



Nucleus Software Reports increase of 28.78% in Revenues for FY 2005

Highlights: Results for year ending March 31, 2005

- Dividend recommended at 25% (Rs. 2.50 per share), on enhanced capital consequent to 1:1 bonus issue made during the year.
- Consolidated revenue from software product and software development services up by 28.78% in comparison to previous year. Consolidated revenue at Rs. 103.14 crore for the year against Rs. 80.09 crore for the previous year. Profits up by 113.34% in comparison to previous year. Profit After Tax (PAT) for the year at Rs. 20.75 crore against Rs 9.73 crore for the previous year.
- Earnings per Share at Rs. 12.90 for the year against Rs. 6.12 (adjusted for the 1:1 bonus issue of shares allotted in August 2004) for the previous year. An increase of 110.78 % over the previous year.
- Won 16 new product orders for 31 module implementation, which will be implemented over 45 countries worldwide.
- Announced signing deals with three major Indian Banks.
- Added 18 new clients worldwide, taking the overall client counts to 97.
- Added 173 new employees, taking the overall strength to 878.
- 10th highest seller in Global Banking Back office.
- Featured amongst the World's Top 10 Core Banking Solutions for the first time.

Highlights: Results for quarter ending March 31, 2005

- Consolidated revenue from software products and software development services up by 36.35% in comparison to the corresponding quarter previous year. Consolidated revenue stood at Rs. 31.02 crore for the quarter against Rs. 22.75 crore for the corresponding quarter previous year.
- Profit up by 96.25% in comparison to the corresponding quarter previous year. Profit After Tax (PAT) for the quarter at 8.54 crore against Rs 4.35 crore for the corresponding quarter previous year.
- Earnings per Share at Rs. 5.31 for Q4 of FY 2004-05 against Rs. 2.74 (adjusted for the 1:1 bonus shares allotted in August 2004) for Q4 of FY 2003-04.

FINANCIAL RESULTS OF NUCLEUS SOFTWARE GROUP (CONSOLIDATED) FOR THE QUARTER AND YEAR ENDED MARCH 31, 2005

Particulars	Quarter Ended		Rs in lacs Year Ended	
	March 31, 2005	March 31, 2004	March 31, 2005	March 31, 2004
	Unaudited	Unaudited	Audited	Audited
1 Income from Software Services and Products	3,102.06	2,274.90	10,314.09	8,009.06
2 Software Development Expenses	1,522.62	1,293.60	5,971.31	5,088.41
3 Gross Profit	1,579.44	981.30	4,342.78	2,920.65
4 Selling and Marketing Expenses	256.56	202.37	822.40	782.08
5 General and Administration Expenses	254.13	185.07	813.54	613.67
6 Operating Profit before Interest, Depreciation and Withholding Taxes (3-4-5)	1,068.75	593.86	2,706.84	1,524.90
7 Interest	-	-	-	0.14
8 Depreciation	100.59	74.45	354.08	324.26
9 Withholding Taxes	104.69	110.74	392.20	328.42
10 Operating Profit after Interest, Depreciation and Withholding Taxes (6-7-8-9)	863.47	408.67	1,960.56	872.08
11 Other Income	56.46	49.19	259.40	144.32
12 Profit before Tax	919.93	457.86	2,219.96	1,016.40
13 Provision for Taxation				
-Current	51.67	12.81	130.13	54.30
-Deferred	14.69	10.13	14.86	(10.49)
14 Profit after Tax	853.57	434.92	2,074.97	972.59
15 Paid-up Equity Share Capital	1,609.23	803.29	1,609.23	803.29
16 Reserves excluding Revaluation Reserves	-	-	6,815.37	5,982.89
17 Earnings Per Share (Rs.)* (Par value Rs.10/- each)				
Basic	5.31	2.74	12.90	6.12
Diluted	5.30	2.73	12.88	6.11
18 Aggregate of Non-Promoter shareholding (Unaudited)				
-Number of Shares *	5,424,468	5,256,044	5,424,468	5,256,044
-Percentage of Shareholding	33.71%	32.72%	33.71%	32.72%

* 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 AND YEAR ENDED MARCH 31, 2005

