



**NUCLEUS SOFTWARE EXPORTS LTD.**

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June 21, 2024

<b>The Listing Department</b> <b>The National Stock Exchange of India Limited</b> <b>Exchange Plaza, Bandra-Kurla</b> <b>Complex, Bandra (E), Mumbai-400051</b> <b>Fax Nos. 022-26598236/237/238</b> <b>SYMBOL : NUCLEUS</b>	<b>The Listing Department</b> <b>Bombay Stock Exchange Limited</b> <b>Phiroze Jeejeebhoy Towers,</b> <b>25<sup>th</sup> Floor, Dalal Street, Mumbai-400001</b> <b>Fax No. 022-22722061/41/39</b> <b>SCRIP CODE: 531209</b>
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Dear Sirs,

**SUB : 35TH ANNUAL GENERAL MEETING NOTICE AND ANNUAL REPORT OF THE COMPANY  
FOR THE FINANCIAL YEAR 2023-24**

The Thirty-Fifth Annual General Meeting ("AGM") of the Company will be held on Monday, July 15, 2024 at 11:00 a.m. IST through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM").

Pursuant to Regulation 34(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report containing the Notice of AGM for the financial year 2023-24 which is being sent only through electronic mode to the Members, who have registered their e-mail addresses with the Company/ Depositories.

The Annual Report containing the Notice is also uploaded on the Company's website [www.nucleussoftware.com](http://www.nucleussoftware.com)

This is for your information and records.

Thanking You.

Yours Sincerely  
**FOR NUCLEUS SOFTWARE EXPORTS LIMITED**

**(POONAM BHASIN)**  
**COMPANY SECRETARY**

**Encl: As above**

CC:

1. National Securities Depository Limited (NSDL)
2. Central Depository Services (India) Limited (CDSL)
3. KFin Technologies Limited

**Registered Office**  
33-35 Thyagraj Nagar Mkt, New Delhi - 110003  
Tel.: +91.11.2462.7552 F.: +91.11.2462.0872



# Building Trust, Driving Growth

Our Purpose-driven Journey  
to Innovation and Impact

Annual Report 2023-2024





# Innovate, Inspire, Impact

## A Year of Growth and Digital Transformation

Nucleus Software delivers disruptive Fintech Solutions to 200+ Banks and Financial Institutions across 50+ countries supporting Retail, Corporate & SME Finance, Islamic Finance, Automotive Finance, Captive Automotive Finance, Cash Management, Mobile & Internet Banking, Transaction Banking, Financial Inclusion and more. We facilitate over 26 million transactions each day through our globally integrated transaction banking platform. Our lending platform manages US \$500 billion of loans in India alone, and over US \$700 billion of loans globally other than India, while enabling 500,000+ users to log in daily. Our products collectively underline our commitment to empower financial institutions thrive in an increasingly digital world.



*Scan the QR Code to  
download Annual Report  
2023-2024*

**Global Offices:** Amsterdam | Chennai | Dubai | Jaipur | Pune | Johannesburg | London |  
Manila | Mumbai | New Delhi | New Jersey | Noida | Singapore | Sydney | Tokyo



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*“Commitment  
to Responsible  
Practices,  
Gratitude and  
Looking Ahead”*

*SM Acharya*  
Chairman

# Chairman's Message

FY 2023-2024 has been a momentous year in many respects. The financial services industry has undergone and continues to undergo rapid transformation driven by technological advancements, regulatory changes and shifting customer expectations. Despite the complexities, our company has demonstrated resilience and agility, adapting swiftly to changing market dynamics while staying true to our core values and vision. I believe Nucleus is well-positioned to leverage, as well as enable such transformations. In the last year, we have effected bold changes to help serve our customers better and have set the bar high.

Excellence is not merely a standard but a way of life in delivering products, maintaining robust risk management or building trust and confidence in the financial ecosystem. Through targeted initiatives, partnerships with community organizations, and the development of inclusive financial products, we are empowering individuals and businesses to access financial services, build financial resilience, and achieve their goals. We are enabling the Banking and Financial Services Industry to leverage mobile banking, microfinance, and agent banking networks to reach remote and rural areas with limited banking infrastructure. I feel happy to mention that our efforts in this sphere have been recognized and hailed.

We understand the importance of sustainability and responsible practices and

have made considerable progress to ensure our products and solutions enable green initiatives for our customers aligning financial performance with social and environmental impact. We aim to do so to the standards of the best in the world, enabling a positive change to build a greener, more resilient world for generations to come.

Our commitment to sustainability is integral to our long-term business strategy, risk management framework, and stakeholder value creation. We are excited about the positive impact we can collectively achieve as we continue on this green finance journey. Green finance is not just about mitigating risks; it is also about seizing opportunities for sustainable growth. We actively collaborate with clients, partners, and regulators to develop innovative financial products and services that promote sustainability, resilience, and long-term value creation. Our goal is to empower businesses and communities to thrive in a sustainable manner.

I extend my sincere gratitude to our dedicated team, whose passion, expertise, and dedication drive our sustainability initiatives forward. I also thank our clients, partners, regulators, and shareholders for their trust, collaboration, and shared commitment to a sustainable future.

# MD's Message

Nucleus is entering a new phase in its history, that of economic internationalization. Nucleus is expanding its operations driven by a strategic vision to tap deeper into global opportunities, diversify revenue streams, and establish a stronger foothold in key economic regions worldwide. Nucleus has grown, in terms of its strengths, its beliefs, its global reach impacting millions of lives daily! After 34 years at the helm, weathering the storms from the frontline, it is a source of great joy to see the company's vision being accomplished. Supported by the strength of its people and spirit of innovation, our company has endured all challenges thrown at it and has emerged a leader in a niche and extremely critical space - the financial services technology industry. With presence in all the major markets, and an intelligent portfolio of end-to-end products evolved and nurtured for the financial services industry over three decades, backed by innovation and domain expertise, we satisfy all our customers' diverse needs and aspirations, earning their trust and loyalty. This holds a vital place in our ethos.

Our dream for Financial Inclusion has taken great shape. We are dedicated to this cause and prepared to seize all strategic opportunities, driven by the goal of making INR 100 loan possible and profitable for the unbanked. We have every confidence in the future of this goal and are going full steam to make it possible across countries that look to technology to combat 'Cost of Cash' in order to achieve this dream.

