

FINANCIAL RESULTS OF NUCLEUS SOFTWARE GROUP (CONSOLIDATED) FOR THE QUARTER AND YEAR ENDED MARCH 31, 2007

Particulars	Rs in lacs				
	Nine Months Ended		Quarter Ended		Year Ended
	December 31, 2006	March 31, 2007	March 31, 2006	March 31, 2007	March 31, 2006
	Unaudited	Unaudited	Unaudited	Audited	Audited
1 Income from Software Services and Products	16,103.02	6,015.71	4,209.16	22,118.73	14,805.18
2 Software Development Expenses	9,292.48	3,218.12	2,183.21	12,510.60	8,050.05
3 Gross Profit	6,810.54	2,797.59	2,025.95	9,608.13	6,755.13
4 Selling and Marketing Expenses	1,275.51	517.46	304.45	1,792.97	1,174.60
5 General and Administration Expenses	923.15	564.10	373.19	1,487.25	1,067.62
Operating Profit before Interest, Depreciation and Withholding Taxes (3-4-5)	4,611.88	1,716.03	1,348.31	6,327.91	4,512.91
7 Depreciation	481.15	206.53	123.90	657.68	475.90
8 Withholding Taxes	342.01	126.06	92.83	468.07	323.78
Operating Profit after Interest, Depreciation and Withholding Taxes (6-7-8)	3,788.72	1,383.44	1,131.58	5,172.16	3,713.25
10 Other Income	477.47	84.65	45.66	562.12	306.66
11 Profit before Tax	4,266.19	1,468.09	1,177.24	5,734.28	4,019.91
12 Provision for Taxation	-	-	-	-	-
-Current	93.37	2.41	84.26	95.78	269.71
-Fringe Benefit	44.94	16.30	13.11	61.24	42.71
-Deferred	7.19	32.37	4.80	35.56	18.34
-Earlier year tax	0.86	22.12	(15.21)	22.98	(15.21)
13 Profit after Tax	4,119.83	1,394.89	1,090.28	5,514.72	3,708.36
14 Paid-up Equity Share Capital	1,611.78	1,616.18	1,610.63	1,616.18	1,610.63
15 Reserves excluding Revaluation Reserves	-	14,903.13	9,940.61	14,903.13	9,940.61
16 Earnings Per Share (Rs.) (Par value Rs.10/- each)					
Basic	25.57	8.65	6.77	34.22	23.04
Diluted	25.46	8.47	6.75	33.85	22.98
17 Aggregate of Non-Promoter shareholding (Unaudited)					
-Number of Shares	6,423,556	6,499,602	5,812,186	6,499,602	5,812,816
-Percentage of Shareholding	39.86%	40.22%	36.09%	40.22%	36.09%

AUDITED FINANCIAL RESULTS OF NUCLEUS SOFTWARE EXPORTS LTD. FOR THE QUARTER AND YEAR ENDED MARCH 31, 2007

Particulars	Rs in lacs				
	Nine Months Ended		Quarter Ended		Year Ended
	December 31, 2006	March 31, 2007	March 31, 2006	March 31, 2007	March 31, 2006
	Audited	Audited	Audited	Audited	Audited
1 Income from Software Services and Products	10,450.56	4,202.49	2,687.92	14,653.05	9,436.78
2 Software Development Expenses	5,403.89	1,949.90	1,175.95	7,353.79	4,337.48
3 Gross Profit	5,046.67	2,252.59	1,511.97	7,299.26	5,099.30
4 Selling and Marketing Expenses	872.01	335.01	195.40	1,207.02	730.72
5 General and Administration Expenses	700.72	458.67	269.30	1,159.39	785.66
Operating Profit before Interest, Depreciation and Withholding Taxes (3-4-5)	3,473.94	1,458.91	1,047.27	4,932.85	3,582.92
7 Depreciation	376.17	143.65	101.36	519.82	392.93
8 Withholding Taxes	341.58	125.91	93.16	467.49	321.14
Operating Profit after Interest, Depreciation and Withholding Taxes (6-7-8)	2,756.19	1,189.35	852.75	3,945.54	2,868.85
10 Other Income	348.99	117.18	84.93	466.17	252.55
11 Profit before Tax	3,105.18	1,306.53	937.68	4,411.71	3,121.40
12 Provision for Taxation	-	-	-	-	-
-Current	18.64	12.00	61.00	30.64	192.51
-Fringe Benefit	44.94	16.30	13.11	61.24	42.71
-Deferred	5.44	23.36	(0.95)	28.80	8.59
-earlier years	0.86	-	(15.21)	0.86	(15.21)
13 Profit after Tax	3,035.30	1,254.87	879.73	4,290.17	2,892.80
14 Paid-up Equity Share Capital	1,611.78	1,616.18	1,610.63	1,616.18	1,610.63
15 Reserves excluding Revaluation Reserves	-	12,156.97	8,456.13	12,156.97	8,456.13
16 Earnings Per Share (Rs.) (Par value Rs.10/- each)					
Basic	18.84	7.79	5.46	26.62	17.97
Diluted	18.76	7.62	5.45	26.33	17.93
17 Aggregate of Non-Promoter shareholding (Unaudited)					
-Number of Shares	6,423,556	6,499,602	5,812,186	6,499,602	5,812,186
-Percentage of Shareholding	39.86%	40.22%	36.09%	40.22%	36.09%

