

Table of Contents

- Financial Highlights.....2
- Letter to the Shareholders.....4

Financial Statements of Nucleus Software Exports Ltd.

- Auditor's Report.....6
- Balance Sheet.....7
- Profit & Loss Account.....8
- Statement of Cash Flow.....9
- Schedules.....10

Consolidated Financial Statements of Nucleus Software Exports Ltd. and its Subsidiaries

- Consolidated Financial Statements.....45
- Management Discussion and Analysis of Financial Condition and Results of Consolidated Operation of Nucleus Software Exports Ltd and its Subsidiary Companies.....48
- Consolidated Bank Balances Detail.....58
- Additional Information to Shareholders.....62
- Consolidated segment Information.....69
- Ratio Analysis.....70

Nucleus Software Exports Limited.

FINANCIAL HIGHLIGHTS

(Rs. in Crore)

Particulars	Consolidated Performance		
	For the Quarter ended		For the Year Ended
	June 30, 2010	June 30, 2009	March 31, 2010
Revenue from Operations	66.14	80.54	291.78
Operating Profit (EBITDA)	4.71	16.01	54.08
Profit after Tax (PAT)	5.29	10.13	38.40
EBITDA as a % of Revenue from Operations	7.12%	19.88%	18.53%
PAT as a % of Revenue from Operations	8.00%	12.58%	13.16%
EPS*	1.63	3.13	11.86
Dividend Per Share	-	-	2.50
Dividend Payout	-	-	8.09
At the end of the Period	As at		
	June 30, 2010	June 30, 2009	For the Year Ended
Share Capital	32.38	32.37	32.37
Reserves and Surplus	242.38	220.18	238.70
Net Worth	274.76	252.55	271.07
Total Assets	275.11	253.29	271.53
Net Fixed Assets	52.10	61.34	54.23
Investments	105.39	26.50	95.90
Current Assets	181.51	239.75	184.73
Cash and Cash Equivalents	181.33	136.82	162.39
Working Capital	113.61	163.23	117.75
Market Capitalisation	424.81	274.82	446.38
No. of Shareholders	17,050	16,771	18,366
No. of Shares (Face Value of Rs. 10.00)	32,382,524	32,370,024	32,370,024

Notes:

Market Capitalisation is calculated by considering the closing market price of the scrip at the close of the year/quarter.

FINANCIAL HIGHLIGHTS

All figures in USD'000 except per share data

	Consolidated Performance		
	For the Quarter ended		For the Year Ended
	June 30, 2010	June 30, 2009	March 31, 2010
For the Period			
Revenue from Operations	14,227	16,514	61,080
Operating Profit (EBITDA)	1,013	3,283	11,321
Profit after Tax (PAT)	1,138	2,077	8,039
EBITDA as a % of Revenue from Operations	7.12%	19.88%	18.53%
PAT as a % of Revenue from Operations	8.00%	12.58%	13.16%
EPS*	0.04	0.06	0.25
Dividend Per Share			0.05
Dividend Payout			1,694
Particulars	As at		
	June 30, 2010	June 30, 2009	For the Year Ended
Share Capital	6,934	6,756	7,179
Reserves and Surplus	51,901	45,957	52,939
Net Worth	58,835	52,713	60,118
Total Assets	58,910	52,868	60,220
Net Fixed Assets	11,156	12,803	12,027
Investments	22,567	5,531	21,269
Current Assets	38,867	50,042	40,969
Cash and Cash Equivalents	38,829	28,558	36,070
Working Capital	24,328	34,070	26,114
Market Capitalisation	90,967	57,362	98,998

Note:

- 1.) Market Capitalisation is calculated by considering the closing market price of the scrip at the close of the year/quarter.
- 2.) While Calculating the figures of group, intergroup transactions have been ignored.
- 3) For the year ended June 30, 2010, the revenue and expenditure items have been translated at an average rate of Rs.46.49 /US\$ against Rs. 48.77/ US\$ for June 30, 2009 and balance-sheet items at the quarter end rate of Rs. 46.70/US \$ against Rs. 47.91/ US\$ for June 30 2009

Letter to the Shareholders

Dear Shareholder,

I am pleased to share with you the performance of your Company for the first quarter of the financial year 2010-11.

In terms of financial performance, consolidated revenue for the quarter was Rs. 66.14 crore against Rs.80.54 crore in the corresponding quarter of the previous year. The decline in revenue is a consequence of the weak order book at the beginning of the quarter. With total expenses at Rs. 61.43 crore in comparison to Rs. 64.53 crore in the corresponding quarter of the previous year, the consolidated EBITDA was Rs. 4.71 crore in comparison to Rs. 16.01 crore in the corresponding quarter of the previous year. Consolidated net profit was Rs. 5.29 crore in comparison to Rs.10.13 crore in the corresponding quarter of the previous year. EPS for the year was Rs. 1.63 against Rs. 3.13 in the corresponding quarter of the previous year.

Final Dividend of Rs. 2.50/- per share (25% on equity share of par value of Rs. 10/-) for the financial year ended March 31, 2010 was approved by the shareholders in Annual General Meeting held on June 24, 2010 and the same was paid subsequently.

The Product business revenue was Rs. 42.95 crore against Rs. 47.31 crore in the corresponding quarter of FY 2009-10. This includes Rs.39.52 crore of product revenue from own business against Rs.41.58 crore in the corresponding quarter of FY 2009-10. The Company continues to focus and invest on development of niche Banking Products.

Operating cash flow after working capital changes was Rs.27.19 crore . Receivables were at Rs. 42.69 crore against Rs. 57.68 crore as on March 31, 2010. The Company continues to enjoy a high level of liquidity. 'Cash and Bank balances' and 'Current Investments' were at Rs. 181.33 crore against Rs. 162.40 crore as on March 31, 2010.

We had a hedging position of US \$ 12.25 million, in June 30, 2010 at an average rate of Rs. 46.27 and we are now covering close to our India receivables. We do not have any options outstanding as on June 30, 2010.

The investments into sales, marketing and new geographies are generating results and we won 15 new product orders to implement 48 modules in 22

countries, during the quarter. One of them is a large order from Europe from one of the top 10 banks to implement the Cash management product in 14 countries. We also added 14 new customers and successfully implemented 6 product modules across the globe, during the quarter. We also added four new channel partners during the quarter. We have been working on improving our project execution capability, quality of work thereby increasing productivity. With all such measures, we expect the delivery revenue to increase with a reduction in the cost of delivery.

The Manpower numbers are at 1558 as on June 30, 2010. We have continued with our focus to manage all our requirements with the internal resource movements as far as possible and improving productivity of the existing teams.

Going forward it is incumbent on us to deliver value to customers and increase shareholder value. We are committed to work extremely hard and manage business far better to achieve our potential. We reiterate our commitment on returning to top line growth and increasing market share. With all the new orders we have won, we are confident of maintaining the Nucleus edge.

We feel grateful and appreciate the hard-work and support of all Nucleites, guidance of our Board Members and well-wishers, support of our customers, business associates and shareholders. We thank all of you and request you to be with us in making this journey of Nucleus Software a very exciting and thrilling one.

Vishnu R Dusad
Chief Executive Officer & Managing Director
Date: August 1, 2010

AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF NUCLEUS SOFTWARE EXPORTS LIMITED

1. We have audited the accompanying Statement of Financial Results ("the Statement") of **NUCLEUS SOFTWARE EXPORTS LIMITED** ("the Company") for the quarter ended 30 June 2010, being submitted by the Company pursuant to Clause 41 of the Listing Agreements with the Stock Exchanges. This Statement has been prepared on the basis of the related interim financial statement, which is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to express an opinion on the Statement, based on our audit of the related interim financial statement, which has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS-25) on Interim Financial Reporting notified under the Companies (Accounting Standards) Rules, 2006 and other accounting principles generally accepted in India.
2. We conducted our audit of the Statement in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement is free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the Statement. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall Statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
 - (i) is presented in accordance with the requirements of Clause 41 of the Listing Agreements with the Stock Exchanges and
 - (ii) gives a true and fair view of the net profit and other financial information of the Company for the quarter ended 30 June 2010.
4. Further, we also report that we have traced from the details furnished by the Management/Registrars, the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding, pledged / encumbered shares and non-encumbered shares of promoter and promoter group shareholders, in terms of Clause 35 of the Listing Agreements and the particulars relating to the undisputed investor complaints.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Registration No. 015125N)

Gurgaon
1 August, 2010

JITENDRA AGARWAL
Partner
(Membership No. 87104)

NUCLEUS SOFTWARE EXPORTS LIMITED

Balance Sheet as at 30 June 2010

	Schedule	As at 30 June 2010 (Rupees)	As at 31 March 2010 (Rupees)
SOURCES OF FUNDS			
Shareholders' funds			
Share capital	1	323,840,240	323,715,240
Advance pursuant to stock option schemes		2,346,520	3,451,740
Reserves and surplus	2	<u>2,112,404,399</u>	<u>2,002,445,835</u>
		<u>2,438,591,159</u>	<u>2,329,612,815</u>
		<u>2,438,591,159</u>	<u>2,329,612,815</u>
APPLICATION OF FUNDS			
Fixed assets			
Gross block	3	891,543,664	889,880,166
Less: Accumulated depreciation		<u>504,598,684</u>	<u>483,922,774</u>
Net block		386,944,980	405,957,392
Investments	4	1,108,088,851	1,003,520,091
Deferred tax asset (refer note 3, schedule 16)		31,367,832	27,847,509
Current assets, loans and advances			
Sundry debtors	5	375,695,561	465,722,111
Cash and bank balances	6	542,071,616	437,777,347
Loans and advances	7	253,792,967	219,066,286
Other current assets	8	<u>279,749,710</u>	<u>277,322,328</u>
		1,451,309,854	1,399,888,072
Less: Current liabilities and provisions			
Current liabilities	9	424,047,569	311,357,140
Provisions	10	<u>115,072,789</u>	<u>196,243,109</u>
		539,120,358	507,600,249
Net current assets		912,189,496	892,287,823
		<u>2,438,591,159</u>	<u>2,329,612,815</u>
Significant accounting policies and notes to the accounts	16		

The schedules referred to above form an integral part of the Balance Sheet

As per our report of even date attached

For **DELOITTE HASKINS & SELLS**

Chartered Accountants
(Registration No. 015125N)

For and on behalf of the Board of Directors

JITENDRA AGARWAL
Partner
Membership No.: 087104

Janki Ballabh
Chairman

Vishnu R Dusad
Managing Director

P K Sanghi
Chief Financial Officer

Poonam Bhasin
Company Secretary

NUCLEUS SOFTWARE EXPORTS LIMITED

Profit and Loss Account for the quarter ended 30 June 2010

	Schedule	For the quarter ended 30 June 2010 (Rupees)	30 June 2009 (Rupees)	For the year ended 31 March 2010 (Rupees)
Sales and services	11	470,684,733	539,348,600	1,941,474,342
Software development expenses [includes prior period expense of Rs. Nil (Rs. 4,566,481; Rs. Nil; Rs. Nil)]	12	328,541,649	333,395,475	1,254,784,873
Gross profit		142,143,084	205,953,125	686,689,469
Selling and marketing expenses	13	49,623,236	39,735,951	141,165,863
General and administration expenses	14	63,541,180	34,057,645	149,532,764
Operating profit before depreciation and withholding tax		28,978,668	132,159,529	395,990,842
Depreciation	3	21,265,751	27,080,588	98,034,005
Withholding taxes charged off		1,210,577	870,332	4,256,080
Operating profit after depreciation and withholding tax		6,502,340	104,208,609	293,700,757
Other income	15	99,846,492	26,594,349	156,306,359
Gain / (loss) on foreign exchange fluctuation (net)		12,725,405	(26,242,047)	(57,101,741)
Profit before taxation		119,074,237	104,560,911	392,905,375
Provision for tax - current income tax		8,600,000	11,400,000	68,274,561
- MAT credit entitlement (refer note 9, schedule16)		-	8,400,000	-
- fringe benefit tax		-	-	332,155
- deferred tax credit (refer note 3, schedule16)		(3,520,323)	(4,620,108)	(13,125,617)
Provision for wealth tax		-	-	61,714
Profit after taxation		113,994,560	89,381,019	337,362,562
Profit amount available for appropriation				
Profit for the period / year		113,994,560	89,381,019	337,362,562
Add: Balance brought forward		1,304,608,153	1,083,451,476	1,083,451,476
Total amount available for appropriation		1,418,602,713	1,172,832,495	1,420,814,038
Proposed dividend		33,134	-	80,925,060
Corporate dividend tax		(13,281,619)	-	1,544,569
Transferred to general reserve		-	-	33,736,256
Balance carried forward to the Balance Sheet		1,431,851,198	1,172,832,495	1,304,608,153
Earnings per equity share (par value Rs. 10 each) (refer note 16, schedule 16)				
Basic		3.52	2.76	10.42
Diluted		3.52	2.75	10.42
Number of shares used in computing earnings per equity share				
Basic		32,379,191	32,370,024	32,370,024
Diluted		32,387,334	32,371,105	32,374,213

Significant accounting policies and notes to the accounts

16

The schedules referred to above form an integral part of the Profit and Loss Account

As per our report of even date attached

For **DELOITTE HASKINS & SELLS**

For and on behalf of the Board of Directors

Chartered Accountants

(Registration No. 015125N)

NUCLEUS SOFTWARE EXPORTS LIMITED
Cash Flow Statement for the quarter ended 30 June 2010

	For the quarter ended 30 June 2010 (Rupees)	For the year ended 31 March 2010 (Rupees)
A. Cash flow from operating activities		
Net profit before tax	119,074,237	392,905,375
Adjustment for:		
Depreciation	21,265,751	98,034,005
Exchange difference on translation of foreign currency accounts	(3,059,700)	22,618,639
Dividend received from non-trade investments	(9,231,611)	(15,466,174)
Dividend received from subsidiary	(80,000,000)	(70,000,000)
Interest on fixed deposits	(7,422,990)	(51,328,624)
Profit on sale of investments	(6,808)	(9,264)
Amortisation of employees stock compensation expenses	(1,973,593)	(4,160,326)
Profit on sale of fixed assets (net)	-	(2,485,655)
Advances and other current assets written off	6,390,709	245,787
Provision for doubtful debts / advances / other current assets	(7,981,344)	12,138,934
Provisions written back	(1,040,706)	(10,777,495)
Provision for diminution in the value of investments	-	16,293,150
Operating profit before working capital changes	36,013,945	388,008,352
Decrease in sundry debtors	105,934,317	22,503,215
Increase in loans and advances	(4,578,313)	(25,817,424)
(Increase) / Decrease in other current assets	(5,639,389)	1,950,295
Increase / (Decrease) in current liabilities and provisions	99,695,223	(6,365,170)
	231,425,783	380,279,268
Income tax paid (net)	(34,222,980)	(70,630,153)
Wealth tax paid	-	(61,714)
Fringe benefit tax paid	-	(472,156)
Net cash from operating activities (A)	197,202,803	309,115,245
B. Cash flow from investing activities		
Purchase of fixed assets/capital work in progress	(2,273,840)	(15,361,291)
Sale of fixed assets	-	3,764,053
Purchase of current investments	(1,412,477,385)	(2,158,513,766)
Proceeds from sale of current investments	1,313,578,433	1,441,826,023
Proceeds from sale of non trade investments	-	-
Investments in shares of subsidiaries	(5,663,000)	(6,823,000)
Loans and advances to subsidiaries (net)	1,456,695	(8,199,823)
Interest on fixed deposits	5,778,633	63,735,291
Income tax paid	(2,525,388)	(17,449,748)
Dividend received from non-trade investments	9,231,611	15,466,174
Dividend received from subsidiary	80,000,000	70,000,000
Net cash from / (used in) investing activities (B)	(12,894,241)	(611,556,087)
C. Cash flow from financing activities		
Dividend paid (including corporate dividend tax)	(80,958,194)	(82,782,000)
Advance pursuant to employee stock option scheme / proceeds from employee stock option exercised	850,000	400,000
Net cash used in financing activities (C)	(80,108,194)	(82,382,000)