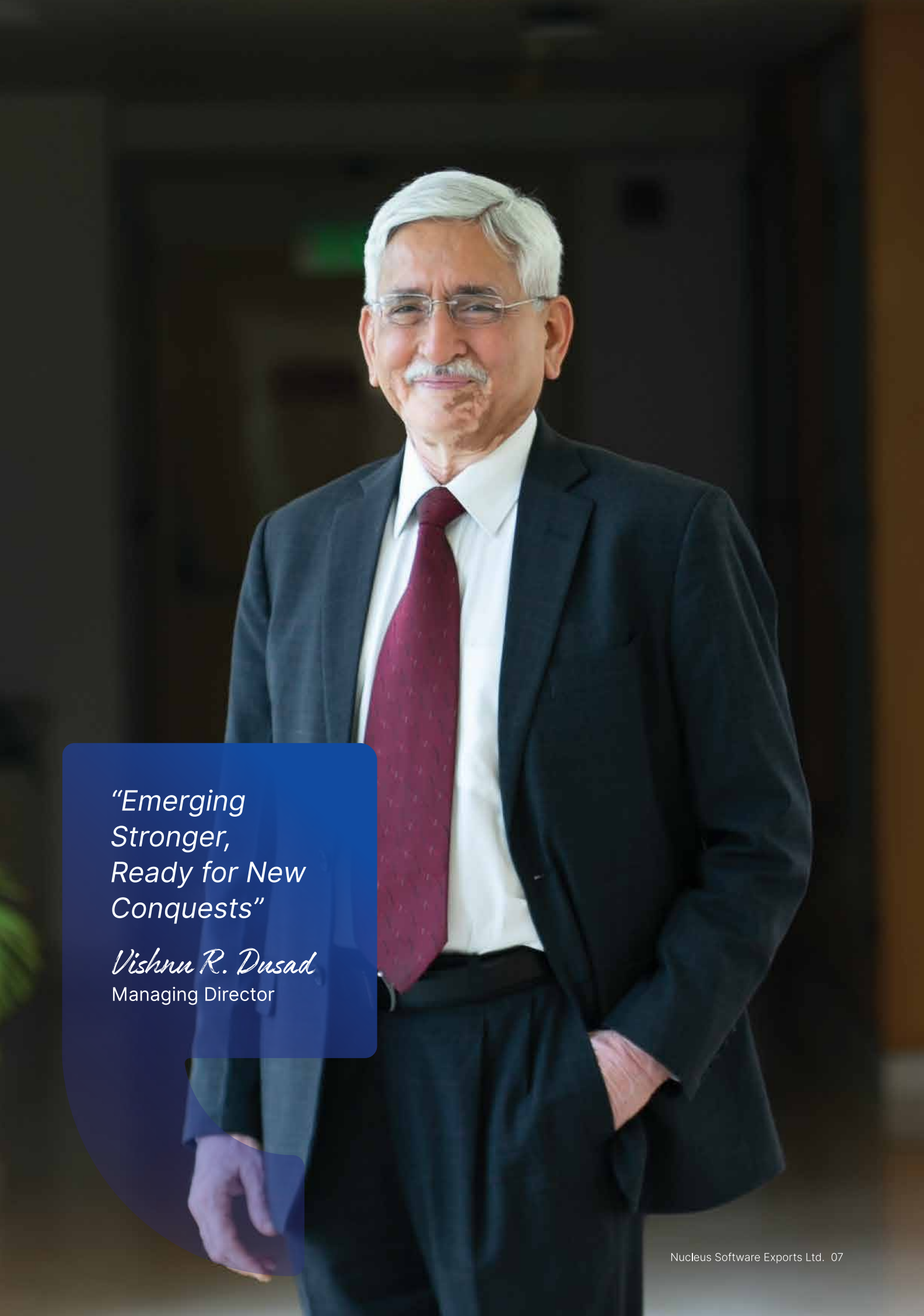
India's Digital Public Infrastructure development and the digital literacy programs are being given a sustained focus by the

government of India. This has resulted in the exponential growth and success of UPI. With broadband connectivity to rural and remote areas across India, enhanced digital security, and fostering a conducive regulatory environment for digital growth, we are confident we will be able to completely eradicate in due course the obscene interest levels that still exist at grassroot level.

Supported by the imagination and commitment of our innovative and very talented people, the government and our partners, our adventure in Financial Inclusion continues.

Our products and services underwent a metamorphosis to meet the vast diversity of needs of a new generation of consumers. With new tools, new methodologies and new approaches we have stayed relevant and ahead of the technology curve. Kaizen and Continuous Improvement are the on-going themes that make this possible while continuing to develop Nucleites to leverage their full potential.

Ethics are at the heart of our commitments, and our shared values are the linchpin to its drive and ingenuity. With solid forward-looking governance, aligned to green finance, we have taken measures to ensure our products and services enable sustainable and responsible lending practices for FIs, empowering them to reduce their global carbon footprint considerably. We are geared for the technology of tomorrow which will be responsible, autonomous, transparent and instant. I look forward to your support in this interesting phase, our metamorphic journey, where we create a solid bedrock for the next growth cycle.

A professional portrait of Vishnu R. Dusad, an elderly man with white hair and glasses, wearing a dark suit, white shirt, and maroon tie. He is standing with his hands in his pockets, smiling slightly. The background is dark and out of focus.

*“Emerging  
Stronger,  
Ready for New  
Conquests”*

*Vishnu R. Dusad*  
Managing Director



A man with a mustache and glasses, wearing a dark grey suit jacket over a white shirt, is seated in a brown leather armchair. He is looking towards the camera with a slight smile. The background is a plain, light-colored wall. To the left, a wooden side table holds a green plant and some books. A large, semi-transparent blue graphic element is overlaid on the bottom left of the image, containing text.

