REST OF THE WORLD	108.39	3.30	98.83	4.72	483.55	4.69
TOTAL	3284.34	100.00	2092.50	100.00	10314.09	100.00

GEOGRAPHICAL SEGMENTS

BUSINESS SEGMENTS

PRODUCTS	1131.60	34.45	408.29	19.51	2641.73	25.61
PROJECTS	1931.86	58.82	1,473.95	70.44	6858.11	66.49
PROFESSIONAL SERVICES	220.88	6.73	210.26	10.05	814.25	7.89
TOTAL	3284.34	100.00	2092.50	100.00	10314.09	100.00