NUCLEUS SOFTWARE EXPORTS LIMITED

Schedules forming part of the Balance Sheet

	As at 30 June 2010 (Rupees)	As at 31 March 2010 (Rupees)
SCHEDULE 1:		
SHARE CAPITAL		
Authorised		
40,000,000 (40,000,000) equity shares of Rs.10 each	<u>400,000,000</u>	<u>400,000,000</u>
Issued, subscribed and paid up		
Issued		
32,382,524 (32,372,824) equity shares of Rs.10 each	<u>323,853,240</u>	<u>323,728,240</u>
Subscribed and paid up		
32,382,524 (32,370,024) equity shares of Rs.10 each, fully paid up	323,825,240	323,700,240
Of the above:		
16,185,012 equity shares of Rs.10 each have been issued as bonus shares by capitalisation of securities premium account during the year ended 31 March 2008		
8,045,406 equity shares of Rs. 10 each have been issued as bonus shares by capitalisation of securities premium account during the year ended 31 March 2005		
2,637,050 equity shares of Rs.10 each have been issued as bonus shares by capitalisation of general reserve and securities premium account during the year ended 31 March 2002		
1,452,270 equity shares of Rs.10 each have been issued as bonus shares by capitalisation of general reserve during the year ended 31 March 1995		
Add: 2,800 (2,800) forfeited equity shares pending for reissue	15,000	15,000
	<u>323,840,240</u>	<u>323,715,240</u>
SCHEDULE 2:		
RESERVES AND SURPLUS		
General reserve		
Balance as at 1 April	652,128,115	618,391,859
Add: Transferred from Profit and Loss Account	-	33,736,256
	<u>652,128,115</u>	<u>652,128,115</u>
Securities premium account		
Balance as at 1 April	20,953,189	20,953,189
Add : On conversion of stock options issued to employees	787,500	-
	<u>21,740,689</u>	<u>20,953,189</u>
Capital reserve account		
Balance as at 1 April	5,487,390	2,540,030
Add: Amount forfeited against employees stock option plan	1,042,720	2,947,360
	<u>6,530,110</u>	<u>5,487,390</u>

NUCLEUS SOFTWARE EXPORTS LIMITED										
Schedules forming part of the Balance Sheet										
SCHEDULE 3:										
FIXED ASSETS										(Rupees)
	Gross block			Accumulated depreciation			Net block			
	As at 1 April 2010	Additions	Deductions / adjustments	As at 30 June 2010	As at 1 April 2010	Depreciation for the quarter	Deductions / adjustments	As at 30 June 2010	As at 30 June 2010	As at 31 March 2010
Tangible assets										
Freehold land	3,360,720	-	-	3,360,720	-	-	-	-	3,360,720	3,360,720
Leasehold land	66,395,000	-	-	66,395,000	5,880,293	187,889	-	6,068,182	60,326,818	60,514,707
Leasehold improvements	12,539,955	218,328	-	12,758,283	9,107,036	652,574	-	9,759,610	2,998,673	3,432,919
Buildings	242,275,991	-	-	242,275,991	35,396,513	1,978,389	-	37,374,902	204,901,089	206,879,478
(including office equipment)	141,047,895	88,600	-	141,136,495	95,710,235	4,483,988	-	100,194,223	40,942,272	45,337,660
Computers	222,709,899	332,452	(589,841)	222,452,510	173,141,518	7,986,112	(589,841)	180,537,799	41,914,721	49,568,381
Vehicles	17,180,641	-	-	17,180,641	11,076,811	660,928	-	11,737,739	5,442,902	6,103,830
Furniture and fixtures	46,686,521	152,094	-	46,838,615	37,923,448	1,036,877	-	38,960,325	7,878,290	8,763,073
Intangible assets										
Softwares	137,683,544	1,461,865	-	139,145,409	115,686,920	4,278,994	-	119,965,914	19,179,495	21,996,624
Total	889,880,166	2,253,339	(589,841)	891,543,664	483,922,774	21,265,751	(589,841)	504,598,684	386,944,980	405,957,392
Previous year	885,944,866	13,114,923	(9,179,623)	889,880,166	393,789,994	98,034,005	(7,901,225)	483,922,774	405,957,392	

	As at 30 June 2010 (Rupees)	As at 31 March 2010 (Rupees)
SCHEDULE 4:		
Investments		
Long term investments		
Equity shares - Trade and unquoted		
25,000 (25,000) equity shares of Rs 100 each, fully paid up, in Ujjivan Financial Services Private Limited	2,500,000	2,500,000
	2,500,000	2,500,000
Equity shares in wholly owned subsidiaries - Unquoted		
625,000 (625,000) equity shares of Singapore Dollar 1 each, fully paid up, in Nucleus Software Solutions Pte. Ltd., Singapore, a wholly owned subsidiary	16,319,950	16,319,950
1,000,000 (1,000,000) equity shares of US Dollar 0.35 each, fully paid up, in Nucleus Software Inc., USA, a wholly owned subsidiary	16,293,150	16,293,150
Less: Provision for diminution in value of investment in Nucleus Software Inc., USA	(16,293,150)	(16,293,150)
200 (200) equity shares of Japanese Yen 50,000 each, fully paid up, in Nucleus Software Japan Kabushiki Kaiga, Japan, a wholly owned subsidiary	4,092,262	4,092,262
316,000 (316,000) equity shares of Australian Dollar 1 each, fully paid up, in Nucleus Software (Australia) Pty. Ltd., Australia, a wholly owned subsidiary (refer note 25, schedule16)	-	9,790,955
Less: Provision for diminution in value of investment in Nucleus Software (Australia) Pty. Ltd., Australia	-	(9,790,955)
India, a wholly owned subsidiary [Of the above, 6 (6) equity shares are held by nominees on behalf of the Company]	10,000,000	10,000,000
4,000 (3,000) equity shares of Euro 100 each, fully paid up, in Nucleus Software Netherlands B.V., Netherlands, a wholly owned subsidiary	24,242,000	18,579,000
10,000,000 (10,000,000) equity shares of Rs. 10 each, fully paid up, in Nucleus Software Limited, India a wholly owned subsidiary [Of the above, 6 (6) equity shares are held by nominees on behalf of the Company]	100,000,000	100,000,000
	154,654,212	148,991,212
Current investments		
Investments in bonds and mutual funds - Non trade and unquoted		
Nil (843,889) units of face value of Rs. 100 each of ICICI Prudential Flexible Income Plan - Premium - (D)	-	89,228,309
1,412,677 (Nil) units of face value of Rs. 100 each of ICICI Prudential Liquid Super Plan - Inst - (D)	141,299,138	-
Nil (6,446,666) units of face value of Rs. 10 each of Birla Sun Life Savings Fund-Inst-(D)	-	64,510,501
14,024,037 (Nil) units of face value of Rs. 10 each of Birla Sun Life Cash Plus Fund-Premium-Inst-(D)	140,513,843	-
Nil (7,718,375) units of face value of Rs. 10 each of Fortis Money Plus Plan-Inst-(D)	-	77,207,676
Nil (5,958,385) units of face value of Rs. 10 each of HDFC Cash Management Fund-Treasury Advantage Plan-Whole	-	59,771,541
11,874,788 (Nil) units of face value of Rs. 10 each of HDFC Liquid Premium Plan Fund-(D)	145,582,531	-
Nil (7,898,841) units of face value of Rs. 10 each of JP Morgan India Treasury Fund-Super Inst-(D)	-	79,058,710
Nil (4,475,934) units of face value of Rs. 10 each of Reliance Medium Term Fund - (D)	-	76,518,328
Nil (20,231) units of face value of Rs. 1000 each of Reliance Money Manager Fund-Inst-(D)	-	20,253,632
14,493,985 (Nil) units of face value of Rs. 10 each of Reliance Liquidity Fund-Inst-(D)	145,013,774	-
Nil (9,954,857) units of face value of Rs. 10 each of LICMF Savings Plus Fund-(D)	-	99,548,567
9,160,442 (Nil) units of face value of Rs. 10 each of LICMF Liquid Fund-(D)	100,582,564	-
Nil (9,899,960) units of face value of Rs. 10 each of Kotak Flexi Debt Scheme - Inst. (D)	-	99,469,852

	As at 30 June 2010 (Rupees)	As at 31 March 2010 (Rupees)
SCHEDULE 5:		
Sundry debtors (Unsecured) *		
Debts outstanding for a period exceeding six months		
- Considered good	89,990,660	106,542,229
- Considered doubtful	7,240,112	16,858,700
	<u>97,230,772</u>	<u>123,400,929</u>
Less: Provision for doubtful debts	(7,240,112)	(16,858,700)
	<u>89,990,660</u>	<u>106,542,229</u>
Other debts (considered good)	285,704,901	359,179,882
	<u>375,695,561</u>	<u>465,722,111</u>

* includes debt amounting to Rs. 8,496,048 (Rs. 8,399,626) from Nucleus Software Inc., USA, Rs. 63,645,245 (Rs. 63,968,946) from Nucleus Software Japan Kabushiki Kaiga, Rs. 27,363,986 (Rs. 23,016,437) from Nucleus Software Solutions Pte. Ltd., Singapore, Rs. 923,772 (Rs. 872,270) from Nucleus Software Netherlands B.V., Netherlands and Rs. 3,768,099 (Rs. 4,031,694) from VirStra i -Technology Services Limited, India, being companies under the same management within the meaning of section 370 (1-B) of the Companies Act, 1956.

SCHEDULE 6:

Cash and bank balances (refer note 7, schedule16)

Cash on hand	63,801	81,735
Cheques on hand	-	8,121,930
Balances with scheduled banks:		
- in current accounts	117,380,005	42,097,386
- in fixed deposit accounts*	420,662,013	386,470,013
Balance with non scheduled banks:		
- in current account (Citibank, United Kingdom)	688,966	79,827
[Maximum amount outstanding during the year Rs. 951,205 (Rs. 2,148,871)]		
- in current account (Citibank, U.A.E)	3,276,831	926,456
[Maximum amount outstanding during the year Rs. 4,543,950 (Rs. 4,508,639)]		
	<u>542,071,616</u>	<u>437,777,347</u>

*include fixed deposits amounting to Rs. 7,562,013 (Rs.5,570,013) under lien with bank on account of guarantees issued on behalf of the Company

SCHEDULE 7:

Loans and advances

(Unsecured, considered good)

Advances recoverable in cash or in kind or for value to be received	32,318,024	19,947,737
Loans and advances to subsidiaries*	31,314,849	29,314,849
Security deposits	10,792,207	10,661,857
Mark to Market on Options/Forward contracts (refer note 4, schedule16)	-	10,202,533
Advance income tax [net of provision Rs. 105,987,306 (Rs. 98,787,306)]	104,020,494	73,372,126
Advance fringe benefit tax [net of provision Rs. 24,915,859 (Rs. 24,915,859)]	2,732,275	2,732,275
MAT credit entitlement (refer note 9, schedule16)	42,800,000	45,300,000
Prepaid expenses	29,815,118	27,534,909
	<u>253,792,967</u>	<u>219,066,286</u>

* includes loan amounting to Rs. 31,314,849 (Rs. 29,314,849) to Nucleus Software Limited, [maximum amount outstanding during the year Rs. 31,314,849 (Rs. 29,314,849)], being companies under the same management within the meaning of section 370 (1-B) of the Companies Act, 1956.

SCHEDULE 8:**Other current assets**

Service income accrued but not due [net of provision of Rs. 15,859,397 (Rs. 15,859,397)]*	263,809,384	263,026,359
Interest accrued but not due	15,940,326	14,295,969
	279,749,710	277,322,328

SCHEDULE 9:**Current liabilities**

Sundry creditors *#	291,331,203	207,116,066
Due to subsidiaries	6,348,744	2,892,049
Advances from customers	87,930,653	78,316,833
Mark to Market on Options / Forward contracts (refer note 4, schedule16)	6,076,348	-
Unclaimed dividends	1,463,875	1,467,148
Other liabilities**	30,896,746	17,662,767
Book overdraft	-	3,902,277
	424,047,569	311,357,140

* The Company has no amounts payable to micro, small and medium enterprises as defined in section 7(1) of the Micro, Small and Medium Enterprises Development Act, 2006, to the extent such parties have been identified from the available information.

Includes salary, bonus and incentives payable of Rs. 102,767,543 (Rs. 33,395,239).

** Includes contribution to provident and other funds payable of Rs. 7,616,908 (Rs. 7,740,364).

SCHEDULE 10:**Provisions**

Gratuity	71,431,328	58,763,800
Leave encashment	43,482,237	43,113,406
Proposed dividend	-	80,925,060
Corporate dividend tax	159,224	13,440,843
	115,072,789	196,243,109

	30 June 2010 (Rupees)	30 June 2009 (Rupees)
SCHEDULE 11:		
Sales and services		
Software development services and products		
- Domestic	92,628,397.00	107,852,801
- Overseas	378,056,336.00	431,495,799
	470,684,733	539,348,600
SCHEDULE 12:		
Software development expenses		
Salaries and allowances	203,780,198	209,892,721
Contribution to provident and other funds	10,274,619	12,083,471
Directors' remuneration	2,632,000	2,400,000
Employee's stock compensation expenses (net)	-	154,854
Staff welfare	2,818,668	3,614,183
Conveyance	1,209,003	2,932,058
Communication	2,422,150	2,724,679
Rent	3,526,094	3,966,531
Legal and professional	11,441,682	7,882,429
Repair and maintenance		
- Buildings	144,969	581,730
- Others	3,279,790	2,987,867
Training and recruitment	3,154,317	650,657
Printing and stationery	262,733	404,964
Insurance	1,176,757	707,493
Software and other development charges	27,294,166	20,311,570
Cost of software purchased for delivery to clients	14,126,617	21,398,598
Travelling	30,079,152	31,984,993
Power and fuel	5,697,208	5,786,730
Information technology expenses	3,940,555	2,455,314
Miscellaneous expenses	1,280,971	474,633
	328,541,649	333,395,475
Selling and marketing expenses		
Salaries and allowances	24,841,672	16,735,597
Contribution to provident and other funds	628,946	514,598
Directors' remuneration	2,632,000	2,400,000
Employee's stock compensation expenses (net)	-	12,257
Staff welfare	354,101	334,321
Conveyance	30,097	542,467
Communication	801,282	1,214,324
Rent	1,466,060	1,010,332
Legal and professional	1,793,401	1,547,763
Repair and maintenance		
- Buildings	7,610	30,539
- Others	172,176	156,850
Training and recruitment	332,366	29,880
Printing and stationery	48,070	255,005
Insurance	81,016	29,292
Travelling	8,660,502	7,671,077
Advertisement and business promotion	1,216,256	876,078
Power and fuel	629,754	470,895
Conference, exhibition and seminar	2,069,069	1,209,513
Information technology expenses	271,293	101,688
Commission to channel partners	2,429,571	3,225,411
Miscellaneous expenses	1,157,994	1,368,064
	49,623,236	39,735,951

For the quarter ended
30 June 2010 **30 June 2009**
(Rupees) **(Rupees)**

SCHEDULE 14:

General and administration expenses

Salaries and allowances	25,449,692	19,003,019
Contribution to provident and other funds	1,321,027	1,118,096
Directors' remuneration	1,316,000	1,200,000
Employee's stock compensation expenses (net)	-	13,860
Staff welfare	527,207	468,731
Conveyance	153,537	528,050
Communication	754,002	699,834
Rent	90,000	40,800
Rates and taxes	727,482	1,000,783
Legal and professional	1,807,915	2,081,235
Repair and maintenance		
- Buildings	37,636	151,028
- Others	851,490	775,703
Training and recruitment	714,054	84,777
Printing and stationery	688,265	385,893
Insurance	102,046	99,642
Bank charges	670,305	1,383,747
Travelling	896,177	253,784
Advertisement and business promotion	188,309	62,668
Power and fuel	491,203	525,234
Conference, exhibition and seminar	43,750	30,000
Information technology expenses	341,717	256,238
Advances and other current assets written off	6,390,709	228,978
Provision for doubtful debts /advances / other current assets *	(7,981,344)	2,416,469
Customer claim	26,533,500	-
Provision for diminution in the value of investments	-	-
Miscellaneous expenses	1,426,501	1,249,076
	63,541,180	34,057,645

*Includes bad debts written off Rs. 1,637,244 (Rs. 5,937,802; Rs. 7,995,923) and net of write back of provisions for other current assets/doubtful debts Rs. 9,618,588 (Rs. 11,351,044; Rs. Nil)

SCHEDULE 15:

Other income

Dividend received from non-trade investments	9,231,611	1,655,551
Dividend received from subsidiary	80,000,000	-
Interest on fixed deposits [gross of tax deducted at source Rs. 579,877 (Rs. 1,532,671; Rs. 5,872,682)]	7,422,990	16,351,309
Profit on sale of fixed assets (net)	-	335,100
Profit on sale of investments		
- Current non trade investments	6,808	-
Provisions written back	1,040,706	7,595,244
Reversal of employee's stock compensation expense (net)	1,973,593	
Miscellaneous income	170,784	657,145
	99,846,492	26,594,349

SCHEDULE 16:

Significant accounting policies and notes to the accounts

1. Company Overview

Nucleus Software Exports Ltd. ('Nucleus' or 'the Company') was incorporated on 9 January 1989 in India as a private limited company. It was subsequently converted into a public limited company on 10 October 1994. The Company made an initial public offer in August 1995. As at 30 June 2010, the Company is listed on three stock exchanges in India namely National Stock Exchange, Bombay Stock Exchange and Madras Stock Exchange. The Company has wholly owned subsidiaries in Singapore, USA, Japan, Australia, Hong-Kong, Netherlands and India. The Company's business consists of software product development and marketing and providing support services mainly for corporate business entities in the banking and financial services sector.

2. Significant accounting policies

(i) Basis of preparation

The financial statements are prepared under the historical cost convention on the accrual basis, in accordance with the Indian Generally Accepted Accounting Principles ("GAAP") and mandatory accounting standards as prescribed in the Companies (Accounting Standard) Rules, 2006, the provisions of the Companies Act, 1956 and guidelines issued by the Securities and Exchange Board of India ("SEBI"). The interim financial statements are prepared to conform to the Accounting Standard 25 on 'Interim Financial Reporting' as specified in the Companies (Accounting Standard) Rules, 2006. These financial statements should be read in conjunction with the annual financial statements for the year ended 31 March 2009. Accounting policies have been consistently applied except where a newly issued accounting standard, is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. Management evaluates all recently issued or revised accounting standards on an ongoing basis.

(ii) Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Examples of such estimates include estimates of expected contract costs to be incurred to complete contracts, provision for doubtful debts, future obligations under employee retirement benefit plans and estimated useful life of fixed assets. Actual

results could differ from these estimates. Any changes in estimates are adjusted prospectively.

(iii) Revenue recognition

Revenue from software development services comprises income from time and material and fixed price contracts. Revenue from time and material contracts is recognised as the services are rendered. Revenue from fixed price contracts and sale of license and related customisation and implementation is recognised in accordance with the percentage completion method calculated based on output method. Provision for estimated losses, if any, on uncompleted contracts are recorded in the year in which such losses become certain based on the current estimates.

Revenue from annual technical service contracts is recognised on a pro rata basis over the period in which such services are rendered.

Service income accrued but not due represents revenue recognised on contracts to be billed in the subsequent period, in accordance with terms of the contract.

Profit on sale of investments is recorded on transfer of title from the Company and is determined as the difference between the sales price and the carrying value of the investment. Interest on deployment of surplus funds is recognised using the time-proportion method, based on interest rates implicit in the transaction. Dividend income is recognised when the right to receive the same is established.

(iv) Expenditure

The cost of software purchased for use in software development and services is charged to cost of revenues in the period/year of acquisition. Expenses are accounted for on accrual basis and provisions are made for all known losses and liabilities.

(v) Fixed assets and capital work in progress

Fixed assets are stated at the cost of acquisition including incidental costs related to acquisition and installation. Fixed assets under construction, advances paid towards acquisition of fixed assets and cost of assets not put to use before the period/year end, are disclosed as capital work-in-progress.

(vi) Depreciation

Depreciation on fixed assets, except leasehold land and leasehold improvements, is provided on the straight-line method based on useful lives of respective assets as estimated by the management. Leasehold land is amortised over the period of lease. The leasehold improvements are

amortised over the remaining period of lease or the useful lives of assets, whichever is shorter. Depreciation is charged on a pro-rata basis for assets purchased / sold during the period/year. Assets costing less than Rs. 5,000 are fully depreciated in the period / year of purchase.

The management's estimates of the useful lives of the various fixed assets are as follows:

Tangible asset	Useful life (in years)
Building	30
Plant and machinery (including office equipment)	5
Computers	4
Vehicles	5
Furniture and fixtures	5
Temporary wooden structures (included in furniture and fixtures)	1
Intangible asset	
Software	3

Such rates are higher than the rates specified in Schedule XIV of the Companies Act, 1956.

(vii) Investments

Investments are classified into long term and current investments based on the intent of management at the time of acquisition. Long-term investments including investment in subsidiaries are stated at cost and provision is made to recognise any decline, other than temporary, in the value of such investments. Current investments are stated at the lower of cost and the fair value.

(viii) Research and development

Revenue expenditure incurred on research and development is expensed as incurred. Capital expenditure incurred on research and development is capitalised as fixed assets and depreciated in accordance with the depreciation policy of the Company.

(ix) Foreign exchange transactions

Foreign exchange transactions are recorded at the exchange rates prevailing at the date of transaction. Realised gains and losses on foreign exchange transactions during the period are recognised in the Profit and Loss Account. Monetary assets and monetary liabilities that are determined in foreign

currency are restated at the exchange rate prevalent at the date of Balance Sheet. The resulting difference is recorded in the Profit and Loss Account.

The Company uses foreign exchange forward contracts and options to hedge its exposure for movement in foreign exchange rates. The use of these foreign exchange forward contracts and options reduces the risk or cost to the Company and the Company does not use the foreign exchange forward contracts or options for trading or speculation purposes.

The Company follows Accounting Standard (AS) 30 - "Financial Instruments: Recognition and Measurement" to the extent that the adoption does not conflict with existing mandatory accounting standards and other authoritative pronouncements, Company law and other regulatory requirements.

The Company follows hedge accounting in accordance with principles set out in AS 30. The Company records the gain or loss on effective hedges in the hedging reserve until the transactions are complete. On completion, the gain or loss is transferred to the Profit and Loss Account of that period. To designate a forward contract or option as an effective hedge, management objectively evaluates and evidences with appropriate supporting documents at the inception of each contract whether the contract is effective in achieving offsetting cash flows attributable to the hedged risk. In the absence of a designation as effective hedge, a gain or loss is recognized in the Profit and Loss Account.

(x) Employee stock option based compensation

The excess of market price of underlying equity shares as of the date of the grant of options over the exercise price of the options given to employees under the employee stock option plan is recognised as deferred stock compensation cost and is amortised on graded vesting basis over the vesting period of the options.

(xi) Employee benefits

i) Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages, and bonus etc. are recognised in the Profit and Loss Account in the period in which the employee renders the related service.

ii) Long-term employee benefits

a) Defined contribution plans

The Company deposits the contributions for provident fund to the appropriate government authorities and these contributions are recognised in the Profit and Loss Account in the financial year to which they relate.

b) Defined benefit plans

Gratuity

The Company's gratuity plan is a defined benefit plan. The present value of gratuity obligation under such defined benefit plan is determined based on an actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plans, is based on the market yields on Government securities as at the valuation date having maturity periods approximating to the terms of related obligations. Actuarial gains and losses are recognised immediately in the Profit and Loss Account.

Provisions in respect of gratuity for the interim period are calculated on a year-to-date basis by using the actuarially determined rates at the end of the prior financial year, adjusted by the management's estimates after keeping into consideration events occurring during the interim period.

c) Other long term employee benefits

Benefits under the Company's leave encashment scheme constitute other employee benefits. The liability in respect of leave encashment is provided on the basis of an actuarial valuation done by an independent actuary at the year end. Actuarial gains and losses are recognized immediately in the Profit and Loss Account.

Provisions in respect of leave encashment for the interim period are calculated on a year-to-date basis by using the actuarially determined rates at the end of the prior financial year, adjusted by the management's estimates after keeping into consideration events occurring during the interim period.

(xii) Operating leases

Lease payments under operating lease are recognised as an expense in the Profit and Loss Account on a straight-line basis over the lease term.

(xiii) Earnings per share

Basic earning per share is computed using the weighted average number of equity shares outstanding during the period/year. Diluted earnings per share is computed using the weighted average number of equity and dilutive

equity equivalent shares outstanding during the period/year-end, except where the results would be anti-dilutive.

(xiv) Taxation

Income taxes are computed using the tax effect accounting method, where taxes are accrued in the same period the related revenue and expenses arise. A provision is made for income tax annually based on the tax liability computed after considering tax allowances and exemptions. Provisions are recorded when it is estimated that a liability due to disallowance or other matters is probable. Minimum Alternate Tax ("MAT") paid in accordance to the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal tax after the tax holiday period. Accordingly, it is recognised as an asset in the Balance Sheet when it is probable that the future economic benefit associated with it will flow to the Company and the asset can be measured reliably.

The differences that result between the profit considered for income taxes and the profit as per the financial statements are identified and thereafter a deferred tax asset or deferred tax liability is recorded for timing differences, namely the differences that originate in one accounting period and reverse in another, based on the tax effect of the aggregate amount being considered. The tax effect is calculated on the accumulated timing differences at the end of an accounting period based on prevailing enacted or substantially enacted regulations. Where there are unabsorbed depreciation or carry forward losses, deferred tax assets are recognised only to the extent there is virtual certainty of realisation of such assets. In other situations, deferred tax assets are recognised only to the extent there is reasonable certainty of realisation in future. Such assets are reviewed at each Balance Sheet date and written down or written up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realized. Deferred tax assets or liabilities arising due to timing differences, originating during the tax holiday period and reversing after the tax holiday period are recognised in the period in which the timing difference originate. The income tax provision for the interim period is made based on the best estimate of the average annual tax rate expected to be applicable for the full financial year.

(xv) Impairment of assets

Management periodically assesses using, external and internal sources whether there is an indication that an asset may be impaired. An impairment occurs where the carrying value exceeds the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. The impairment loss to be expensed is determined as the excess of

the carrying amount over the higher of the asset's net sales price or present value as determined above. An impairment loss is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortization, if no impairment loss had been recognized.

(xvi) Contingencies

The Company recognises a provision when there is a present obligation as a result of a past event and it is probable that it would involve an outflow of resources and a reliable estimate can be made of the amount of such obligation. Such provisions are not discounted to their present value and are determined based on the management's estimation of the obligation required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect management's current estimates.

A disclosure for a contingent liability is made where it is more likely than not that a present obligation or possible obligation may result in or involve an outflow of resources. When no present or possible obligation exists and the possibility of an outflow of resources is remote, no disclosure is made.

3. Deferred tax asset / (liability)

Components of net deferred tax asset / (liability):

(Amount in

Rupees)

	As at 30 June 2010	As at 31 March 2010
Deferred tax asset		
Provision for doubtful debts and income accrued	2,343,380	7,562,429
Provision for retirement benefits	39,076,222	32,298,977
	<hr/> 41,419,602	<hr/> 39,861,406
Deferred tax liability		
Difference of depreciation as per Income-tax laws and books of accounts	(10,051,770)	(12,013,897)
Net deferred tax (liability) / asset	<hr/> 31,367,832	<hr/> 27,847,509

4. Forward contract and option in foreign currency

As at 30 June 2010	As at 31 March 2009
---------------------------	----------------------------

Forward contract outstanding		
In USD	9,500,000	7,500,000
Equivalent amount in Rupees	443,650,000	338,175,000
Options contract outstanding		
In USD	-	400,000
Equivalent amount in Rupees	-	18,036,000

As at 30 June 2010, the Company has recorded marked to market loss of Rs. 6,076,348 relating to forward contracts that are designated as effective cash flow hedges with a corresponding credit to hedging reserves. Further as at 30 June 2010, the Company has recorded marked to market loss of Rs. 1,466,000 relating to foreign currency options which do not qualify for hedging and accordingly the loss/gain has been recognized in the Profit and Loss Account.

The Company's exposure in respect of foreign currency denominated assets not hedged as on 30 June 2010 by derivative instruments is as follows:

Current Assets					
As at 30 June 2010			As at 31 March 2010		
Amount in foreign currency		Amount in rupees	Amount in foreign currency		Amount in rupees
USD	11,481,565	535,279,702	USD	13,430,762	614,923,543
EURO	16,198	923,772	EURO	14,432	872,270
AED	67,662	855,922	SGD	714,796	23,016,437
RM	1,134,230	16,264,864	AED	160,654	2,012,258
SGD	822,235	27,363,986	RM	1,474,907	20,352,630
Creditors					
As at 30 June 2010			As at 31 March 2010		
Amount in foreign currency		Amount in rupees	Amount in foreign currency		Amount in rupees
USD	3,724,263	173,926,488	USD	4,349,375	196,728,590
AED	214,053	2,708,314	AED	88,145	1,078,895
SGD	190,768	6,348,744	SGD	89,815	2,892,049
EURO	9,000	513,270	GBP	9,000	576,090
GBP	2,000	140,700			

5. Employees Stock Option Plan ("ESOP")

The Securities and Exchange Board of India ("SEBI") has issued the (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, which is effective for all stock option schemes established after 19 June 1999. In accordance with these Guidelines, the excess of the market price of the underlying equity shares as of the date of the grant of the options over the exercise price of the option, including up-front payments, if any, is to be recognised and amortised on graded vesting basis over the vesting period of the options.

The Company currently has three ESOP schemes, ESOP scheme- 2002 (instituted in 2002), ESOP scheme-2005 (instituted in 2005) and ESOP scheme-2006 (instituted in 2006). These schemes were duly approved by the Board of Directors and Shareholders in their respective meetings. The 2002 scheme provides for the issue of 225,000 options, 2005 scheme for 600,000 options and 2006 scheme for 1,000,000 options to eligible employees. These schemes are administered by the Compensation Committee comprising four members, the majority of whom are independent directors.