*“Empowering  
through  
Collaboration,  
Innovating for  
Impact”*

*Parag Bhise*  
Chief Executive Officer

# CEO's Message

I am pleased to present our company's annual report for the fiscal year 23-24, showcasing our ongoing efforts to create meaningful impact across various spheres of influence. This year has been marked by significant achievements, unprecedented global challenges, and growth. Nucleus has demonstrated steadfastness, resilience, and adaptability in our commitment to fostering customer loyalty and delivering exceptional value to all stakeholders. We embrace technology as a thoughtful enabler, leveraging data science, analytics, artificial intelligence, data automation, open finance strategy, chatbots and digital platforms to create seamless and intuitive customer experiences. Throughout the past year, our focus has remained on prioritizing customer satisfaction and loyalty, recognizing that loyalty is earned through consistent value delivery.

Innovation remains at the core of our business strategy and acts as a catalyst for meaningful impact. We have continued to invest in research and development to achieve ground-breaking results, whether it be through our Continuous Integration and Continuous Delivery (CICD) Deployment, Acceptance Test Driven Development (ATDD) Adoption or through our Product GA Release Cycles that are closely aligned to customer priorities & market needs and continue to focus on enhancing the robustness, quality and security of our products. All these initiatives enable us to deliver what our customers need and deserve.

Our commitment to innovation extends beyond understanding and meeting the evolving needs of our customers to address real-world problems that extend beyond financial returns. We keep the spotlight on the end customer, the consumers of financial services, by understanding their trending expectations and catering to their dynamic demands, both technically and functionally. At the heart of our mission is a deep-rooted commitment to creating a positive impact on society, the environment, and the lives of the people we touch. Our dedication to sustainability has deepened with initiatives aimed at reducing our environmental footprint and contributing positively to the communities we serve. Our commitment to ethical business practices underscores our responsibility to stakeholders and future generations.

Our success is a testament to the dedication of our employees whose hard work and innovative spirit drive our company forward. Together we have overcome obstacles, seized opportunities laying a foundation for future success. I am excited about the journey ahead and the possibilities that lie before us.

We remain optimistic about the opportunities in BFSI and are well positioned to capitalize on emerging trends and market dynamics. As we look to the future, we remain steadfast in our dedication to enhancing customer experiences, driving innovation, and maintaining the highest standards of quality and service. Thank you for your continued support, trust, and partnership. Together, we will continue to innovate, grow, and create value for all.



