



# Nucleus Software Exports Ltd.

33-35, Thyagraj Nagar Market, Near Lodhi Colony, New Delhi-110003.

Amt. (in Rs. lacs)

## CONSOLIDATED FINANCIAL RESULTS OF NUCLEUS SOFTWARE EXPORTS LTD. AND SUBSIDIARIES FOR THE QUARTER ENDED JUNE 30, 2006

Particulars	Quarter Ended		Year Ended
	June 30, 2006 UNAUDITED	June 30, 2005 UNAUDITED	March 31, 2006 AUDITED
1 Income from Software Services and Products	4,975.99	3,284.34	14,805.18
2 Software Development Expenses	2,908.52	1,680.60	8,050.05
3 Gross Profit	2,067.47	1,603.74	6,755.13
4 Selling and Marketing Expenses	321.07	292.25	1,174.60
5 General and Administration Expenses	304.85	257.93	1,067.61
6 Operating Profit before Interest, Depreciation and Withholding Taxes (3-4-5)	1,441.55	1,053.56	4,512.92
7 Depreciation	144.59	125.07	475.90
8 Withholding Taxes	90.21	69.47	323.76
9 Operating Profit after Interest, Depreciation and Withholding Taxes (6-7-8)	1,206.75	859.02	3,713.26
10 Other Income	218.24	86.96	306.66
11 Profit before Tax	1,424.99	945.98	4,019.92
12 Provision for Taxation			
- Current	67.67	70.72	269.72
- Fringe Benefit	9.00	10.75	42.71
- Deferred	7.65	5.78	14.34
- Earlier year Tax	0.86	-	(15.21)
13 Profit after Tax	1,339.81	858.73	3,708.36
14 Paid-up Equity Share Capital	1,610.63	1,609.23	1,610.63
15 Reserves excluding Revaluation Reserves	-	-	9,940.61
16 Earnings Per Share (Rs.)* (Par value Rs.10/- each)			
Basic	8.32	5.34	23.04
Diluted	8.29	5.33	22.98
17 Aggregate of Non-Promoter shareholding (Unaudited)			
- Number of Shares *	6,167,984	5,577,935	5,812,186
- Percentage of Shareholding	38.30%	34.67%	36.09%

Amt. (in Rs. lacs)

## AUDITED FINANCIAL RESULTS OF NUCLEUS SOFTWARE EXPORTS LTD. FOR THE QUARTER ENDED JUNE 30, 2006

Particulars	Quarter Ended		Year Ended
	June 30, 2006 AUDITED	June 30, 2005 AUDITED	March 31, 2006 AUDITED
1 Income from Software Services and Products	3,136.58	2,153.63	9,436.78
2 Software Development Expenses	1,574.21	909.98	4,337.48
3 Gross Profit	1,562.37	1,243.65	5,099.30
4 Selling and Marketing Expenses	215.84	176.83	730.72
5 General and Administration Expenses	224.70	189.52	785.66
6 Operating Profit before Interest, Depreciation and Withholding Taxes (3-4-5)	1,121.83	877.30	3,582.92
7 Depreciation	114.48	107.22	392.93
8 Withholding Taxes	74.97	51.76	321.14
9 Operating Profit after Interest, Depreciation and Withholding Taxes (6-7-8)	932.38	718.32	2,868.85
10 Other Income	168.14	63.49	252.55
11 Profit before Tax	1,100.52	781.81	3,121.40
12 Provision for Taxation			
- Current	31.00	41.00	192.51
- Fringe Benefit	9.00	8.75	42.71
- Deferred	5.90	5.78	8.59
- Earlier year Tax	0.86	-	(15.21)
13 Profit after Tax	1,053.76	726.28	2,892.80
14 Paid-up Equity Share Capital	1,610.63	1,609.23	1,610.63
15 Reserves excluding Revaluation Reserves	-	-	8,456.13
16 Earnings Per Share (Rs.)* (Par value Rs.10/- each)			
Basic	6.54	4.51	17.97
Diluted	6.52	4.50	17.93
17 Aggregate of Non-Promoter shareholding (Unaudited)			
- Number of Shares *	6,167,984	5,577,935	5,812,186
- Percentage of Shareholding	38.30%	34.67%	36.09%

## Segment Reporting

Amt. (in Rs. lacs)

Particulars	Quarter Ended June 30, 2006	Quarter Ended June 30, 2005	Year Ended March 31, 2006
a) Revenue by Geographical Segment			
India	617.24	398.03	2,079.38
Far East	936.41	259.55	1,620.33
Singapore	347.42	719.64	2,417.21
Europe	413.19	399.05	1,600.25
Others	822.32	377.36	1,719.61
Total	3,136.58	2,153.63	9,436.78
Less:- Inter Segment Revenue	-	-	-
Net Revenue From Operations	3,136.58	2,153.63	9,436.78
b) Segment Profit / (Loss) before Tax and Interest			
India	50.78	100.37	492.82
Far East	377.29	80.11	463.54
Singapore	167.79	365.64	1,172.67
Europe	198.35	199.49	770.85
Others	384.76	191.73	833.98
Total	1,178.97	937.34	3,733.86
Add:- Other Income	168.14	63.49	252.55
Less:- Other Unallocable Expenditure	246.59	219.02	865.01
Operating Profit before Tax	1,100.52	781.81	3,121.40
c) Capital Employed (Refer Note 9 below)	11,056.62	8,533.86	10,074.34

## Other Information (Nucleus Software Exports Limited)

Amt. (in Rs. lacs)

Particulars	Quarter Ended June 30, 2006	Quarter Ended June 30, 2005	Year Ended March 31, 2006
Staff Cost	1,286.40	649.91	3,234.67
Items exceeding 10% of aggregate expenditure			
Travel Expenditure	283.12	319.74	1,261.37

### Notes:

- The above financial statements were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on July 23, 2006 and July 24, 2006. There are no qualifications in the Auditors' report on these financial statements.
- Final dividend of Rs. 3.50 per share (35% on par value of Rs. 10 per share) for the financial year ended March 31, 2006 was approved by shareholders in Annual General Meeting held on July 8, 2006 and the same was paid on July 17, 2006.
- The Company allotted 11,500 fully paid up equity shares of Rs.10/- each to its employees on July 8, 2006 in pursuance of the stock options exercised by certain employees under ESOP Scheme 1999. The Company also granted 25,000 options on May 1, 2006 and 32,000 options on May 27, 2006 to the Non-Executive Directors and eligible employees of the Company respectively under ESOP Scheme (1999) and ESOP Scheme (2002).
- There were nil investor complaints pending at the beginning of the quarter. 6 new investor complaints were received and resolved during the current quarter.
- Effective April 1, 2006, the Company adopted the revised Accounting Standard 15 'Employee Benefits' issued by the Institute of Chartered Accountants of India. Pursuant to the adoption, the transitional obligations of the Company amounted to Rs.99.81 lacs. As required by the Accounting Standard, this obligation has been recorded with the transfer of Rs.99.81 lacs to general reserves.
- Lt. Gen. T. P. Singh (Retd.) and Mr. Sanjiv Sarin, retired by rotation as Directors of the Company and were re-appointed as Directors unanimously by the shareholders at the Annual General Meeting held on July 8, 2006.
- These accounts have been prepared in accordance with applicable Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI).
- Previous period/year figures have been regrouped /reclassified, wherever necessary.
- 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.

For Nucleus Software Exports Ltd.

By order of the Board

Sd/-

VISHNU R. DUSAD

Managing Director

Date: July 24, 2006

Place: NOIDA