Details of options granted/ exercised and forfeited are as follows:

2002 Stock Option Scheme

	Quarter ended 30 June 2010	Quarter ended 30 June 2009	Year ended 31 March 2010
Options outstanding at the beginning of the period	73,300	126,050	126,050
Options granted	-	-	-
Options forfeited	17,500	(6,900)	(52,750)
Options exercised	6,250	-	-
Balance carried forward	49,550	119,150	73,300

2005 Stock Option Scheme

	Quarter ended 30 June 2010	Quarter ended 30 June 2009	Year ended 31 March 2010
Options outstanding at the beginning of the period	85,400	142,000	142,000
Options granted	-	-	-
Options forfeited	36,600	(14,000)	(56,600)
Options exercised	-	-	-

Balance carried forward	48,800	128,000	85,400
-------------------------	--------	---------	--------

2006 Stock Option Scheme

	Quarter ended 30 June 2010	Quarter ended 30 June 2009	Year ended 31 March 2010
Options outstanding at the beginning of the period	107,074	189,860	189,860
Options granted	-	-	40,000
Options forfeited	13,572	-	(128,786)
Options exercised	-	-	-
Balance carried forward	93,502	189,860	101,074

The movement in deferred stock compensation expense during the period/year is as follows:

(Amounts in

Rupees)

	Quarter ended 30 June 2010	Quarter ended 30 June 2009	Year ended 31 March 2010
Balance brought forward	-	1,976,054	19,76,054
Add: Recognised during the period	-	-	-
Less: Amortisation expense*	-	749,531	1,893,895
Less: Reversal due to forfeiture	-	-	82,159
Balance carried forward	-	1,226,523	-

*excluding write back of stock compensation expense of vested options.

6. Managerial Remuneration *

(Amounts in Rupees)

Particular	Quarter ended 30 June 2010*	Quarter ended 30 June 2009*	Year ended 31 March 2010
A. Managing Director			
Salary and perquisites	1,500,000	1,500,000	6,000,000
Contribution to provident and other funds	90,000	90,000	360,000
Commission	3,562,250	3,037,000	12,949,000
Perquisites	137,750	-	551,000
	5,290,000	4,627,000	19,860,000

B. Non Executive Directors			
Commission	1,060,000	863,000	4,000,000
Sitting fees	320,000	600,000	2,080,000
	1,380,000	1,463,000	6,080,000

*Notes:

1. The limits for the purpose of computing managerial remuneration as per Section 349 of the Companies Act, 1956 apply only with reference to the financial year of the Company for the purpose of the Companies Act, 1956, which ends on 31 March 2010.
2. The above remuneration does not include expense towards retirement benefits since the same is based on actuarial valuations carried out for the Company as a whole.

7. Bank Balances

Details of balances as on balance sheet dates with scheduled banks in current accounts:-

(Amount in
Rupees)

Name of Bank	As at 30 June 2010	As at 31 March 2010
Canara Bank	1,911	1,911
Citi Bank	6,001,595	2,048,397
Citi Bank - EEFC accounts in US dollar	43,333,418	33,599,366
DBS Bank	43,594	43,594
HDFC Bank - EEFC accounts in US dollar	1,220,309	235,362
HDFC Bank	38,531,700	2,517,594
HDFC Bank - Unclaimed dividend accounts	1,079,091	1,082,364
HSBC Bank - Unclaimed dividend accounts	389,917	389,917
ICICI Bank	23,635,333	1,076,930
State Bank of India	3,143,137	1,101,951
Total	117,380,005	42,097,386

Details of fixed deposit as on balance sheet dates with scheduled banks :-

(Amount in
Rupees)

Name of Bank	As at 30 June 2010	As at 31 March 2009
HDFC Bank	9,446,013	9,446,013

Canara Bank	9,900,000	26,900,000
Citi Bank	6,716,000	4,724,000
Punjab National Bank	43,900,000	43,900,000
ICICI Bank	29,700,000	29,700,000
State Bank of India	9,900,000	49,800,000
Corporation Bank	53,700,000	73,500,000
Bank of India	59,400,000	59,400,000
State Bank of Hyderabad	89,100,000	89,100,000
State Bank of Travancore	99,000,000	-
State bank of Bikaner and Jaipur	9,900,000	-
Total	420,662,013	386,470,013

Details of balances as on balance sheet dates with non-scheduled banks in current accounts:-

(Amount in Rupees)

Name of Bank	As at 30 June 2010	As at 31 March 2010
Citi Bank, U.A.E	3,276,831	926,456
Citi Bank, United Kingdom	688,966	79,827
Total	3,965,647	1,006,283

None of the directors or their relatives are interested in any of the non-scheduled banks mentioned above.

8. Details of investments purchased and sold during the quarter ended 30 June 2010

Name of the investment	Face value Amount (Rupees)	Purchased during the period		Sold during the period	
		Quantity	Amount (Rupees)	Quantity	Amount (Rupees)
Reliance Liquid Fund-Treasury Plan-Institutional Option-Daily Dividend Option	10	11,024,580	168,537,170	11,024,580	168,537,170
Reliance Liquidity Fund-Daily Dividend Reinvestment Option	10	22,492,662	225,041,331	7,998,676	80,027,557

Reliance Money Manager Fund- Institutional Option- Daily Dividend	1,000	207	206,903	20,437	20,465,291
UTI Treasury Advantage Fund - Institutional Plan (daily Dividend Option) Re-investment	1,000	420	419,905	48,269	48,279,212
UTI Liquid Cash Plan Institutional -Daily Income Option-Re- investment	1,000	51,791	52,798,181	-	-
Birla Sun Life Cash Plus- Institutional Premium- Daily Dividend Reinvestment	10	20,312,384	203,519,935	6,288,347	63,006,092
Birla Sun Life Savings Fund- Institutional-Daily Dividend- Reinvestment	10	6,383,375	63,877,158	12,830,041	128,387,659
HDFC Cash management Fund- Treasury Advantage Plan- Wholesale-Daily Dividend	10	8,552,496	85,794,366	14,510,881	145,565,908
Reliance Medium Term Fund- Daily Dividend Plan	10	2,043,711	34,939,076	6,519,645	111,459,194
HDFC Liquid Fund Premium Plan-Dividend-Daily Reinvest	10	19,625,897	240,609,577	7,751,109	95,027,046
LICMF Saving Plus Fund-Daily Dividend Plan	10	102,180	1,021,802	10,057,037	100,570,369
LICMF Liquid Fund- Dividend Plan	10	9,160,442	100,582,564	-	-
ICICI Prudential Institutional Liquid Plan-Super Institutional Daily Dividend	100	1,452,672	145,299,485	39,995	4,000,347
JP Morgan India Treasury Fund Super Institutional daily Dividend Plan -Reinvest	10	56,074	561,237	7,954,915	79,619,947
JM High Liquidity Fund Institutional Plan-Daily Dividend	10	7,402,553	74,143,228	-	-
ICICI Prudential Flexible Income Plan Premium Daily Dividend	100	46,330	4,898,740	890,219	94,127,308
Kotak Flexi Debt Scheme Institutional-Daily Dividend	10	3,109,497	31,242,672	13,009,457	130,712,524
Kotak Liquid (Institutional)- Daily Dividend	10	2,453,570	30,002,505	2,453,570	30,002,505
Kotak Liquid (Institutional Premium)-Daily Dividend	10	10,690,779	130,727,917	-	-
TFLD TATA Floater Fund-Daily Dividend	10	20,325	203,978	2,019,932	20,271,228

Name of the investment	Face value Amount (Rupees)	Purchased during the period		Sold during the period	
		Quantity	Amount (Rupees)	Quantity	Amount (Rupees)
JM Money Manager Fund Super Plus Plan-Daily Dividend	10	73,983	740,220	7,409,641	74,135,676
TATA Liquid Super High Investment Fund -Daily Dividend	1,000	18,190	20,273,464	-	-
S252 sbnpp Ultra ST Fund Super institutional Dividend Daily	10	18,257	183,249	4,515,592	45,323,000
Fortis Money Plus Institutional Plan Daily Dividend	10	65,208	652,283	7,783,583	77,859,959

Details of investments purchased and sold during the quarter ended 30 June 2009

Name of the investment	Face value Amount (Rupees)	Purchased during the period		Sold during the period	
		Quantity	Amount (Rupees)	Quantity	Amount (Rupees)
HDFC Cash Management Fund-Savings Plan-Daily Dividend	10	5,563	59,168	2,834,032	30,143,895
LICMF Liquid Fund-Dividend	10	3,658,446	40,170,108	1,229,497	13,500,000
ICICI Prudential Institutional Liquid Plan-Super Institutional Daily Dividend	10	2,455,415	24,559,019	1,999,600	20,000,000
HDFC Liquid Fund Premium Plan-Dividend	10	7,802,593	95,658,229	5,709,718	70,000,000
Reliance Liquid Fund-Treasury Plan-Institutional Option-Daily Dividend	10	1,513,951	23,144,074	3,480,764	53,211,130
Reliance Medium Term Fund-Daily Dividend Plan	10	1,478,979	25,283,887	-	-
ICICI Prudential Flexible Income Plan Premium Daily Dividend	10	1,894,062	20,026,863	-	-
UTI Liquid Cash Plan Institutional-Daily Income Option Re-investment	1,000	19,726	20,109,229	-	-

9. Most of the operations of the company are conducted through Software Technology Park ("STP"). Income from STP are tax exempt for 10 years commencing from the fiscal year in which the unit commences software development or 31 March 2011, whichever is earlier.

Pursuant to the change in the Indian Income-tax Act, 1961, the Company has calculated its tax liability after considering Minimum Alternative Tax (MAT). The MAT liability can be carried forward and set off against the future tax liabilities. Accordingly a sum of Rs. 42,800,000; (Rs. 45,300,000) was carried forward and shown under “Loans and advances” in the balance sheet as at 30 June 2010.

10. Segment reporting – Basis of preparation

(i) Segment accounting policies

The Segment reporting policy complies with the accounting policies adopted for preparation and presentation of financial statements of the Company and is in conformity with Accounting Standard-17 on “Segment Reporting”, as specified in the Companies (Accounting Standards) Rules, 2006. The segmentation is based on the Geographies (reportable primary segment) in which the Company operates and internal reporting systems. The secondary segmentation is based on the nature and type of services rendered.

(ii) Composition of reportable segments

The Company operates in five main geographical segments: India, Far East, Singapore, Europe and Middle East.

Income and direct expenses in relation to segments are categorised based on items that are individually identifiable to that segment, while the remainder of the costs are categorised in relation to the associated turnover and/or man months. Certain expenses such as depreciation, which form a significant component of total expenses, are not specifically allocable to specific segments as the underlying services are used interchangeably across geographies. The Company believes that it is not practicable to provide segment disclosures relating to those costs and expenses, and accordingly these expenses are separately disclosed as “unallocated” and directly charged against total income.

Segment assets and liabilities represent the net assets and liabilities of that segment. All the fixed assets of the Company are located in India. These have not been identified to any of the reportable segments, as these are used interchangeably between segments and across geographies. Other items which are not directly attributable to any particular segment and which cannot be reasonably allocated to various segments are consolidated under “Unallocated” head.

Information in respect of primary segment

The profit and loss for reportable primary segment is set out below:

For the quarter ended 30 June 2010

	(Amount in Rupees)						
Description	India	Far East	Singapore	Europe	Middle East	Others	Total
Revenue from external customers	92,628,397	159,880,157	29,578,984	47,691,944	72,663,368	68,241,883	470,684,733
Expenses	108,127,969	94,970,866	28,577,907	25,966,993	92,677,782	42,959,719	393,281,236
Segment result	(15,499,572)	64,909,291	1,001,077	21,724,951	(20,014,414)	25,282,164	77,403,497
Unallocated corporate expenditure							70,901,158
Operating profit before taxation							6,502,339
Other income							99,846,492
Foreign exchange gain /(loss)							12,725,405
Profit before tax							119,074,236
Provision for taxation							
- current income tax							8,600,000
- MAT credit entitlement							-
- fringe benefit tax							-
- deferred tax							(3,520,323)
- income tax for earlier years							-
Provision for wealth tax							-
Net profit after taxation							113,994,559

For the quarter ended 30 June 2009

	(Amounts in Rupees)						
Description	India	Far East	Singapore	Europe	Middle East	Others	Total
Revenue from external customers	107,852,553	130,618,301	56,903,790	37,508,241	138,921,577	67,544,138	539,348,600
Expenses	102,432,139	100,720,735	37,154,075	18,607,778	74,701,010	34,534,590	368,150,327
Segment result	5,420,414	29,897,566	19,749,715	18,900,463	64,220,568	33,009,548	171,198,273
Unallocated corporate expenditure							66,989,664
Operating profit before taxation							104,208,609
Other income							26,594,349
Foreign exchange gain /(loss)							(26,242,047)
Profit before tax							104,560,912
Provision for taxation							
- current income tax							11,400,000

- MAT credit entitlement	8,400,000
- fringe benefit tax	-
- deferred tax charge / (credit)	(4,620,108)
- income tax for earlier years	-
Provision for wealth tax	-
Net profit after taxation	89,381,020

For the year ended 31 March 2010

(Amount in Rupees)

Description	India	Far East	Singapore	Europe	Middle East	Others	Total
Revenue from external customers	383,007,216	606,326,481	152,923,551	169,024,262	378,946,954	251,245,878	1,941,474,342
Expenses	366,852,262	380,625,969	114,283,252	84,694,977	259,366,253	163,595,844	1,369,418,557
Segment result	16,154,954	225,700,512	38,640,299	84,329,285	119,580,701	87,650,034	572,055,785
Unallocated corporate expenditure							278,355,028
Operating profit before taxation							293,700,757
Other income							156,306,359
Foreign exchange gain / (loss)							(57,101,741)
Profit before tax							392,905,375
Provision for taxation							
- current income tax							68,274,561
- MAT credit entitlement							-
- fringe benefit tax							332,155
- deferred tax							(13,125,617)
Provision for wealth tax							61,714
Net profit after taxation							337,362,562

Assets and liabilities of reportable primary segment are as follows:

As at 31 June 2010

(Amounts in Rupees)

Description	India	Far East	Singapore	Europe	Middle East	Others	Total
Segment assets	109,502,272	256,827,821	27,408,937	40,919,894	129,505,568	106,655,301	670,819,794

Unallocated corporate assets							2,306,891,723
Total assets							2,977,711,516
Segment liabilities	114,470,620	155,528,200	29,007,024	26,601,107	77,139,338	61,041,491	463,787,780
Unallocated corporate liabilities							75,332,578
Total liabilities							539,120,358
Capital employed							2,438,591,158

As at 31 March 2010

(Amount in Rupees)

Description	India	Far East	Singapore	Europe	Middle East	Others	Total
Segment assets	88,518,047	344,648,155	25,539,382	42,331,244	125,171,231	102,540,411	728,748,470
Unallocated corporate assets							2,108,464,594
Total assets							2,837,213,064
Segment liabilities	77,778,048	144,053,506	14,650,347	13,195,119	65,015,481	42,483,455	357,175,955
Unallocated corporate liabilities							150,424,294
Total liabilities							507,600,249
Capital employed							2,329,612,815

A listing of capital expenditure, depreciation and other non-cash expenditure of the reportable primary segment are set out below:

For the quarter ended 30 June 2010

(Amount in Rupees)

Description	India	Far East	Singapore	Europe	Middle East	Others	Total
Capital expenditure (unallocated)							2,253,339
Total capital							2,253,339

expenditure							
Depreciation expenditure (unallocated)							21,265,751
Total depreciation							21,265,751
Segment non-cash expense other than depreciation	(630,019)	(515,440)	(178,030)	(157,684)	(1,058,864)	(1,024,191)	(3,564,228)
Total non cash expenditure other than depreciation	(630,019)	(515,440)	(178,030)	(157,684)	(1,058,864)	(1,024,191)	(3,564,228)

For the quarter ended 30 June 2009

(Amount in Rupees)

Description	India	Far East	Singapore	Europe	Middle East	Others	Total
Capital expenditure (unallocated)							800,656
Total capital expenditure							800,656
Depreciation expenditure (unallocated)							27,080,588
Total depreciation							27,080,588
Segment non-cash expense other than depreciation	1,193,682	63,419	10,377	6,889	540,648	782,425	2,597,440
Total non cash expenditure other than depreciation	1,193,682	63,419	10,377	6,889	540,648	782,425	2,597,440