# Combining Global Expertise with Local Insights

**26 Mn**

Transactions  
each day

**\$1200 Bn**

Loans managed  
globally

**500,000+**

Users log in daily





**2700**

Lending variants

**520+**

Innovative APIs

**10,000+**

Years of domain expertise

# Board of Directors



**Mr. S.M. Acharya**  
Chairman & Non-Executive,  
Independent Director



**Mr. Vishnu R. Dusad**  
Managing Director



**Mr. Prithvi Haldea**  
Non-Executive,  
Independent Director



**Prof. Trilochan Sastry**  
Non-Executive,  
Independent Director



**Mr. Parag Bhise**  
Chief Executive Officer &  
Executive Director




**Mr. Anurag Mantri**  
Chief Operating Officer &  
Executive Director



## Board Committees as on date

**M** Member    **C** Chairperson

 Audit Committee

 Nomination & Remuneration /  
Compensation Committee



**Dr. Ritika Dusad**  
Executive Director



**Mr. R P Singh**  
Executive Director



**Mrs. Elaine Mathias**  
Non-Executive,  
Independent Director



**Mr. P C Kandpal**  
Non-Executive,  
Independent Director




**Mrs. Yasmin Javeri**  
Non- Executive,  
Independent Director



**Mr. Shekar Viswanathan**  
Non-Executive,  
Independent Director



 Corporate Social  
Responsibility Committee

 Risk Management  
Committee

 Stakeholder  
Relationship Committee

# Performance at Glance

Revenue

\$ 99.78Mn

₹ 826.5Cr

Earnings Per Share

\$ 0.86

₹ 71.6

Net Worth

\$ 93.22Mn

₹ 777.4Cr

Profit Before Tax

\$ 30.89Mn

₹ 255.8Cr

Profit After Tax

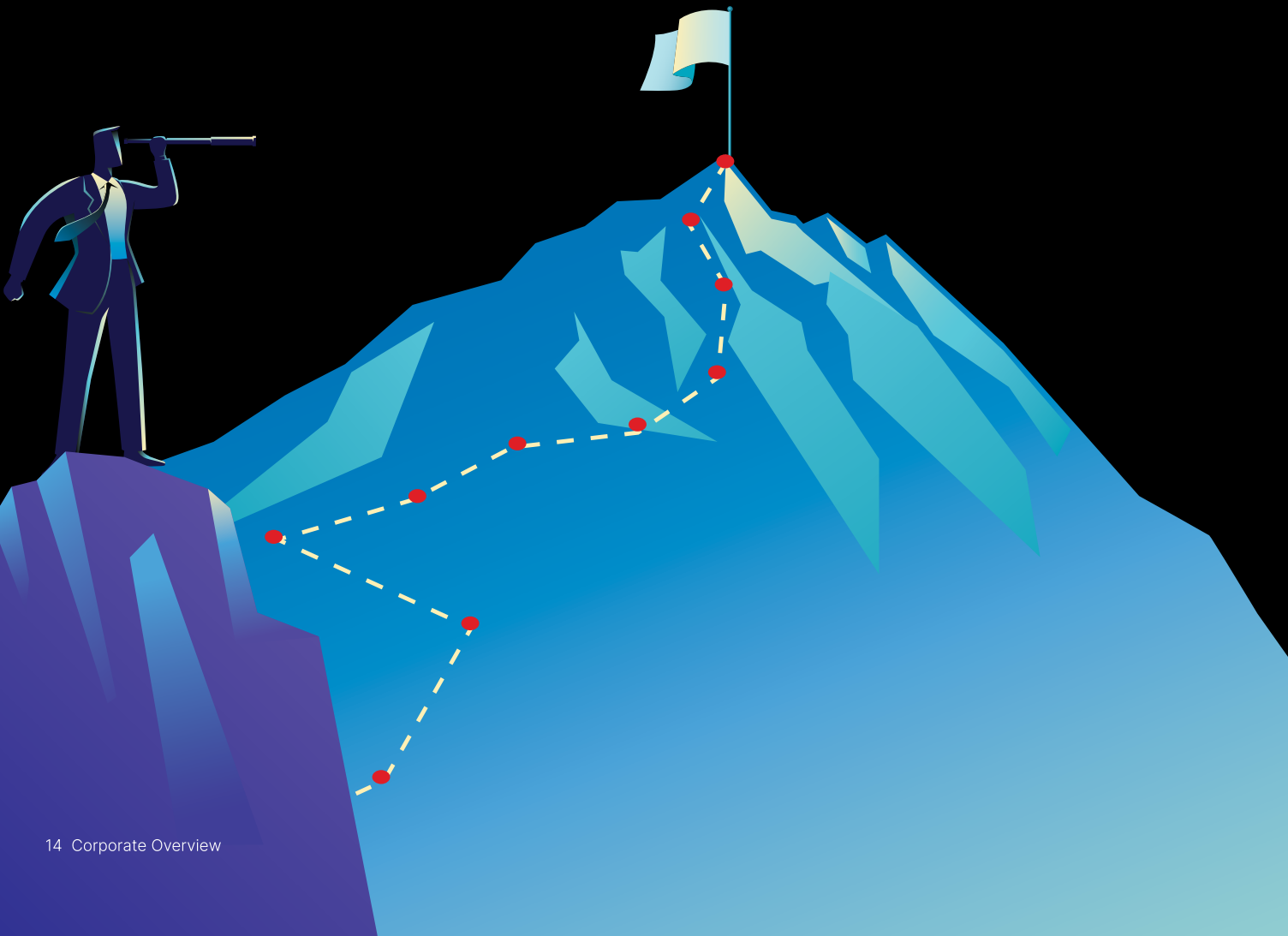
\$ 23.13Mn

₹ 191.6Cr

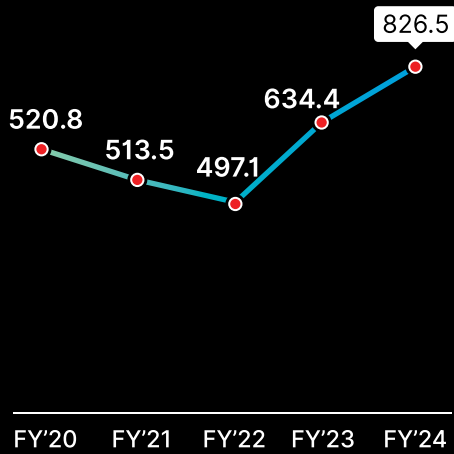
Operating Profit (EBITDA)

\$ 26.49Mn

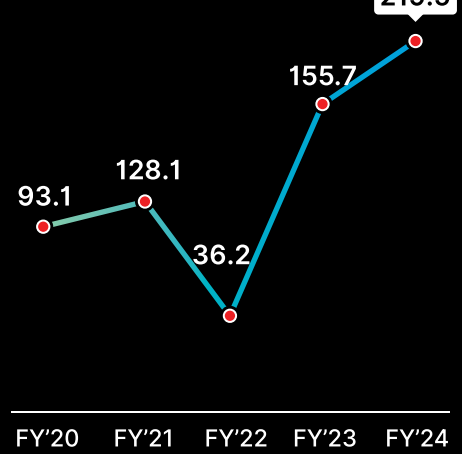
₹ 219.5Cr



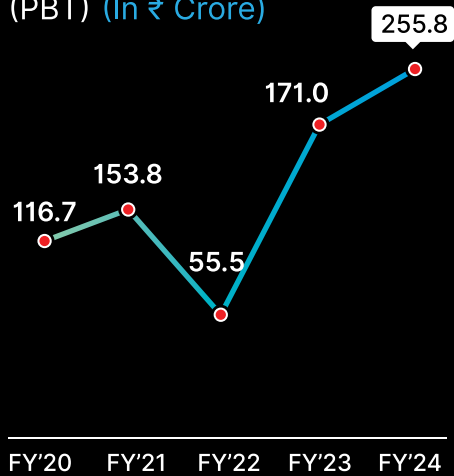
Revenue (In ₹ Crore)



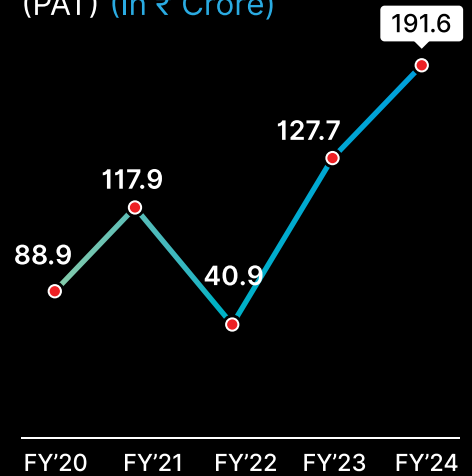
Operating Profit (EBITDA) (In ₹ Crore)



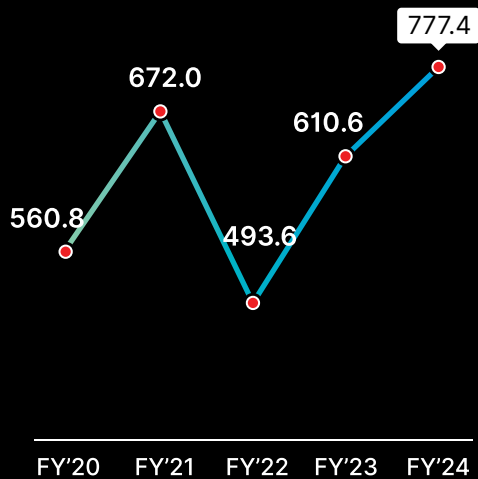
Profit Before Tax (PBT) (In ₹ Crore)



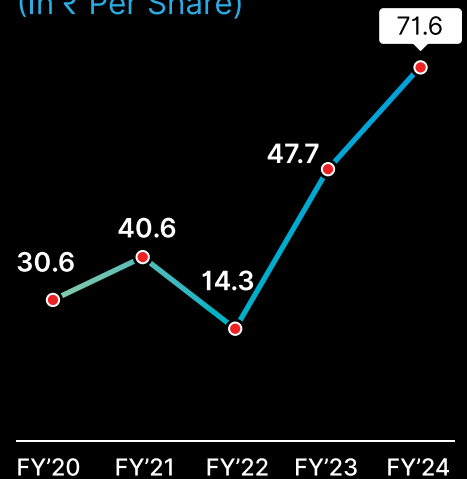
Profit After Tax (PAT) (In ₹ Crore)



Net Worth (In ₹ Crore)



Earnings Per Share (In ₹ Per Share)



# Accelerating Global Economic Growth and Steering India Towards a \$5 Trillion Economy

In alignment with India's ambitious goal of achieving a \$5 trillion economy, Nucleus Software is facilitating the rapid digital transformation of financial institutions and aiding banking services in reaching the unbanked through innovative technology. These efforts constitute a cornerstone of India's economic progress.