Segment Reporting		Rs. In lacs				
Revenue by Geographical Segment		Nine Months Ended	Quarter Ended	Quarter Ended	Year Ended	Year Ended
		December 31, 2006	March 31, 2007	March 31, 2006	March 31, 2007	March 31, 2006
a)	India	1,719.91	827.93	632.93	2,547.84	2,079.38
	Far East	3,477.85	1,335.88	903.73	4,813.73	1,620.33
	Singapore	972.74	348.19	610.50	1,320.83	2,417.21
	Europe	1,045.48	328.40	424.62	1,373.88	1,600.25
	USA	382.57	84.22	3.96	466.79	10.73
	Others	2,852.01	1,277.87	612.18	4,129.88	1,708.88
	Total	10,450.56	4,202.49	2,687.92	14,653.05	9,436.78
	Less:- Inter Segment Revenue	-	-	-	-	-
	Net Revenue From Operations	10,450.56	4,202.49	2,687.92	14,653.05	9,436.78
b)	Segment Profit / (Loss) before Tax and Interest					
	India	15.69	27.00	84.37	42.69	492.82
	Far East	1,241.19	519.17	175.21	1,760.36	463.54
	Singapore	445.91	168.14	271.34	614.05	1,172.67
	Europe	477.38	158.57	223.51	635.95	770.85
	USA	170.54	40.67	2.11	211.21	6.36
	Others	1,287.03	617.07	319.09	1,904.10	828.62
	Total	3,637.74	1,530.62	1,075.63	5,168.36	3,733.86
	Add:- Other Income	348.99	117.18	84.93	466.17	252.55
	Less:- Other Unallocable Expenditure	881.55	341.27	222.88	1,222.82	865.01
	Operating Profit before Tax	3,105.18	1,306.53	937.68	4,411.71	3,121.40
c)	Capital Employed (Refer Note 11 below)	13,135.92	13,845.28	10,074.34	13,845.28	10,074.34
Other information (Nucleus Software Exports Limited)						
		Nine Months Ended	Quarter Ended	Quarter Ended	Year Ended	Year Ended
		December 31, 2006	March 31, 2007	March 31, 2006	March 31, 2007	March 31, 2006
	Staff Cost	4,583.51	1,642.86	908.00	6,226.37	3,234.67
	Items exceeding 10% of aggregate expenditure					
	Travel Expenditure	937.79	414.59	289.41	1,352.38	1,261.37

NOTES:

1) The above financial statements were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on April 29, 2007 and April 30, 2007. There are no qualifications in the Auditors' report on these financial statements.

2) There were nil investor complaints pending at the beginning of the quarter, 2 new investor complaints were received and resolved during the current quarter and there was no investor complaint pending at the end of quarter.

3) During the year ended March 31, 2007, the Company allotted 55,500 fully paid up equity shares of Rs. 10/- each to its employees in pursuance of the stock options exercised in July 2006 and March 2007. The Company has accelerated the vesting of 43,000 outstanding unvested options, which were due to be vested in the normal course by August, 2007. The Company has also granted 393,360 options to eligible employees and 175,000 options to Non-Executive Directors under various ESOP Schemes during the year. 3300 options granted to Non-Executive Directors were forfeited during the year.

4) The Board of Directors declared an interim dividend of Rs.3.50 per share (35% on an equity share of par value of Rs. 10/-) at the Board meeting held on March 13, 2007 and the same was paid on March 30, 2007.

5) The Board of Directors have recommended issue of Bonus Shares in the ratio of 1:1, i.e one equity share for every one equity share held. The Bonus issue is subject to approval of the Members at the Annual General Meeting.

6) During the quarter the Company has set up a branch office in Sharjah, UAE to address business opportunities in Middle East.

7) Aggregate of Non-promoter shareholding given above as at March 31, 2007 has been computed in terms of revised Clause 35/40A of the Listing Agreement

8) Effective April 1, 2006, the Company adopted the revised Accounting Standards 15 'Employee Benefits' issued by The Institute of Chartered Accountants of India (ICAI). Pursuant to the adoption, the transitional obligations of the Company amounted to Rs.99.81 lacs. As required by the Accounting Standards, this obligation has been recorded with the transfer of Rs.99.81 lacs from General Reserves.

9) Nucleus Software Solutions Pte. Ltd, Singapore; Nucleus Software Inc., USA; Nucleus Software Japan Kabushiki Kaiga, Japan; Nucleus Software (Australia) Pty Ltd., Australia; Nucleus Software (HK) Ltd., Hongkong; Virstra I-Technology Services Ltd., India; and Nucleus Software Netherlands BV, Netherlands are wholly owned subsidiaries and their results are consolidated. These Financial Statements have been prepared in accordance with the principles and procedures for the preparation and presentation of consolidated financial statements as prescribed in the Accounting Standard on consolidated financial statement prescribed by the ICAI.

10) Previous period/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.

For Nucleus Software Exports Ltd.

By order of the Board

Date: April 30, 2007

Place: NOIDA

Vishnu R Dused
Managing Director