For the year ended 31 March 2010

(Amount in Rupees)

Description	India	Far East	Singapore	Europe	Middle East	Others	Total
Capital expenditure (unallocated)							12,195,690
Total capital expenditure							12,195,690
Depreciation expenditure (unallocated)							98,034,005
Total depreciation							98,034,005
Segment non-cash expense other than depreciation	816,443	(1,143,954)	(349,457)	(329,829)	(2,132,873)	11,135,086	7,995,416
Total non cash expenditure other than depreciation	816,443	(1,143,954)	(349,457)	(329,829)	(2,132,873)	11,135,086	7,995,416

b) Information in respect of secondary segment**i) Information for business segments****For the quarter ended 30 June 2010****(Amounts in Rupees)**

Description	Products	Software projects and services	Total
Revenue	405,745,861	64,938,872	470,684,733
Carrying amount of segment assets	578,268,926	92,550,868	670,819,794

For the quarter ended 30 June 2009**(Amounts in Rupees)**

Description	Products	Software projects and services	Total
Revenue	421,988,292	117,360,308	539,348,600
Carrying amount of segment assets	618,640,581	172,051,809	790,692,390

For the year ended 31 March 2010**(Amounts in Rupees)**

Description	Products	Software projects and services	Total
Revenue	1,558,253,477	383,220,865	1,941,474,342
Carrying amount of segment assets	626,835,436	101,913,034	728,748,470

11. Related party transactions

a) List of related parties – where control exists

Wholly owned subsidiary companies

- Nucleus Software Solutions Pte Ltd, Singapore
- Nucleus Software Japan Kabushiki Kaiga, Japan
- Nucleus Software Inc., USA
- Nucleus Software (Australia) Pty Ltd., Australia
- VirStra i -Technology Services Limited, India
- Nucleus Software Netherlands B.V, Netherlands
- Nucleus Software Limited, India (incorporated on 21 April 2008)

Other subsidiary company (wholly owned subsidiary of VirStra i Technology Services Limited)

- VirStra i -Technology (Singapore) Pte Ltd., Singapore

Other related parties:

Key managerial personnel:

- Vishnu R Dusad (Managing director)

Transactions with related parties

(Amount in
Rupees)

		Quarter ended 30 June 2010	Quarter ended 30 June 2009	Year ended 31 March 2010
i	Software development, services and products			
	-Nucleus Software Japan Kabusi Kaiga	32,074,362	25,445,860	111,600,927
	-Nucleus Software Solutions Pte Ltd.	20,230,360	45,332,434	110,397,567
	- Others	3,750,000	3,750,000	15,000,000
ii	Other income			
	<i>Dividend income</i>			
	-VirStra i -Technology Services Limite	80,000,000	-	70,000,000
	<i>Others</i>			
	-VirStra i -Technology Services Limite	40,170	386,111	595,793
iii	Managerial remuneration			
	-Vishnu R Dusad (Managing director	5,290,000	4,627,000	19,860,000
iv	Reimbursement of expenses			
	<i>From wholly owned subsidiary companie</i>			
	-VirStra i -Technology Services Limite	45,472	649,462	801,017
	-Nucleus Software Solutions Pte Ltd	3,243,716	3,335,373	14,108,123
	-Nucleus Software Japan Kabushiki Kaiga	194,411	126,630	550,251
	-Nucleus Software Inc.	-	34,400	34,400
	-Nucleus Software Netherlands B.V	110,965	16,545	386,232
	<i>To wholly owned subsidiary companies:</i>			
	-Nucleus Software Solutions Pte Ltd.	418,065	1,054,088	2,442,865
	-Nucleus Software Japan Kabushiki Kaiga	12,145	258,738	2,333,221
v	Cost of services hired			
	-Nucleus Software Solutions Pte Ltd.	332,590	4,224,024	11,314,212
vi	Software and Other Development Charges			
	<i>To wholly owned subsidiary companies:</i>			

	-Nucleus Software Solutions Pte Ltd.	-	677,952	7,709,952
vii	Commission paid			
	<i>To wholly owned subsidiary company</i>			
	-Nucleus Software Inc.	-	1,335,280	1,335,280
viii	Loans and advances			
	<i>Given to wholly owned subsidiary compa</i>			
	-Nucleus Software Limited	2,000,000	500,000	4,200,000
ix	Investments			
	-Nucleus Software Netherlands B.V	5,663,000	-	6,823,000

b) Outstanding balances as at period/ year end

(Amount in Rupees)

		As at 30 June 2010	As at 31 March 2010
i	Loans and advances		
	<i>To wholly owned subsidiaries</i>		
	-Nucleus Software Limited	31,314,849	29,314,849
ii	Debtors		
	<i>Wholly owned subsidiaries</i>		
	-Nucleus Software Japan Kabushiki Kaiga	63,645,245	63,968,946
	-Nucleus Software Solutions Pte Ltd.	27,363,986	23,016,437
	-VirStrai Technology Services Limited	3,768,099	4,031,694
	-Nucleus Software Inc.	8,496,048	8,399,626
	-Nucleus Software Netherlands B.V	923,772	872,270
iii	Sundry creditors		
	<i>Due to wholly owned subsidiaries</i>		
	-Nucleus Software Solutions Pte Ltd.	6,348,744	2,892,049
iv	Investment in subsidiaries	Refer Schedule 4 of financial statements	

12. Legal and professional (includes payment to auditors)*

(Amounts in Rupees)

	Quarter ended 30 June 2010	Quarter ended 30 June 2009	Year ended 31 March 2010
Audit fees	475,000	375,000	1,500,000
Other services	-	240,000	408,561
Out of pocket expenses	45,000	30,000	135,000
Total	520,000	645,000	2,043,561

*excluding service tax

13. CIF value of imports

(Amounts in Rupees)

	Quarter ended 30 June 2010	Quarter ended 30 June 2009	Year ended 31 March 2010
Capital goods	310,292	452,052	3,481,581
Total	310,292	452,052	3,481,581

14. Earnings in foreign currency

(Amounts in Rupees)

	Quarter ended 30 June 2010	Quarter ended 30 June 2009	Year ended 31 March 2010
Software development services and products	378,056,336	431,495,799	1,558,467,126
Others	-	579	579
Total	378,056,336	431,496,378	1,558,467,705

15. Expenditure in foreign currency

(Amounts in Rupees)

	Quarter ended 30 June 2010	Quarter ended 30 June 2009	Year ended 31 March 2010
Travel expenses	28,537,163	31,063,258	123,821,681
Professional charges	628,819	1,577,143	4,470,526

Cost of software purchased for delivery to clients	6,983,460	20,589,238	57,584,692
Conference, exhibition and seminar	2,006,069	1,148,006	7,174,727
Software and Other Development Charges	19,757,599	8,630,377	39,273,593
Salary in foreign currency	8,364,691	8,034,148	30,390,948
Others	8,041,721	6,404,064	22,209,693
Total	74,319,522	77,446,234	284,925,860

16. Earnings per share

	Quarter ended 30 June 2010	Quarter ended 30 June 2009	Year ended 31 March 2010
Profit after taxation available to equity shareholders (Rupees)	113,994,559	89,381,019	337,362,562
Weighted average number of equity shares used in calculating basic earnings per share	32,370,024	32,370,024	32,370,024
Add: Effect of dilutive issue of shares	12,309	1,081	4,189
Weighted average number of equity shares used in calculating diluted earnings per share	32,382,333	32,371,105	32,374,213
Basic earnings per share (Rupees)	3.52	2.76	10.42
Diluted earnings per share (Rupees)	3.52	2.75	10.42

17. Capital commitments and contingent liabilities

Estimated amount of contracts remaining to be executed on capital account and not provided for in the books of account (net of advances) Rs. 2,669,812 (Rs.1,775,062).

18. Operating lease

The Company has acquired office premises under cancellable and non-cancellable operating lease. Operating lease rentals paid during the quarter ended 30 June 2010 is Rs. 5,082,154; (Rs. 5,017,663; Rs. 19,649,623) respectively. The future minimum lease expense in respect of non-cancellable leases is as follows:

(Amount in Rupees)

	As at 30 June 2010	As at 31 March 2009
Not later than 1 year	4,641,439	4,641,447
Later than 1 year but not later than 5 years	1,740,540	2,900,900
Later than 5 years	-	-
Total	6,381,979	7,542,347

19. The following are the aggregate amounts incurred on certain specific expenses that are required to be disclosed under Schedule VI to the Companies Act, 1956

(Amount in Rupees)

	Quarter ended 30 June		Year ended 31 March
	2010	2009	2010
Salaries and allowances	254,071,562	245,631,337	910,300,199
Contribution to provident and other funds	12,224,592	13,716,165	51,493,973
Directors' remuneration	6,580,000	6,000,000	25,580,000
Employee's stock compensation expenses	-	180,971	-
Staff welfare	3,699,976	4,417,235	16,249,879
Training and Recruitment	4,200,737	765,314	4,751,852
Software and other development charges	27,294,166	20,311,570	76,265,562
Cost of software purchased for delivery to clients	14,126,617	21,398,598	71,787,541
Travelling	39,635,831	39,909,854	160,561,636
Conveyance	1,392,637	4,002,575	14,510,462
Communication	3,977,434	4,638,837	17,280,454
Rent	5,082,154	5,017,663	19,649,623
Rates and Taxes	727,482	1,000,783	2,441,831
Legal and professional	13,944,872	11,511,427	42,909,519
Power and fuel	6,818,165	6,782,859	25,391,367
Repair and maintenance			
- Building	190,215	763,297	2,764,961

- Others	4,303,456	3,920,420	14,791,150
Advertisement and business promotion	1,404,565	938,746	4,655,418
Conference, exhibition and seminar	2,112,819	1,239,513	7,878,697
Information technology expenses	4,553,565	2,813,240	14,720,649
Advances and other current assets written off	-	228,978	245,787
Commission to channel partners	2,429,571	3,225,411	7,419,381
Provision for doubtful debts / advances / other current assets	(1,590,635)	2,416,469	12,138,934
Provision for diminution in the value of investments	-	-	16,293,150
Printing and stationery	999,068	1,045,862	2,165,770
Loss on sale of fixed assets (net)	-	-	-
Insurance	1,359,819	836,427	4,788,157
Bank charges	670,305	1,383,747	2,741,717
Miscellaneous expenses	31,497,093	3,091,773	15,705,831
	441,706,066	407,189,071	1,545,483,500

20. During the current quarter, as per provision of Income-tax Act, 1961, the Company has taken credit of corporate dividend tax aggregating Rs. 13,286,920 on account of dividend received from one of its subsidiaries.
21. The company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under sections 92-92F of the Income Tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation for the international transactions entered into with associated enterprises during the period/year and expects such records to be in existence latest by the due date of filing of the return of income, as required under law. The management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.
22. Revenue recognised upto the reporting date in respect of contracts in progress at the reporting date aggregates Rs 885,085,023 (Rs.754, 921,708)
23. During the current quarter, Nucleus Software (Australia) Pty Ltd, one of the wholly owned subsidiaries of the Company, has been wound up with effect from 5 April 2010.

24. Previous period/year figures have been regrouped/ reclassified wherever necessary to make them comparable with the current period and year figures.

For and on behalf of the Board of Directors

Janki Ballabh
Chairman

Vishnu R Dusad
Managing Director

P K Sanghi
Chief Financial Officer

Poonam Bhasin
Company Secretary

Place: Noida
Date: 01 Augusts 2010

Nucleus Software Exports Ltd.

Consolidated Balance Sheet as at 30 June 2010

	As at 30 June 2010 (Rupees)	As at 31 March 2010 (Rupees)
Sources of funds		
Shareholders' funds		
Share capital	323,840,240	323,715,240
Advance pursuant to stock option schemes	2,346,520	3,451,740
Reserves and surplus	<u>2,423,758,569</u>	<u>2,386,980,001</u>
	2,749,945,329	2,714,146,981
Deferred tax liability (refer note 2, schedule 16)	1,148,726	1,111,447
	<u>2,751,094,055</u>	<u>2,715,258,428</u>
Application of funds		
Fixed assets		
Gross block	1,131,242,322	1,126,414,695
Less: Accumulated depreciation	<u>(610,234,028)</u>	<u>(584,096,885)</u>
Net block	521,008,294	542,317,810
Add: Capital work in progress (including capital advances)	<u>5,361,262</u>	<u>5,199,458</u>
	526,369,556	547,517,268
Investments	1,053,897,204	958,980,145
Deferred tax asset (refer note 2, schedule 16)	34,762,222	31,241,899
Current assets, loans and advances		
Sundry debtors	426,902,376	576,829,926
Cash and bank balances	761,951,883	667,453,589
Loans and advances	308,541,590	293,467,588
Other current assets	<u>317,702,906</u>	<u>309,511,774</u>
	1,815,098,755	1,847,262,877
Less: Current liabilities and provisions		
Current liabilities	(556,307,790.69)	(465,989,117)
Provisions	<u>(122,725,892.00)</u>	<u>(203,754,644)</u>
	(679,033,683)	(669,743,761)
Net current assets	1,136,065,073	1,177,519,116
	<u>2,751,094,055</u>	<u>2,715,258,428</u>

Consolidated Profit and Loss Account for the year ended 30 June 2010

	For the quarter ended	
	30 June 2010	30 June 2009
	(Rupees)	(Rupees)
Sales and services	661,395,683	805,370,841
Software development expenses	464,805,309	538,429,661
Gross profit	196,590,374	266,941,180
Selling and marketing expenses	76,659,193	60,774,090
General and administration expenses	72,811,202	46,061,121
Operating profit before depreciation and withholding tax	47,119,979	160,105,969
Depreciation	24,731,318	31,982,684
Withholding taxes charged off	1,210,577	870,332
Operating profit after depreciation and withholding tax	21,178,084	127,252,953
Other income	21,920,143	31,634,284
Gain / (Loss) on foreign exchange fluctuation (net)	15,021,338	(42,810,690)
Profit before taxation	58,119,566	116,076,547
Provision for tax - current income tax	12,105,287	13,452,569
- MAT credit entitlement (refer note 8, schedule 16)	(3,400,000)	6,730,000
- fringe benefit tax	-	-
- deferred tax credit (refer note 2, schedule 16)	(3,520,323)	(5,417,863)
- income tax for earlier year	-	-
Provision for wealth tax	-	-
Profit after taxation	52,934,602	101,311,841
Profit available for appropriation		
Profit for the period / year	52,934,602	101,311,841
Add: Balance brought forward	1,602,858,186	1,359,320,935
Total amount available for appropriation	1,655,792,787	1,460,632,776
Proposed dividend	33,134	
Corporate dividend tax	5,381	
Transferred to general reserve	-	
Balance carried forward to the Balance Sheet	1,655,754,272	1,460,632,776
Earnings per share (par value Rs. 10 each) (refer note 13, schedule 16)		
Basic	1.63	3.13
Diluted	1.63	3.13
Number of shares used in computing earnings per equity share		
Basic	32,379,191	32,370,024
Diluted	32,387,334	32,371,105