By maintaining a strategic focus on developing robust homegrown intellectual property that instils confidence in the entire population regarding the safety of their money, and by constructing a technology platform that interconnects multiple fintech companies, Nucleus Software is creating a mutually beneficial scenario involving fintech companies, technology firms, financial institutions, and their end customers

With this approach, the Indian economy can harness the disruptive potential of the fintech sector. The inclusion of AI-powered customer services and stringent cybersecurity protocols enhances investor confidence and bolsters the economic foundation. These digital advancements function as catalysts, propelling growth, and steering India towards a \$5 trillion economy and beyond by 2025.

Over the past 3 decades Nucleus Software has evolved their intellectual property products to ensure they stay in sync with the dynamic and evolving financial landscape to empower millions achieve their aspirations, and in turn boost India's economic progress. Whether it's UPI, Buy Now Pay Later (BNPL), or Financial Inclusion, the financial services sector has witnessed colossal growth and has improved financial literacy among the masses. At Nucleus Software, we continue to deliver cutting-edge products and solutions that adopt robust technology to enable the

financial ecosystem to function optimally by addressing the challenges and in turn accelerating the digital adoption across banks and end customers.

“

*“In 1980's, as India was a developing economy, we understood the importance of ensuring credit opportunities are accessible and available to the masses. When credit penetration is strong; it helps the economy flourish. The right technology can enable financial institutions to provide credit faster and at a better/personalised rate, creating a boom and supporting other pillars of the economy. We grasped the importance of making India Atmanirbhar by creating intellectual property products on Indian soil, unheard of during those early years, saving the country millions in foreign exchange and delivering a kickstart to the Indian financial services industry. This aspirational journey required all our resources and an unquenching passion to put India on the world intellectual property stage, as well as deep dedication to developing and honing talent in India.”*



The Unified Payments Interface (UPI) has witnessed remarkable growth since its inception in 2016 in India. UPI revolutionized digital payments by enabling seamless, real-time transactions between different banks through mobile devices. Its user-friendly interface, security features, and government support led to widespread adoption, making UPI the backbone of India's digital payment ecosystem and fostering financial inclusion.

Contactless payments gained more popularity during and post the COVID-19 pandemic, enabling users with a secure and seamless experience to transact, leaving them with no choice but an afterlife of convenience.

Unified Payment Interface (UPI) transactions in India posted a record 57 per cent rise in volume and 44 per cent rise in value in Financial Year 2023-24, compared to the previous financial year. In March 2024 too, the transactions saw 55 per cent rise in volume to 13.44 billion and 40 per cent in value to Rs 19.78 trillion compared to March 2023. This was for the first time that UPI transactions crossed 100 billion and closed at 131 billion in a financial year, compared to 84 billion in 2022-23. The year also saw record value touching Rs 199.89 trillion, compared to Rs 139.1 trillion (Source: *business-standard.com*). This remarkable expansion can be attributed to the widespread adoption of disruptive technology, the internet and the surge in mobile users over the previous decade.

Today, digital payments are extensively used in place of physical cash transactions. The digital payments space is projected to exponentially grow to \$10 trillion by 2026 (Source: *bcg.com*). This has been the game changer for the Indian economy and promises to be the harbinger of accelerated economic progress. Nucleus Software has been at the forefront of connecting fintech players in the ecosystem by robust, secure and seamless technology.



“

*Hosting the G20 presidency is a moment of great pride for India. It offers a unique opportunity for our banking and financial services sector to showcase its advancements to the world.*

*With innovations like FinnOne Neo® digital lending platform enabling 10-second loans, we are already ahead of many economies.*

*The G20 platform allows us to demonstrate our cutting-edge solutions globally, leading to positive responses from countries like France and UAE, who are keen to adopt Indian innovations in the domain of retail payments. This global stage enables us to foster collaboration, build consensus, and gain further recognition for India's dynamic banking ecosystem.*

We have developed an incredible number of 520+ APIs that help seamlessly connect to the ever-evolving financial ecosystem and hence this evolving ecosystem holds immense promise for the future. We enable 50+ fintech integrations on our lending platform. As financial services and currency undergo relentless digitization, fresh opportunities emerge to construct inclusive and streamlined financial solutions that fuel economic development.



# Creating & Maintaining a World Class Organization that Operates with Precision

At Nucleus Software, we are driven by a relentless pursuit of excellence in everything we do. Our journey towards becoming a world-class organization has been guided by a clear vision, unwavering dedication, and a commitment to our core values.

Our journey began with a bold vision of making financial services access easy and enriching worldwide. This vision serves as our guiding star, inspiring and uniting us towards a common purpose. Creating a world-class organization starts with cultivating a culture of excellence. At Nucleus Software excellence is not just a goal; it is our standard. It is reflected in the quality of our products/services, the professionalism of our teams, and the integrity of our operations. We foster a culture of continuous improvement, where every member of our organization is empowered to innovate, challenge the status quo, and strive for excellence in their respective roles.

To maintain our position as a world-class organization, we embrace innovation and adaptability. We anticipate market trends, embrace emerging technologies, and challenge conventional thinking.

By fostering a culture of innovation, we stay ahead of the curve, seize new opportunities, and drive sustainable growth in a rapidly evolving business landscape.



**We truly believe our people are our greatest asset. We invest in their growth, development, and well-being, recognizing that their success is intertwined with the success of our organization. Also, at the heart of our organization is a deep commitment to our customers. We prioritize their needs, anticipate their expectations, and strive to exceed their every expectation.**

# Global Initiatives that are a Game Changer

## Applying the Concept of Lean Manufacturing in Software Product Development

Nucleus Software's dedication to meeting evolving customer demands remains unwavering. The user-centric nature of lean software product development aligns closely with customer needs, ensuring a uniform customer experience.