Particulars	Quarter Ended		Year Ended		
	March 31, 2005	March 31, 2004	March 31, 2005	March 31, 2004	
	Audited	Audited	Audited	Audited	
			Rs in lacs		
1	Income from Software Services and Products	2,217.83	1,674.09	6,703.23	5,406.13
2	Software Development Expenses	873.50	770.61	3,505.55	3,004.22
3	Gross Profit	1,344.33	903.48	3,197.68	2,401.91
4	Selling and Marketing Expenses	152.00	133.70	505.01	442.48
5	General and Administration Expenses	224.87	143.32	658.31	455.13
6	Operating Profit before Interest, Depreciation and Withholding Taxes (3-4-5)	967.46	626.46	2,034.36	1,504.30
7	Interest	-	-	-	0.14
8	Depreciation	90.86	63.91	304.85	268.51
9	Withholding Taxes	86.79	110.74	374.30	328.42
10	Operating Profit after Interest, Depreciation and Withholding Taxes (6-7-8-9)	789.81	451.81	1,355.21	907.23
11	Other Income	66.98	36.98	310.15	157.35
12	Profit before Tax	856.79	488.79	1,665.36	1,064.58
13	Provision for Taxation				
	-Current	39.00	24.35	65.18	44.35
	-Deferred	17.17	5.97	17.34	(14.65)
14	Profit after Tax	800.62	458.47	1,582.84	1,034.88
15	Paid-up Equity Share Capital	1,609.23	803.29	1,609.23	803.29
16	Reserves excluding Revaluation Reserves	-	-	6,184.17	5,849.31
17	Earnings Per Share (Rs.)* (Par value Rs.10/- each)				
	Basic	4.98	2.85	9.84	6.51
	Diluted	4.96	2.84	9.82	6.50
18	Aggregate of Non-Promoter shareholding (Unaudited)				
	-Number of Shares *	5,424,468	5,256,044	5,424,468	5,256,044
	-Percentage of Shareholding	33.71%	32.72%	33.71%	32.72%

* 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

Rs. In lacs
Year Ended
March 31, 2004

Quarter Ended March 31, 2005 Quarter Ended March 31, 2004 Year Ended March 31, 2005

a)	Revenue by Geographical Segment				
	India	416.93	292.23	1,137.09	1,266.62
	Far East	428.57	557.07	1,833.48	1,659.73
	Singapore	703.65	372.47	2,227.06	1,533.16
	Europe	320.11	55.08	447.82	150.31
	Others	348.57	397.24	1,057.78	796.31
	Total	2,217.83	1,674.09	6,703.23	5,406.13
	Less:- Inter Segment Revenue	-	-	-	-
	Net Revenue From Operations	2,217.83	1,674.09	6,703.23	5,406.13
b)	Segment Profit / (Loss) before Tax and Interest				
	India	154.59	(23.04)	(17.42)	(16.14)
	Far East	137.73	179.96	397.94	521.94
	Singapore	368.62	194.37	970.69	646.56
	Europe	164.84	25.96	210.18	53.83
	Others	182.61	207.30	471.56	291.14
	Total	1,008.39	584.55	2,032.95	1,497.33
	Add:- Other Income	66.98	36.98	310.15	157.35
	Less:- Interest	-	-	-	0.14
	Less:- Other Unallocable Expenditure	218.58	132.74	677.74	589.96
	Operating Profit before Tax	856.79	488.79	1,665.36	1,064.58
c)	Capital Employed (Refer Note 9 below)	-	-	7,796.65	6,654.10

Other Information (Nucleus Software Exports Limited)

	Quarter Ended March 31, 2005	Quarter Ended March 31, 2004	Year Ended March 31, 2005	Year Ended March 31, 2004
Staff Cost	641.35	550.79	2395.95	1966.49
Items exceeding 10% of aggregate expenditure				
Travel Expenditure	293.56	187.67	1084.55	802.17

Notes: 1) The above results were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on April 25, 2005 and April 26, 2005.

2) During the current year, the Company has changed its accounting policy relating to revenue recognition of sales of software licenses. Such revenues are now recognised in accordance with percentage completion method as compared to the previous periods where such revenue was recognised at the time of transfer of title of the user license. If the Company had not changed this accounting policy, the revenue from sale of licenses would have been higher by Rs. 66.57 lacs and consequently the profits and as well as reserves would have been higher by the same amount.

3) There was one investor complaint pending at the beginning of the quarter which was resolved during the quarter itself. 5 new investor complaints were received during the current quarter out of which 3 have been resolved and 2 are in the process of being resolved.

4) During the year ended March 31, 2005, the Company allotted 14,000 fully paid up equity shares of Rs. 10/- each to its employees in pursuance of the stock options exercised in July 2004.

5) The Board has proposed, subject to the approval of members at the forthcoming Annual General Meeting, a dividend of Rs. 2.50 per share, on enhanced capital consequent to the 1 : 1 bonus issue made during the year. The dividend payout shall be Rs. 402.27 lacs.

6) The shareholders of the Company had approved a bonus issue of one equity share for every one equity share held in the Annual General meeting held on July 8, 2004. The Bonus Shares were allotted on August 10, 2004 and were admitted for trading.

7) These accounts have been prepared in accordance with applicable Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI).

8) Previous period/year figures have been regrouped /reclassified, wherever necessary.

9) 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 order of the Board

Date: April 26, 2005
Place: NOIDA

Vishnu R Dusad
Managing Director