Consolidated Cash Flow Statement for the quarter ended 30 June 2010

	For the quarter ended 30 June 2010	For the year ended 31 March 2010
A. Cash flow from operating activities		
Net profit before tax	58,119,566	439,125,616
Adjustment for:		
Depreciation	24,731,318	113,346,204
Exchange difference on translation of foreign currency accounts	3,481,935	14,401,934
Dividend received from non trade investments	(10,743,958)	(17,139,311)
Interest on fixed deposits	(7,809,668)	(51,763,376)
Profit on sale of investments	(6,808)	(9,264)
Amortisation of employees compensation expenses	(1,973,593)	(4,160,326)
Profit on sale of fixed assets (net)	-	(2,233,965)
Loss on assets discarded	-	-
Bad debts / advances written off	-	-
Advances and other current assets written off	6,390,709	245,787
Provision for doubtful debts / advances	(8,823,554)	15,202,481
Operating profit before working capital changes	<u>63,365,947</u>	<u>507,015,780</u>
Decrease / (increase) in debtors	166,677,527	196,408,465
Increase in loans and advances	19,226,648	(18,736,668)
Decrease / (increase) in other current assets	(11,400,512)	(37,923,417)
(Decrease) / increase in current liabilities	<u>74,543,631</u>	<u>(91,845,069)</u>
	312,413,241	554,919,091
Direct taxes paid	(40,480,549)	(99,948,119)
Fringe benefit tax paid	-	(472,156)
Net cash from operating activities (A)	<u>271,932,692</u>	<u>454,498,816</u>
B. Cash flow from investing activities		
Purchase of fixed assets/capital work in progress	(3,604,107)	(24,457,830)
Sale of fixed assets	-	4,810,649
Purchase of current investments	(1,836,260,318)	(2,532,727,268)
Proceeds on sale of current investments	1,741,350,067	1,736,659,362
Proceeds on sale of non trade investments	-	-
Purchase of fixed deposits	-	-
Interest on fixed deposits	6,162,683	64,111,149
Tax paid	(2,525,388)	(17,449,748)
Dividend received from non trade investments	10,743,958	17,139,311
Net cash from/ (used in) investing activities (B)	<u>(84,133,105)</u>	<u>(751,914,375)</u>
C. Cash flow from financing activities		
Dividend paid (including corporate dividend tax thereon)	(94,245,194)	(94,678,500)
Advance pursuant to employee stock option scheme	850,000	400,000
Net cash used in financing activities (C)	<u>(93,395,194)</u>	<u>(94,278,500)</u>
Net (decrease) / increase in cash and cash equivalents	94,404,393	(391,694,059)
Opening cash and cash equivalents	667,453,589	1,061,360,509
Effect of exchange rate change	93,901	(2,212,861)
Closing cash and cash equivalents *	761,951,883	667,453,589

Management's Discussion and Analysis of Financial Condition and Results of Consolidated Operations of Nucleus Software Exports Ltd. and Subsidiary Companies

The financial statements have been prepared under the historical cost convention in compliance with the requirements of the Companies Act, 1956, the Generally Accepted Accounting Principles (GAAP) in India and mandatory accounting standards issued by the Institute of Chartered Accountants of India ("ICAI"). All income and expenditure having a material bearing on the financial statements are recognized on accrual basis. The consolidated financial statements have been prepared in accordance with the principles and procedures for the preparation and presentation as laid under Accounting Standard 21 on "Consolidated Financial Statements" issued by the ICAI.

Management discussion and analysis of financial condition and results of operations include forward-looking statements based on certain assumptions and expectations of future events. The Company cannot assure that these assumptions and expectations are accurate. Although the management has considered future risks as part of the discussions, future uncertainties are not limited to the management perceptions.

Overview

The Company was incorporated on January 9, 1989 as Nucleus Software Exports Private Limited with its registered office at 33-35 Thyagraj Nagar Market, New Delhi-110003.

In August 1995, Nucleus made an Initial Public Offer and is currently listed at National Stock Exchange of India Ltd., Bombay Stock Exchange Ltd. and Madras Stock Exchange Ltd.

Nucleus provides software solutions to the Banking and Financial Services Industry. For over 20 years, we have developed solutions spanning from Retail Banking to Corporate Banking, Cash Management, Internet Banking and Credit Cards. FinnOne™, the Flagship product of Nucleus Software is a comprehensive suite for Retail Banking applications comprising of modules like Customer Acquisition System, Loan Management, Delinquency and Recovery Management, Deposits and Finance Against Securities. Cash@Will™ and BANKONET are the offerings from Nucleus Software in the area of Cash Management and Internet Banking respectively. Over the years, our committed professionals have provided solutions par excellence and with the experience and skills, we have been able to create a global footprint of clients and partners across multiple continents with Multi-product, multi-service, multi-currency and multi-lingual implementations, leading to worldwide acceptability and customer satisfaction. Nucleus operates through integrated and well-networked subsidiaries in India, Japan, Netherlands, Singapore and USA and subsidiary branch offices in India, Korea, Philippines, UAE and UK. Since 1995, product development has been our forte and the Company has chosen to exclusively develop products and further add value through dedicated research and development initiatives.

Company Strengths

The Company's business broadly consists of Development and Marketing of Software Products and Software Services for business entities in the Banking and Financial Services (BFS) vertical. From a modest beginning with product development for a leading bank, Nucleus is today a major player in the "Banking Products" industry and is

one of the few Indian Companies whose products are installed at multiple locations internationally.

Our every move is guided by a single-minded focus on becoming a leading IT solutions provider in the Banking and Financial Services Industry. It is this dream that steered our organization in 1996 towards creating products that redefine quality and efficiency, highly appreciating the value of a delighted customer. Today a comprehensive suite of products provides solutions to the banking business.

Deep functionality combined with latest technology and our domain expertise enables us to position the Company globally as a “Product Company”.

Nucleus’ success is based on a simple foundation of delivering quality services, reliable solutions, long-term partnerships, and a price / value structure. The Company, in its pursuit of excellence, has been felicitated for being a pioneer in the BFSI vertical.

Some of the notable accolades won by Nucleus are:

- Nucleus Software’s FinnOne™ has been ranked **‘World's No 1 Selling Lending Software product’** by IBS Publishing for the second consecutive year in 2009
- Annual Report of Nucleus Software for year ended March 31, 2009 has been adjudged as the **BEST under the category 'Information Technology, Communication and Entertainment enterprises' of the 'ICAI Awards for Excellence in Financial Reporting'** by the Institute of Chartered Accountants of India (ICAI). **A GOLD SHIELD was awarded to the Company. Nucleus has received the Gold Shield for the 2nd consecutive year.**
- Nucleus Software has been ranked among the **Top 25 companies adopting “Good Corporate Governance Practices”** by ICSI for fourth consecutive year in 2009
- South Asian Federation of Accountants (SAFA) has adjudged Nucleus’ Annual Report as the recipient of the merit position for the **Best Presented Accounts and Corporate Governance Disclosures Award 2008** under the category of Corporate Governance Disclosure.
- Forrester Research, a leading independent analyst firm, has recognized Nucleus Software as an industry vertical specialist in their recent report “Working With Tier Two Offshore Providers”.
- Nucleus Software’s FinnOne™ has been ranked **‘World’s No 1 Selling Lending Software product ’ (for year 2008)** by IBS Publishing of U.K. This is the third consecutive year, that it has been ranked amongst the top two.
- **Annual Report and Accounts of Nucleus Software for year ended March 31, 2008 have been adjudged as the BEST** under the category ‘Information Technology, Communication and Entertainment enterprises’ of the ‘ICAI Awards for Excellence in Financial Reporting’ by the Institute of Chartered Accountants of India (ICAI). **This award signifies that the accounting policies followed by Nucleus Software are the Best amongst the category.**

- Nucleus Software has been **ranked among the Top 25 Companies adopting “Good Corporate Governance Practices in India”** for the third consecutive year in 2008.
- Nucleus Software has been Ranked Amongst **India’s Top 15 Exciting Emerging Companies to Work For** by Nasscom.
- Nucleus Software has been recognized under **“Best Practices” for Performance Management System** by NASSCOM, 2008
- Nucleus is selected as **one of Forbes ASIA’s 200 Best Under A Billion** companies, for the second consecutive year, list released in September 2008.
- Nucleus Software has been conferred the **Best Independent Software Vendor (ISV) Partner (North India for 2008)** award by IBM
- Nucleus Software was awarded the **“D&B – ECGC Indian Exporters’ Excellence Award”** by Dun & Bradstreet India (D&B India) and Export Credit Guarantee Corporation of India Ltd (ECGC) for the year 2007.
- Nucleus Software was adjudged as **one of the fastest growing companies in Asia Pacific under Deloitte Technology Fast 500 – 2007.**
- Nucleus Software was conferred with **Oracle Partner of the Year Award in Fusion Middleware category at an APAC level.**
- Nucleus Software was awarded for being the **Fastest Growing ISV in 2007** by **Oracle Corporation.**
- Nucleus Software was ranked **13th in Dataquest Top 20 Best Employers Survey 2006.** Survey was conducted by IDC-Dataquest amongst 200 IT employers across India.
- Received the award for **“Excellence in Financial Reporting”** by the **Institute of Chartered Accountants of India (ICAI)** for financial year 2005. Our Annual Report was adjudged No.2 in the category of ‘Information Technology, Communication and Entertainment Enterprises’ companies.
- Annual Report for financial year 2005 received the **‘Merit Award’ for “Best Presented Accounts Award”** by the **South Asian Federation of Accountants in January 2007** in the category of ‘Communication and Information Technology Sector’.

FINANCIAL CONDITION

RESULTS OF OPERATIONS

The consolidated financial results as below:

(Rs. in Crore)

	Quarter Ended June 30th				
	2010	% of Revenue	2009	% of Revenue	Growth %
Income from Software Services and Products	66.14	100.00	80.54	100.00	(17.88)
Software Development Expenses	46.31	70.02	53.84	66.85	(13.99)
Gross Profit	19.83	29.98	26.70	33.15	(25.73)
Selling and Marketing Expenses	7.82	11.82	6.08	7.55	28.62
General and Administration Expenses	7.30	11.04	4.61	5.72	58.35
Operating Profit before Interest, Depreciation and Withholding Taxes	4.71	7.12	16.01	19.88	(70.58)
Depreciation	2.47	3.73	3.20	3.97	(22.81)
Withholding Taxes	0.12	0.18	0.09	0.11	NA
Operating Profit after Interest, Depreciation and Withholding Taxes	2.12	3.21	12.72	15.79	(83.33)
Other Income	2.19	3.31	3.16	3.92	(30.70)
Foreign Exchange Gain/ (Loss)	1.50	2.27	(4.28)	(5.31)	(135.05)
Profit before Tax	5.81	8.78	11.60	14.40	(49.91)
Provision for Taxation					
-Current	1.21	1.83	1.35	1.68	(10.37)
- MAT credit entitlement	(0.34)	(0.51)	0.67	0.83	(150.75)
- Fringe Benefit		0.00		0.00	
-Deferred	(0.35)	(0.53)	(0.54)	(0.67)	(35.19)
-Earlier year tax		0.00		0.00	
Profit after Tax	5.29	8.00	10.12	12.57	(47.73)

REVENUE

We derive our revenue from the following business segments:

- ☐ Products
- ☒ Projects and Services

During the quarter the total revenue was Rs. 66.14 crore against Rs.80.54 crore for the previous year representing a decrease of 17.88%.

Products

Product revenue arising from Products and related services comprises of license fees, revenue from customization and implementation of products and postproduction technical support.

Product revenue was Rs. 42.95 crore during the quarter constituting 64.94% of the total revenue against Rs. 47.31 crore, 58.75% of total revenue, in the corresponding quarter previous year.

Projects and Services

Software services rendered by the Company, classified under this segment, typically consist of development of software to meet specific customer requirements, data migration services, consultancy services, and production support. We execute Projects for large Banks on an Application Development and Maintenance (ADM) model with IPR held by client.

Revenue from software projects and services segment during the quarter was Rs. 23.19 crore constituting 35.06% of the total revenue against Rs.33.22 crore constituting 41.25% of total revenue in the corresponding quarter previous year.

EXPENDITURE

Software Development Expenses

Software development expenses primarily consist of compensation to our software professionals, expenses on travel to execute work at client site, direct consultancy charges, cost of software purchased for delivery to clients, bandwidth and communication expense and proportionate infrastructure charges.

During the quarter our software development expenses were Rs.46.31crore, 70.01% of revenue against Rs. 53.80 crore, 66.81% of revenue in the corresponding quarter previous year.

(Rs. in Crore)

Quarter Ended June 30th					
Particulars	2010	% of Revenue	2009	% of Revenue	Growth %
Employee Costs	31.12	47.05	34.00	42.22	(8.48)
Travel Expenses	3.25	4.92	4.08	5.07	(20.28)
Cost of Software Purchased for Delivery to Clients	1.56	2.35	3.37	4.19	(53.89)
Communication	0.42	0.64	0.40	0.50	4.94
Power and Fuel	0.61	0.92	0.60	0.75	1.50
Rent, Rates and Taxes	2.05	3.09	3.06	3.80	(33.16)
Software and Other Development Charges	2.73	4.13	2.03	2.52	34.38
Legal and Professional	1.14	1.73	0.79	0.98	45.15
Conveyance	0.16	0.24	0.34	0.43	(53.61)
IT Expenses	0.42	0.63	0.26	0.33	58.70
Repairs and Maintenance	0.36	0.54	0.33	0.41	8.63
Training and Recruitment	0.34	0.51	0.07	0.08	402.53

Insurance	0.16	0.25	0.12	0.14	41.57
Consultancy Charges	1.81	2.74	4.20	5.22	(56.89)
Others	0.18	0.27	0.14	0.17	27.50
Total Software Development Expenses	46.31	70.01	53.80	66.81	(13.94)

Revenue in the table last line is missing

Overall these expenses have decreased by 13.94% over the corresponding quarter previous year. The employee costs have decreased by 8.48% .

Rent has decreased to Rs. 2.05 crore against Rs. 3.06 crore in the corresponding quarter previous year.

Consultancy charges have reduced to Rs. 1.81 crore against Rs. 4.20 crore in the corresponding quarter previous year due to lesser no. of consultants hired at overseas locations.

Selling and Marketing Expenses

Our selling and marketing expenses comprise of compensation of sales and marketing personnel, travel, brand building (advertisement, conference, seminar, etc), communication, training and recruitment and other allocated infrastructure costs. The Company has ambitious plans to increase geographical reach with a mix of direct sales effort and channel partner effort along with building a global brand for its products.

(Rs. in crore)

Quarter Ended June 30th					
Particulars	2010	% of Revenue	2009	% of Revenue	Growth %
Employee Costs	4.42	6.68	3.39	4.20	30.47
Travel Expenses	1.02	1.55	0.99	1.24	2.94
Rent, Rates and Taxes	0.37	0.56	0.30	0.38	22.82
Advertisement and Business Promotion	0.18	0.27	0.12	0.15	50.67
Communication	0.16	0.24	0.27	0.34	(41.24)
Conference, Exhibition and Seminar	0.22	0.34	0.22	0.28	NA
Commission on Sales	0.24	0.37	0.19	0.23	28.54
Legal and professional charges	0.74	1.12	0.17	0.21	342.03
Printing and stationary	0.01	0.01	0.03	0.04	(81.27)
Others	0.45	0.68	0.39	0.49	14.75
Total Selling and Marketing Expenses	7.82	11.82	6.08	7.55	28.68
Revenue	66.14	100.00	80.54	100.00	(17.88)

During the quarter selling and marketing expenses were Rs.7.82 crore at 11.82% of revenue against Rs.6.08 crore at 6.08% of revenue in the corresponding quarter previous year representing an increase of 28.68%.

Employee costs have increased by 30.47% over the corresponding quarter previous year.

General and Administrative Expenses

Our general and administrative expenses include compensation to our employees in Corporate Office, Finance, HR, Administration and other general functions; related travel & communication costs, legal and professional charges, repairs and maintenance, insurance, provision for doubtful debts, bad debts and other allocated infrastructure expenses.

During the quarter our general and administrative expenses were Rs. 7.30 crore at 11.03% of revenue against Rs. 4.61 crore at 5.72% of revenue in the corresponding quarter previous year, representing an increase of 58.45%.