The constant evolution of the financial services landscape demands robust and agile solutions, and advancements like Continuous Integration and Continuous Delivery (CICD) and Acceptance Test Driven Development (ATDD) play a pivotal role in achieving this. By embracing these innovations, Nucleus Software positions itself as a leader at the forefront of reshaping financial services, driving the financial technology landscape forward with a deep understanding of market needs and sets new quality standards.

Having spent around nine months with four large scale teams to implement this path breaking methodology while ensuring seamless customer delivery, we as a financial technology company are constantly evolving to stay ahead of the curve, and to this purpose we believe in continuously optimizing our software development approach.

CICD and ATDD will enable financial institutions by delivering efficient testing, enhanced collaboration and accelerating the pace of value realization.

“

*“CICD and ATDD are not just methodologies; they are a testament to our proactive stance, ensuring a seamless, enhanced experience. This marks a significant stride in our journey, reinforcing our commitment to setting new industry standards with precision, speed and an unyielding focus on customer satisfaction.”*



## Maintaining the Highest Data Security Standards

Data security is of paramount importance and our platforms have capabilities to ensure data access control mechanism, controlling the exposure of data at rest etc. Our meticulously designed architecture ensures strict control over access to data and algorithms, limiting it to authorized personnel only. This stringent approach guarantees the complete protection of sensitive information.

We further prioritize continuous training for our teams, keeping them abreast of the latest security advancements and best practices. Heightened awareness and vigilance, coupled with industry-wide fortification, underscore our commitment to data security.



## Ready for the Future - Hyper Personalization

As the landscape continues to be reshaped by technological advancements and shifting consumer expectations, the need to refine and enhance hyper-personalization strategies has become more pressing than ever.

Hyper-personalization has become integral across touchpoints and channels to ensure a consistent and seamless customer experience. Nucleus is enabling financial institutions be hyper agile, to launch new products & services quickly & easily, that are customer centric with a unified customer experience.

Also, data is the new air, and the banks that breathe the best will win. Our digital ecosystem is providing our partners with invaluable data on customer behaviour and merchant interactions. Harnessing these insights, our transaction banking platform, FinnAxia®, combined with FinnOne Neo® our lending platform revolutionize customer care by tailoring credit options with personalized interest rates. Through mobile accessibility, this customer-centric approach reaches millions of individuals and micro, small, and medium enterprises, transforming the banking experience.



## Phenomenal Achievement – Our GA Releases

*“We are one of the very few product companies globally, who have successfully made possible 32 releases with precision and consistency: the releases are future-proof and on cutting-edge robust technology platforms. This demonstrates our commitment to the continued investments we are making in creating the intellectual property that our customers currently deploy and would continue to deploy.”*

In the ongoing phase of our intellectual property journey, we have been very successful in defining a unique PLM (Product Lifecycle Management) process, following which, we have so far successfully made 32 releases over the past decade covering both our product suites, FinnOne Neo® and FinnAxia®, ensuring 4 full blown releases per annum across both product suites, which is a phenomenal achievement. We successfully delivered our GA Releases over the years and more so, even during the most challenging times of the pandemic. Each GA release entailed seamless collaboration among Product Managers, Product Engineers, Quality Control and Quality Assurance professionals. This team of experts ensured high quality standards, involving multi-model quality certifications encompassing full blown regression, endurance, scalability, vulnerability and penetration testing. They consistently delivered on the exact dates announced beforehand.



## Domain Expertise that Builds Great Products

Domain expertise is extremely crucial and the most vital aspect when building intelligent systems; only technology is not enough. A product must be built the right way, implemented the right way, the product has to be intuitive, as well as user friendly and above all a great product has to address and solve all the business pain areas. This can only be achieved if the team creating the product has in-depth domain expertise.

Our products are developed with in-built engines that incorporate domain expertise to manage the entire business processes of lending and transaction banking successfully and intuitively. Our platforms not only address current pain areas but also the future growth trajectory of our customers and the industry at large.



## Incredible APIs

In recent years, a symbiotic ecosystem has emerged, comprising fintech companies, financial services providers, and technology players like us. This collaboration has led to the adoption of niche fintech solutions by banks, facilitated by our technology. As a result, we deliver enhanced value to end customers through seamless integration of credit scoring and KYC solutions within our platform. We have developed an incredible number of 520+ APIs that help seamlessly connect to the ever-evolving financial ecosystem and hence this evolving ecosystem holds immense promise for the future. Fintech integrations are increasing both horizontally and vertically, and we are equipped to seamlessly integrate in a secured and efficient way.

Our endeavour is to remain aligned to global standards like open banking API for frictionless digital experience across multiple touchpoints.



## Human Capital Development

We understand that our greatest asset lies in our people—their skills, knowledge, and adaptability define our collective success. Our commitment to Human Capital Development is unwavering. We believe in fostering a culture of continuous learning and skill development that empowers every individual to thrive in their roles and contribute meaningfully to our organization's growth journey. Through targeted Learning and Development initiatives, we equip our workforce with the latest tools, technologies, and industry insights necessary to stay ahead of the curve.

Furthermore, our emphasis on continuous learning extends beyond traditional training programs. We encourage cross-functional collaboration, mentorship opportunities, and exposure to diverse projects that stimulate creativity and problem-solving skills. At Nucleus we not only enhance individual capabilities but also cultivate a high-performance workforce poised for success.

# Future Outlook

The global financial services market size has grown strongly in recent years. It will grow in 2024 at a compound annual growth rate (CAGR) of 7.7%. The growth in the historic period can be attributed to increasing demand for fast and real-time fund transfer, rise in adoption of blockchain technology in the banking sector, rising use of digital banking services, strong economic growth in emerging markets, and rise in use of crypto currency.

Looking to India, the financial services and fintech sector are set to create more value in the upcoming decade than it has over the past 70 years combined. The vision for the financial services market, presently valued at approximately \$850 billion, is to attain a worth of around \$1.7 trillion by 2030.