(Rs. in Crore)

Quarter Ended June 30th					
Particulars	2010	% of Revenue	2009	% of Revenue	Growth %
Employee Costs	3.39	5.13	2.66	3.31	27.24
Travel Expenses	0.10	0.15	0.04	0.05	138.21
Legal and Professional Charges	0.34	0.52	0.72	0.89	(52.10)
Communication	0.10	0.15	0.11	0.13	(9.66)
Provision for Doubtful Debts	1.77	2.67	0.22	0.27	NA
Rent, Rates and Taxes	0.14	0.21	0.16	0.20	(12.63)
Conveyance	0.02	0.03	0.06	0.08	(64.04)
Printing and Stationery	0.08	0.13	0.07	0.08	23.44
Power and Fuel	0.05	0.08	0.05	0.07	(3.49)
Advertisement	0.02	0.03	0.01	0.01	198.07
Advances and current assets written off	0.64	0.97	0.02	0.03	NA
Miscellaneous expenses	0.65	0.98	0.48	0.60	33.67
Total General and Administrative Expenses	7.30	11.03	4.61	5.72	58.45
Revenue	66.14	100.00	80.54	100.00	(17.88)

Operating Profit

During the quarter our operating income was Rs.4.71 crore, 7.12% of revenue against Rs.16.01 crore, 19.88% of revenue in the corresponding quarter previous year.

Depreciation

Depreciation on fixed assets was Rs.2.47 crore, 3.73% of revenue for the quarter against Rs.3.20 crore, 3.97% of revenue in the corresponding quarter previous year.

Withholding Taxes

Withholding taxes charged off represent withholding taxes charged to Profit and Loss Account during the quarter, net of credits available, Rs. 0.12 crore against Rs.0.09 crore in the corresponding quarter previous quarter. These relate to taxes withheld by customers/subsidiaries on overseas transactions.

Taxes withheld by customer are available to be adjusted with tax liability as per applicable law and thus are not charged to expenses.

Foreign Exchange Gain (Loss)

Foreign Exchange Gain (Loss) includes gain (loss) from cancellation of options and forward contracts, translation of current assets and liabilities at quarter end rates and those arising from realization /payments of receivables/payables respectively. During the quarter, the Company had a foreign exchange gain of Rs. 1.50 crore against a loss of Rs. 4.28 crore for the corresponding quarter previous year.

Other Income

Other Income primarily consists of interest and dividend income, capital gains on sale of current investments, profit on sale of fixed assets and foreign exchange gains.

(Rs. in Crore)

For the Quarter ended June 30,	2010	2009
On Investments		
Dividend	1.07	0.21
Interest Income	0.78	1.66
Profit on sale of investments		0.03
Others	0.50	1.04
Foreign Exchange Gain/ (Loss)	-0.16	0.21
Total	2.19	3.15

Other income for the quarter was Rs. 2.19 crore compared to Rs. 3.15 crore for the corresponding quarter previous year

Provision for Income Tax

Income taxes represent the provision for corporate & income taxes in various countries where the Company and Subsidiaries operate. In estimating these taxes, adjustments are made for deferred tax assets and liabilities.

(Rs. in crore)

As at June 30,	2010	2009
Provision for Taxation		
- Current Tax	1.21	1.35
- Fringe Benefit Tax		
- MAT Credit Entitlement	(0.34)	0.67
- Deferred Tax Expense	(0.35)	(0.54)
- Earlier Quarter Tax		
Total	0.52	1.48

Total tax for the quarter is 10.78 % of Profit Before Tax, in comparison to 13.37 % of Profit Before Tax for the corresponding quarter previous year.

Net Income

Our net income for the quarter was Rs. 5.29 crore, 8% of revenue, against Rs. 10.12 crore, 12.57% of revenue, during the corresponding quarter previous year.

FINANCIALS

Share Capital

The Share Capital of the Company consists of Equity Share Capital.

The paid-up share capital as on March 31, 2010 was 32,367,024 equity shares of Rs.10 each. There has been no increase in the paid-up share capital of the Company during the quarter.

Subsidiaries

Paid-up Share Capital of the Subsidiaries as on March 31, 2010 is given below. As 100% of the Share Capital of the Subsidiaries is held by Nucleus Software Exports Limited and nominees; on consolidation of accounts, these amounts are contra with investments in Subsidiaries amount in the accounts of the Parent Company.

Name of Subsidiary Company	Currency	As at June 30, 2010		As at June 30, 2009	
		In foreign Currency	Eqv. Rupees (in crore)	In foreign Currency	Eqv. Rupees (in crore)
Nucleus Software Solutions Pte. Ltd. Singapore. 625,000 equity shares of S\$ 1 each.	SGD	625,000	1.63	625,000	1.63
Nucleus Software Inc., USA. 1,000,000 shares of US\$ 0.35 cents each	USD	350,000	1.63	350,000	1.63

Nucleus Software Japan Kabushiki Kaiga, Japan. 200 equity shares of JPY 50,000 each	JPY	10,000,000	0.41	10,000,000	0.41
Nucleus Software (Australia) Pty Ltd., Australia. 316,000 equity shares of Aus \$ 1 each	Aus \$	316,000	0.98	316,000	0.98
Virstra I-Technology Services Ltd., India. 1,000,000 equity shares of Rs. 10 each	INR	-	1.00	-	1.00
Nucleus Software Netherlands B.V., Netherlands. 3000 equity shares of Euro 100 each	Euro	400,000	2.42	200,000	1.18
Nucleus Software Limited, India - 10,000,000 equity shares of Rs.10/- each -	INR	-	10	-	10
Step down Subsidiary of Nucleus Software Exports Ltd.					
Virstra (Singapore) Pte. Ltd., Singapore. 200,000 equity shares of S\$ 1 each	SGD	200,000	0.56	200,000	0.56

The share capital of Nucleus Software Netherlands B. V., increased due to additional investment of EURO 200,000 by the Company, by way of subscribing to the Equity Share capital of the subsidiary.

In order to rationalize operations, the Board of Directors of your Company, in the previous financial quarter, approved closure of two wholly owned subsidiaries viz. Nucleus Software (Australia) Pty Ltd., Australia and Nucleus Software (HK) Ltd., Hong Kong subject to necessary regulatory approvals. During the quarter, Nucleus Software (HK) Ltd., Hongkong, was de-registered as per the applicable laws of Hong Kong and Nucleus Software (Australia) Pty Ltd., Australia was de-registered on April 5, 2010 as per the applicable laws of Australia.

The profits/losses of the Subsidiary Companies are fully reflected in consolidated accounts of the Company and Subsidiaries.

Reserves and Surplus

The movement in the components of reserves and surplus is as below:

(Rs. in crore)

<i>Particulars</i>	<i>Balance as on April 1, 2010</i>	<i>Additions/ (Deletions) during the quarter</i>	<i>Closing Balance as on June 30, 2010</i>
General Reserve	70.03	0	70.03
Securities Premium	2.10	0.07	2.17
Capital Reserve	0.55	0.1	0.65
Employee Stock Options (net of deferred employee compensation)	0.82	-0.2	0.62
Foreign Currency Translation Reserve	3.54	0.65	4.19
Hedging Reserve	1.37	-2.24	-0.87
Profit and Loss Account Balance	160.29	5.29	165.58
Total	238.70	3.67	242.37

Other Long-Term Investment

Other long term investment comprises of investment in 25,000 Equity Shares of face value of Rs.100/- each in Ujjivan Financial Services Private Ltd. Ujjivan Financial Services Private Ltd., has been promoted in the area of micro finance by a group of experienced professionals with banking and technology background.

Current Investments and Bank Balances

Our capital requirements are completely financed by internal accruals. Your Company continues to remain debt-free and we believe that cash generated from operations and reserves and surplus are sufficient to meet our obligations and requirements towards capital expenditure and working capital requirements

As a part of the financial policies, the Company believes in maintaining high level of liquidity as it provides immense support against contingencies and uncertainties.

Details of Bank Accounts:

(Rs. in crore)

As on 30th June	2010
Balances with Banks	
In Current Accounts in INDIA	
Citi Bank	0.65
Citi Bank - EEFC accounts in US dollar	4.33
DBS Bank	0.00
HDFC Bank - EEFC accounts in US dollar	0.12
HDFC Bank	5.70
HDFC Bank - Unclaimed dividend accounts	0.11
HSBC Bank - Unclaimed dividend accounts	0.03

ICICI Bank	2.36
State Bank of India	0.31
In Current Accounts in OVERSEAS locations	
Bank of Tokyo Mitshubishi, Japan	2.80
Citi Bank, Korea	0.59
Citi Bank, Netherlands	0.41
Citi Bank, Philippines	0.13
Citi Bank, Singapore	5.72
Citi Bank, Singapore	0.08
Citi Bank, Japan	5.82
Citi Bank, UK	0.07
Citi Bank, UAE	0.33
PNC Bank, USA	0.78
Shinsei Bank, Japan	3.79
Total Balances in Current Accounts	34.13
In Fixed Deposit Accounts	
CANARA BANK	0.99
CITI BANK	0.67
HDFC BANK	0.94
ICICI BANK	2.97
PUNJAB NATIONAL BANK	4.39
STATE BANK OF INDIA	0.99
CORPORATION BANK	5.37
STATE BANK OF TRAVANCORE	9.90
BANK OF INDIA	5.94
STATE BANK OF BIKANER & JAIPUR	0.99
STATE BANK OF HYDERABANK	8.91
Total Balances in Fixed Deposit Accounts	42.06
Remittance in Transit	-
Cash In Hand	0.01
Total Bank Balance & Fixed Deposits	76.20

To summarise the Company's liquidity position, given below are few ratios based on consolidated figures:

As at June 30,	2010	2009
Days of sale receivable	59	83
Cash and bank balances as % of assets	65.91%	43.66%
Cash and bank balances as % of revenue	274.17%	137.30%
Current investments as % of assets	38.22%	10.36%
Current investments as % of revenue	158.96%	32.59%

Trade Receivables

Our trade receivables (net of provision) as on June 30, 2010 were Rs. 42.69 crore against Rs. 73.55 crore on June 30, 2009. In the opinion of management all the trade receivables are recoverable.

The age profile of the debtors (net of provision) is given below:

As at June 30,	2010	2009
Less than 6 months	75.35%	93.13%
More than 6 months	24.65%	6.87%
Days of sales receivables (DSR)	59	83

Loans and Advances

The amount is Rs. 30.85 crore as on June 30, 2010 (Rs. 24.12 crore as on June 30, 2009).

(Rs. in crore)

Loans and advances as on	30-Jun-10	30-Jun-09
Advances recoverable in cash or in kind or for value to be received	3.32	4.44
Loans and advances to subsidiaries *		
Security deposits	3.10	2.81
Advance income tax	11.84	6.42
Prepaid expenses	3.49	3.08
Advance fringe benefit tax	0.27	0.26
MAT credit entitlement	8.83	7.11
Total	30.85	24.12

Advances recoverable in cash or in kind or for value to be received are primarily towards amounts paid in advance for value and services to be received in future, and staff advances. The amount is Rs. 3.32 crore as on June 30, 2010 (Rs. 4.44 crore as on June 30, 2009).

Security Deposits are primarily for hiring of office premises and staff accommodation. The amount is Rs. 3.10 crore as on June 30, 2010 (Rs. 2.81 crore as on June 30, 2009).

A sum of Rs. 8.83 crore against MAT Credit Entitlement is carried forward and shown under Loans and Advances as at June 30, 2010 to be set off against future tax liabilities.

Current Liabilities

The total amount of Sundry Creditors as on June 30, 2010 is Rs. 55.63 crore (Rs. 56.08 crore as on June 30, 2009).

(Rs. in Crore)

Current Liabilities as on	30-Jun-10	30-Jun-09
Sundry Creditors	36.79	35.60
Withholding tax	-	2.56
Due to Subsidiaries	-	

Advances from customers	12.51	11.50
Mark to Market on Options/ Forward Contracts	0.88	0.64
Unclaimed dividend	0.14	0.11
Other liabilities	5.31	5.67
Total	55.63	56.08

The total amount of Sundry Creditors as on June 30, 2010 is Rs. 36.79 crore (Rs. 35.60 crore as on June 30, 2009)

Advances from customers as on June 30, 2010 is Rs. 12.51 crore against Rs.11.50 crore as on June 30, 2009). These consist of advance payments received from customers and "Unearned Revenue"; Unearned Revenue is defined as client billing for which related costs have not been incurred or product license delivery is at a later date.

The amount of Unclaimed Dividend as on June 30, 2010 is Rs. 0.14 crore (Rs. 0.11 crore as on June 30, 2009).

Other liabilities represent amounts accrued for statutory dues related to taxes and staff benefits etc. The total amount of other liabilities as on June 30, 2010 is Rs. 5.31 crore (Rs. 5.67 crore as on June 30, 2009).

Provisions

Provisions as on June 30,2010 are at Rs.12.27 crore (Rs.20.42 crore as on June 30,2009) . The break up of provisions at the quarter end is given below.:

(Rs. in Crore)		
As at June 30,	2010	2009
Gratuity	7.54	5.91
Leave encashment	4.72	4.67
Net of Advance Tax		0.37
Dividend		8.09
Corporate dividend tax	0.01	1.38
Total	12.27	20.42

Additional Information to Shareholders

- | | | |
|----|---|--|
| 1. | Date of Incorporation | January 9, 1989 |
| 2. | Registered office | 33-35, Thyagraj Nagar Market
New Delhi-110003
India |
| 3. | Corporate Office | A-39, Sector 62
NOIDA, UP -201301
India |
| 4. | Financial Calendar
(tentative and subject to change) | |
| | Financial reporting for the second quarter ending September 30, 2010. | between 21 st to 31 st of October 2010 |
| | Financial reporting for the third quarter January 2011 ending December 31, 2010. | between 21 st to 31 st of |
| | Financial results for the year ending March 31, 2011 | between 21 st to 30 th of April 2011 |
| 5. | Share Related Data | |
| - | The Shares of Nucleus are listed on The National Stock Exchange of India Limited,
Bombay Stock Exchange Limited and Madras Stock Exchange Limited. | |
| - | Scrip Code (NSE) | NUCLEUS |
| - | Scrip Code (BSE) | 531209 |
| - | The Company's shares are traded in "Group B-1" category at the Bombay Stock Exchange Ltd. | |
| - | International Securities Identification Number (ISIN code-NSDL and CDSL) | INE096B01018 |
| - | Face value of the Company's equity shares is Rs. 10. | |

- Shares of the Company are compulsorily traded in demat form.
- 96.86 % of the Company's equity shares are in demat form.
- The Company had 17,050 shareholders as on June 30, 2010.
- The Company has not issued any GDRs / ADRs. The Company has granted options to employees under ESOP (1999), ESOP (2002), ESOP (2005) and ESOP (2006) scheme. The options if exercised at the end of the vesting period shall be converted into equity shares.
- The dividend declared and paid in the previous financial years is given below:

Financial Year	Dividend (%)	Dividend Per Share in Rs.	Dividend Pay Out in Rs. Crore
2009-10	25%	2.50	8.09
2008-09	25%	2.50	8.09
2007-08	30%	3.00	9.71
2006-07	35%	3.50	5.64
2005-06	35%	3.50	5.64
2004-05	25%	2.50	4.02*
2003-04	25%	2.50	2.01
2002-03	20%	2.00	1.58
2001-02	20%	2.00	1.58
2000-01	20%	2.00	0.68

- The dividend payout in 2004-05 was on the enhanced capital consequent to 1:1 bonus issue made during the year.

The Board had not recommended any dividend prior to financial year 2000-2001.

- The Dividend Policy of the Company is to maintain the dividend payout, in the range of 15-30% of the profits available for distribution, subject to:
 - a) Provisions of Companies Act and other applicable laws.
 - b) Availability of funds in the Company
- The Board of Directors reviews the Dividend Policy periodically.