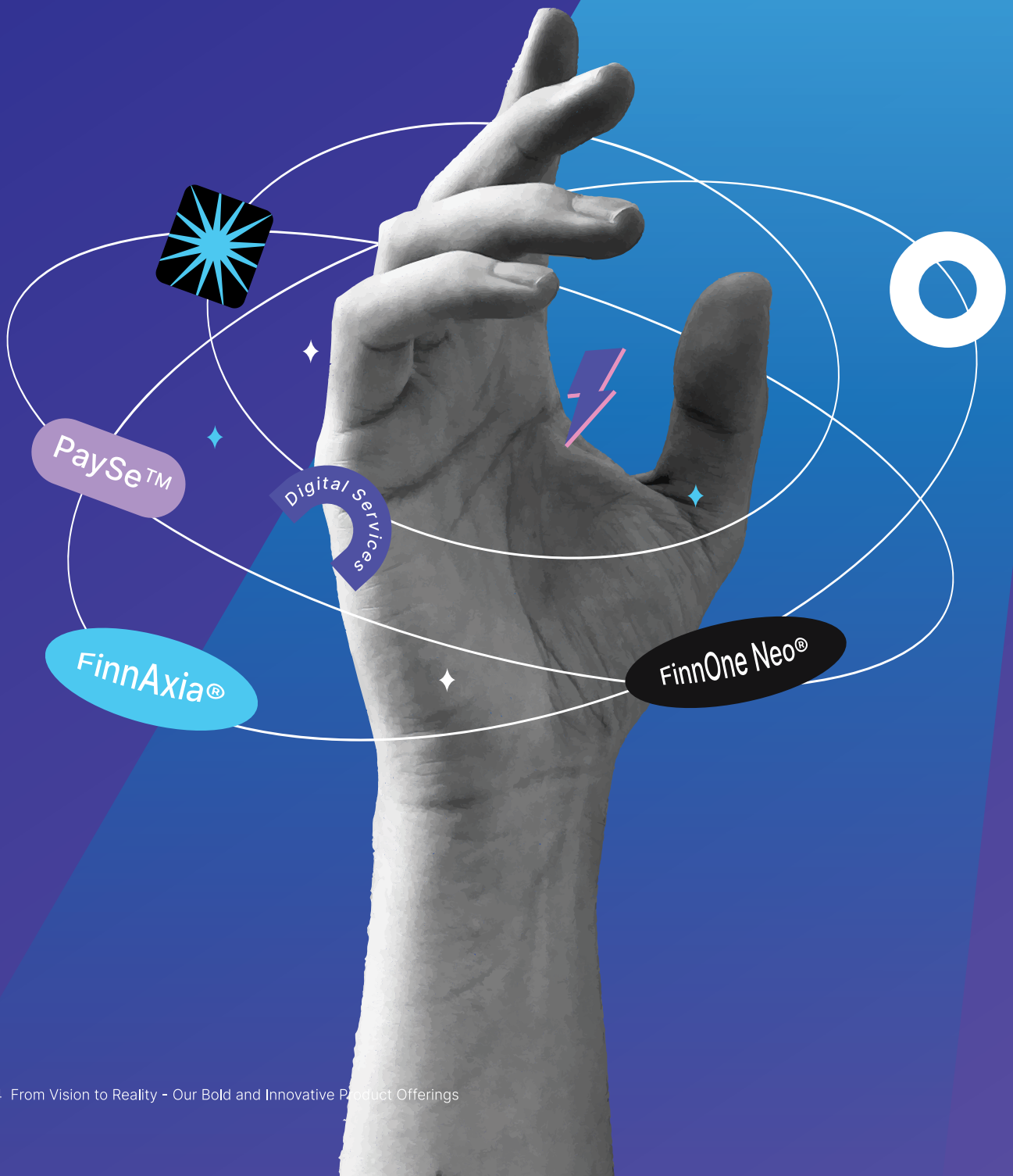
Particularly within this realm, fintech is expected to augment the market's capitalization by an extra \$300 billion, escalating from its current \$85 billion to nearly \$400 billion during this timeframe. India is unequivocally standing at a pivotal juncture, where the accumulation of value will drive substantial growth forward and Nucleus Software is well prepared to ride this surge.

*(Source: thebusinessresearchcompany)*



# From Vision to Reality

## Our Bold and Innovative Product Offerings



# Nucleus Digital Lending Platform

FinnOne Neo® is a globally acclaimed digital lending platform for retail & corporate lending, microfinance, Islamic finance, and automotive finance with specialized product capabilities across multiple lines of businesses.

It enables end-to-end digitization across the lending lifecycle of origination, servicing & collections with sophisticated content and collateral management modules. The mobility and channel modules enable financial institutions to offer seamless digital lending via agent facing and end customer offerings.

With FinnOne Neo® accelerate go-to-market, float innovative, customer-centric products swiftly with easy configurability of business & credit policies and provide an unparalleled omni channel experience; helping end customers self-service loans via web, mobile app, WhatsApp, etc.

## FinnOne Neo® Product Suite Holds

### Customer Acquisition System

This module covers the entire customer on-boarding and evaluation process to loan disbursements, for retail and corporate customers, with a multi-channel front end and a solid credit process back end.

### Loan Management System

This module takes care of the entire servicing life cycle of a loan including accounting, repayment, special transaction, non-performing asset management and self-service through multiple channels.

### Collections

This module optimally manages defaulters and possible defaulters, thus efficiently managing NPA's.

### Enterprise Content Management (ECM)

This module provides image-based processing capabilities to store and retrieve various contents like document images, letters, communications etc.

### Collateral Management System

This module optimally and automatically takes care of the entire collateral life cycle management.

### Portal: eApply & eServe

eApply – An innovative web channel for customers to apply for loans or cards.  
eServe – A unique web channel for customers to self-service their loan accounts.

### Sales Assist

This is a specialized loan sourcing channel for the sales staff, empowering them to quickly and easily source loans.

### Mobility Apps: mCAS, mApply, mCollect & mServe

The FinnOne Neo® Mobility suite is a portfolio of mobile solutions aimed at creating end customer empowerment while digitalizing various lending business processes.