- Registrars of Company

Karvy Computershare Private Limited
 Plot No. 17-24
 Vithal Rao Nagar, Madhapur

Hyderabad 500 081
Tel: 040-23420815-28
Fax: 040- 23420814/ 23420857
Email: mailmanager@karvy.com

6. Locations

Nucleus services its clients through a network of international offices. Nucleus has wholly owned subsidiaries in India, Japan, Singapore, U.S.A, Netherlands and branch offices in Dubai (UAE) and London (U.K).

Nucleus operates state-of-the-art Software Development Centers at NOIDA (U.P) and Chennai under the Software Technology Park scheme of the Government of India.

A Subsidiary, VirStra-I Technology Services Ltd. operates a Development Centre at Pune (Maharashtra) under the Software Technology Park Scheme of the Government of India.

The Board of Directors, at their meeting held on April 26, 2009, approved closure of two wholly owned subsidiaries viz. Nucleus Software (Australia) Pty Ltd., Australia and Nucleus Software (HK) Ltd., Hongkong subject to regulatory approvals. During the year, Nucleus Software (HK) Ltd., Hongkong was de-registered as per the applicable laws of Hongkong and Nucleus Software (Australia) Pty. Ltd., Australia was deregistered on April 5, 2010 as per the applicable laws of Australia. The future prospects in these countries would be looked after by the Singapore subsidiary, Nucleus Software Solutions Pte. Ltd.

7. Stock market data relating to shares listed in India

A. Monthly high and low quotations as well as the volume of shares traded at Bombay Stock Exchange Ltd. and National Stock Exchange.

BSE						NSE				
	Open	High	Low	Close	Volume	Open	High	Low	Close	Volume
April-10	138.10	177.60	138.10	140.05	2,085,422	139.10	177.90	137.25	152.15	5,050,561
May-10	149.00	159.50	119.05	135.35	398,711	149.00	159.15	118.20	135.35	1,159,426
June-10	137.00	141.25	127.10	131.70	159,320	135.05	139.00	127.50	131.20	475,971

1. The highest share price of the Nucleus scrip at Bombay Stock Exchange Ltd. was Rs.177.60 in April 2010 and the lowest share price was Rs.119.05.00 in May 2010.

2. The highest share price of the Nucleus scrip at National Stock Exchange was Rs.177.90 in April 2010 and the lowest share price was Rs.118.20 in May 2010.

B. Quarterly high -low price history of the share for last 4 quarters

	BSE		NSE	
	<i>High (Rs.)</i>	<i>Low(Rs.)</i>	<i>High(Rs.)</i>	<i>Low(Rs.)</i>
September 30 th 2009	131.50	74.40	138.00	74.20
December 31 st 2010	164.25	98.50	164.00	98.55
March 31 st 2010	162.00	115.50	161.95	117.25
June 30 th 2010	177.60	119.05	117.90	118.20

8. Share Transfer System

The Company's shares are currently traded in dematerialised form; transfers are processed and approved in the electronic form by NSDL/CDSL through their Depository Participants.

The Shareholders/Investor Grievance Committee is authorised to approve transfer of shares, which are received in physical form, and the said Committee approves transfer of shares on a fortnightly basis.

All requests for dematerialisation of shares are processed and confirmation is given to the respective Depositories i.e. National Securities Depository Ltd. (NSDL) and Central Depository Services Ltd. (CDSL) within 15 days.

The Company has De-materialised 31,365,562 shares (96.86% of the paid up share capital) as at June 30, 2010.

The Company obtains from a Company Secretary in practice half -yearly certificate of compliance with the share transfer formalities as required under Clause 47 (c) of the Listing Agreement and files a copy of the certificate with the Stock Exchanges.

9. Employee Stock Option Schemes

The Company earlier instituted an ESOP scheme 1999 in year 2000, ESOP scheme 2002 was instituted in 2002, ESOP scheme 2005 was instituted in 2005 and ESOP scheme 2006 was instituted in 2006. These schemes were duly approved by the Board of Directors and Shareholders in their respective meetings. The 1999 scheme originally provided for the issue of 170,000 Equity Shares, 2002 scheme for 225,000 Equity Shares, 2005 scheme for 625,000 Equity Shares and 2006 scheme for 10,00,000 to eligible employees and Directors. A Compensation Committee of Board of Directors administers these schemes.

The Company has allotted Bonus shares in the ratio of 1:1 to the existing equity shareholders of the Company in August 2007. Consequently the Company has

applied and received in-principal approval from stock exchanges for allotment of additional shares in the ratio of 1:1 (pursuant to Bonus Issue), which are likely to arise out of exercise of options as and when exercised under the abovementioned schemes.

During the quarter ended June 30, 2010, the Company has allotted 12,500 equity shares to an employee, in pursuance of the stock options exercised in April 2010

10. Investors' Services

i. Details of request / complaints received during the quarter.

S.No.	Nature of Requests	Received	Attended	Pending
1.	Revalidation of Dividend Warrants	6	6	Nil
2.	Non-receipt of Dividend Warrant	3	3	Nil
3.	Non-Receipt of Shares after transfer	2	2	Nil
3.	Non-Receipt of Annual Report	2	2	Nil

The Company has attended to most of the investors' grievances/correspondence within a period of 10 days from the date of receipt of the same, during the quarter.

ii. Designated e-mail Address for Investor Services

In terms of clause 47(f) of the Listing Agreement, the designated e-mail address for investor complaints is investorrelations@nucleussoftware.com.

11. Legal Proceedings

There is no legal proceeding pending against the Company as on June 30, 2010.

12. Distribution of Shareholding

DISTRIBUTION SCHEDULE AS ON 30.06.2010						
No	No of Equity Shares Held		Number of	Percentage of	No of Shares	Percentage of
	From	To	Share Holders	Share Holders		Shares
1	1 -	500	14,956	87.72	1,704,938	5.26
2	501	1000	1,192	6.99	871,580	2.69
3	1001	2000	435	2.55	635,310	1.96
4	2001	3000	135	0.79	345,554	1.07
5	3001	4000	78	0.46	277,870	0.86
6	4001	5000	44	0.26	205,058	0.63

75001	10000	100	0.59	700,791	2.16
710001 and above.		110	0.65	27,641,423	85.36
TOTAL		17,050	100.00	32,382,524	100.00

13. Categories of Shareholders

<i>Category</i>	<i>As on June 30, 2010</i>		
	<i>No. of Share Holders</i>	<i>Voting Strength (%)</i>	<i>No. of Shares Held</i>
Promoter and Promoter Group	10	59.53	19,276,990
Individuals	16,075	19.17	6,206,719
Bodies Corporate	588	3.76	1,218,545
Non-Resident Indians	309	1.63	527,007
Foreign Institutional Investors	10	8.50	2,753,593
Mutual Funds	13	7.37	2,385,900
Clearing Members and Trusts	45	0.04	13,770
Total	17,050	100.00	32,382,524

14. Investors' Correspondence may be addressed to:

The Company Secretary
Nucleus Software Exports Ltd.,
33-35, Thyagraj Nagar Market
New Delhi-110003
India

Tel: ++91-(120)-2404050 Fax: ++91-(120)-2403972
Email: investorrelations@nucleussoftware.com

15. Employee Strength of Nucleus

Nucleus employed 1,528 people as on June 30, 2010 as compared to 2,000 people on June 30, 2009.

Distribution of the employees is:

	30-Jun-10		30-Jun-09	
	No.	%	No.	%
Technical Staff	1147	75.07%	1,642	82.1

Non-Technical Staff including Business Development Group	381	24.93%	358	17.9
The gender classification of employees is:				
Male	1215	79.52%	1,571	78.55
Female	313	20.48%	429	21.45
Total	1528	100.00%	2,000	100

The age profile of employees is:

	30-Jun-10		30-Jun-09	
	No.	%	No.	%
Between 20 and 25 years	208	13.61%	352	17.6
Between 26 and 30 years	625	40.90%	780	39
Between 31 and 40 years	615	40.25%	792	39.6
Between 41 and 50 years	65	4.25%	59	2.95
51 years and above	15	0.98%	17	0.85
Total	1528	100.00%	2,000	100%

16. How do I contact Nucleus by telephone, mail or in person?

You can contact the following Nucleus personnel for any information:-

Vishnu R Dusad - CEO & Managing Director

Tel: +91 (120) 4031500

E Mail: vishnu@nucleussoftware.com

Niraj Vedwa - Chief Operating Officer

Tel: +91 (120) 4031900

E Mail: niraj@nucleussoftware.com

Pramod K Sanghi - President - Finance & CFO

Tel: +91 (120) 4031800

E Mail: pk sanghi@nucleussoftware.com

Ravi Verma - President & Global Head- Human Resource

Tel: +91(120) 4031700

E Mail: ravi.verma@nucleussoftware.com

Poonam Bhasin - Company Secretary

Tel: +91 (120) 4031400

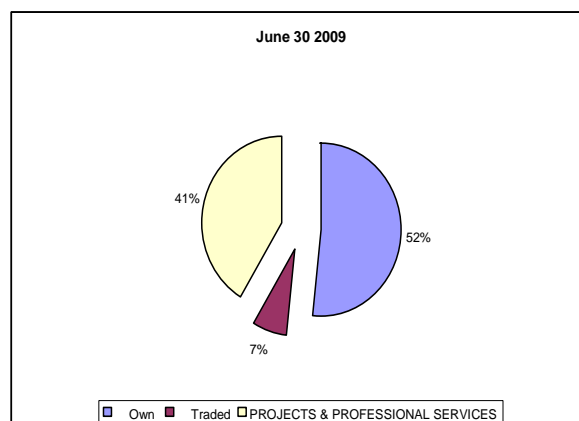
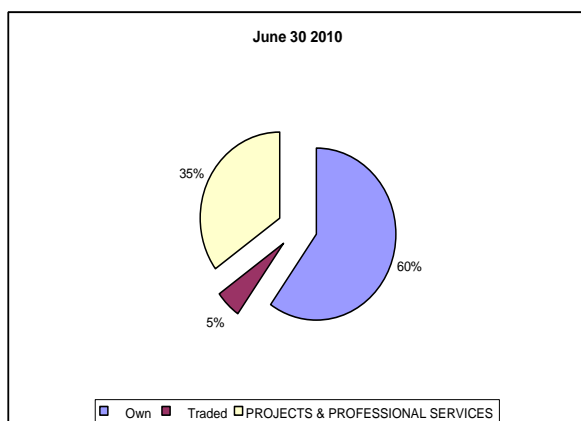
E Mail: poonam@nucleussoftware.com



Nucleus Software Exports Ltd.
Consolidated Segment Information

(Rs. in Crore)

REVENUE BY	Quarter Ended				Year ended	
	30 June 2010	% of Revenue	30 June 2009	% of Revenue	31 March 2010	% of Revenue
GEOGRAPHICAL SEGMENTS						
INDIA	8.89	13.44	10.41	12.92	36.80	12.61
FAR EAST	27.63	41.78	29.69	36.86	124.39	42.63
SOUTH EAST ASIA	13.13	19.84	18.37	22.81	61.12	20.95
EUROPE /U.K.	4.77	7.21	3.76	4.66	16.91	5.80
USA & CANADA	0.25	0.37	0.00	0.01	1.06	0.36
MIDDLE EAST	7.27	10.99	13.91	17.27	37.91	12.99
AFRICA	2.49	3.76	2.63	3.27	6.82	2.34
REST OF THE WORLD	1.73	2.61	1.77	2.20	6.77	2.32
TOTAL	66.14	100.00	80.54	100.00	291.78	100.00
CURRENCY SEGMENTS						
INDIAN RUPEE	8.89	13.44	10.41	12.93	36.80	12.61
JAPANESE YEN	4.19	6.34	3.37	4.18	13.67	4.69
SING \$	8.26	12.49	13.22	16.41	41.41	14.19
US \$	43.52	65.80	50.88	63.17	191.74	65.71
MYR	0.3	0.45	-	-	0.40	0.14
DHR	-	-	-	-	4.64	1.59
AED	0.31	0.47	1.81	2.25	-	-
KRW	0.67	1.01	0.85	1.06	3.12	1.07
EURO	-	-	-	-	-	-
TOTAL	66.14	100.00	80.54	100.00	291.78	100.00
BUSINESS SEGMENTS						
PRODUCTS	42.95	64.94	47.31	58.75	173.95	59.62
Own	39.52	59.76	41.58	51.64	1.51	0.52
Traded	3.43	5.18	5.73	7.11	22.83	7.82
PROJECTS & PROFESSIONAL SERVICES	23.19	35.06	33.22	41.25	117.83	40.38
TOTAL	66.14	100.00	80.54	100.00	291.78	100.00



NUCLEUS SOFTWARE EXPORTS LIMITED
RATIO ANALYSIS

Particulars	CONSOLIDATED PERFORMANCE		
	Quarter ended		Year ended
	June 30, 2010	June 30, 2009	March 31, 2010
Ratios- Financial Performance			
Export Revenue/ Revenue	86.56%	87.07%	87.39%
Domestic Revenue/ Revenue	13.44%	12.93%	12.61%
Gross Profit/ Revenue	29.72%	33.15%	32.77%
Software Development Expenses/ Revenue	70.28%	66.85%	67.23%
Selling and Marketing Expenses/ Revenue	11.59%	7.55%	7.77%
General and Administrative Expenses/ Revenue	11.01%	5.72%	6.47%
Total Operating Expenses/ Revenue	92.88%	80.12%	81.47%
Operating Profit/ Revenue	7.12%	19.88%	18.53%
Depreciation/ Revenue	3.74%	3.97%	3.88%
Other Income/ Revenue	5.59%	-1.39%	0.54%
Tax/ Revenue	0.78%	1.83%	1.89%
Tax/ PBT	8.92%	12.72%	12.55%
PAT from Ordinary Activities/ Revenue	2.42%	13.97%	12.62%
PAT from Ordinary Activities/ Net Worth	0.58%	4.45%	13.58%
ROCE(PBIT/Average Capital Employed)	4.24%	4.70%	17.14%
RONW (PAT/Average Net Worth)	3.46%	4.11%	14.99%
Ratios Balance Sheet			
Debtors Turnover (Days)	59	83	72
Asset Turnover Ratio	0.24	0.32	1.07
Current Ratio	2.67	3.13	2.76
Cash and Equivalents/Total Assets (%)	65.91%	54.02%	59.90%
Cash and Equivalents/ Revenue (%)	274.17%	169.89%	55.74%
Depreciation/Average Gross Block(%)	2.19%	2.86%	10.09%
Ratios - Growth			
Growth in Export Revenue (%)	-18.36%	-6.67%	-12.58%
Growth in Revenue (%)	-17.88%	-2.85%	-11.15%
Operating Expenses Growth (%)	-4.80%	-6.09%	-14.74%
Operating Profit Growth (%)	-70.58%	12.85%	9.01%
PAT Growth (%)	-47.78%	26.19%	19.03%
EPS Growth (%)	-47.92%	26.21%	18.96%
Per- Share Data (Period End)			
Earning Per Share from Ordinary Activities (Rs.)	0.49	3.48	11.37
Earning Per Share (Including Other Income) (Rs.)	1.63	3.13	11.86
Cash Earning Per Share from Ordinary Activities (Rs.)	1.26	4.46	14.87
Cash Earning Per Share (Including Other Income)(Rs.)	2.40	4.12	15.36
Book Value (Rs.)	84.85	78.02	83.74
Price/Earning (Annualized)	20.08	6.79	11.62
Price/ Cash Earning (Annualized)	13.69	5.16	8.98
Price/Book Value	1.55	1.09	1.65