# Enabling Impactful Outcomes

**2,700**

Lending product variants in use by customers

**16 M**

Transactions processed per day

**100+**

Customers using loan collection system

**100+**

Customers using customer acquisition system

**1**

New loan booked every second

**100+**

Customers using loan management system



In the increasingly digitized world, integrability and compatibility of a software solution with other software solutions is becoming increasingly critical. Nucleus Software's FinnOne Neo® has been a front runner in this regard as it carries an incredible number of APIs: 480+ in its API stack that facilitate robust, secure, easy, quick, and agile integrations. FinnOne Neo® supports both cloud, hybrid and on-premise deployments and can be deployed quickly in partnership with leading cloud providers.

## FinnOne Neo® for Retail Lending

### End-to-end Digital Lending Across Entire Lifecycle of Origination, Servicing & Collections

Nucleus Software is shaping the future of retail lending with its globally acclaimed, award-winning software FinnOne Neo®.



- ✓ **Accelerate Go-To-Market** - float innovative, customer-centric products extremely quickly and easily. Easy configurability of business & credit policies.
- ✓ **Unparalleled Omni Channel Experience** - delivers consistent and improved customer experience across multi-channel solutions. Enable end customers self-service loans via web, mobile app, WhatsApp, Google home, wearable devices and voice instantly.
- ✓ FinnOne Neo® supports both **Cloud** and **On-premise** deployments.



## FinnOne Neo® for Corporate Lending

### Enhanced Agility via Digitizing SME and Corporate Lending

Corporate lenders need to incorporate end-to-end digital capabilities, reduce time to market, increase transparency and offer unique customer experience across multiple channels.

FinnOne Neo® Corporate is designed to ensure you stay a customer-centred corporate lender. Our corporate lending solution supports multi-branch, multi-product and multi-lingual implementations.

- ✓ **Unlock Growth** – enabling quick and easy creation of new products within multiple lines of businesses for leveraging corporate lending.
- ✓ **Handle Complex Products** – integrated and global approach within corporate and SME lending.
- ✓ **Achieve Business Agility** - a one stop solution for all SME & corporate lending needs of financial institutions; driven by best-in-class roadmap practices.
- ✓ **Stay Ahead on Technology** - advanced technology platform; cloud ready, scalable, secure & available with a strong API layer.

## FinnOne Neo® for Islamic Finance

### Interest Free Banking Governed by Sharia Principles.

Islamic Finance holds a significant share in the global banking space. The \$2.2 trillion Islamic Finance Industry is expected to expand its reach beyond the current nine core markets which contribute 93% of total Islamic Finance.

Nucleus Software has been at the centre of innovation in Islamic Finance for the last two decades. Our Islamic Finance solution offers end-to-end digitization across customer onboarding, servicing to delinquency management and is backed with digital channels and data driven decision making.

Our solutions help provide seamless Sharia compliant banking experience to end customers and help offer tailored products rapidly, across every channel at an optimised cost.

- ✔ **Customer Acquisition System** - provides complete workflow and decision management for onboarding.
- ✔ **Finance Management System** - specialized tool to manage finance lifecycle for onboarded assets.
- ✔ **Collections Management System** - manages the entire strategy and execution for collections of delinquent assets.



## FinnOne Neo® End-to-end Automotive Finance Platform

Leading the charge, FinnOne Neo® for auto finance propels lending businesses into an agile, scalable, and transparent realm. This robust digital lending solution serves as a cornerstone for overseeing the entire loan lifecycle, from seamless customer onboarding to expeditious loan disbursements, offering an adaptable framework for accelerated growth, expanded horizons, and heightened profitability.

Helps manage dealership network & relationships efficiently. Enhanced product designed to cater equipment, automobile, electric vehicles, and charging station financing needs.

FinnOne Neo® for Automotive Finance holds -

- ✔ **Origination Module**
- ✔ **Servicing Module**
- ✔ **Leasing Module**
- ✔ **Collections Management Module**

## FinnOne Neo® for Captive Automotive Finance

### Financing and Leasing Excellence

FinnOne Neo® for Captive Automotive Finance provides all the capabilities that market leaders need to prosper – from new and lease products financing, to channel support and sophisticated workflows for streamlined operations.

The solution ensures that standard business processes can be easily implemented across multiple countries, creating a centrally driven yet localized setup with enhanced efficiency, reduced cost, and simplified management.

Changes can be introduced quickly and across multiple geographies to ensure that the agility required for business needs is matched by system flexibility.

It offers easy adaptability to regulatory changes and automated dealer commission & subsidies to effectively manage dealer relationships. A unique combination of personalized, rules-driven automated processes, digital outreach and real-time decisioning ensures revenue growth.

The system supports risk based pricing strategy and provides integrated support for residual value calculations.



## Enabling Impactful Outcomes

- **1hr**  
Reduced TAT for loan approval process from days to 1 hour
- **60%**  
Reduction in new product launch time
- **35%**  
Increase in cross sell and up-sell opportunities
- **90%**  
Pull through rate
- **30%**  
Increase in collection rate
- **10%**  
Increase in promise to pay (PTP)
- Faster go-to-market for new business offerings

# Nucleus Transaction Banking Platform

## FinnAxia®

The FinnAxia® suite is an enterprise solution for transaction banking operations of corporate banks, designed to allow banks to support the needs of their corporate customers. The platform is globally integrated to deliver end-to-end solutions to manage receivables, payments, liquidity, financial supply chains and corporate trade optimally. The product modules, including the financial supply chain platform, can be used as independent product systems or together to form a single integrated platform.

With FinnAxia® achieve operational excellence by digitizing processes enabling total transparency, faster time to market, and straight through processing with the corporate customer front end, as well as obtain 360° account position view across multiple currencies and jurisdictions.



FinnAxia® 8.5 enables corporates to make informed decisions on their cash position and enables cash forecasting capabilities for the banks' corporate customers, providing enriched intelligent reporting.

Our global payments solution enables banks to leverage our APIs to serve their corporate customers with a single stop solution platform, which complies with central bank regulations on LEI (Legal Identity Identifier) to regulate high value payments. Our global receivables solution enables banks to help corporates collect FCY inward payments and comply with NPCI DDI PGP encryption guidelines. Centralized control using virtual accounts enriched with faster reconciliation provides an enhanced view of cash positions, hence eliminating trapped liquidity.



## FinnAxia® Product Suite Holds



Global Payments



Global Receivables



Financial Supply Chain Management



Global Liquidity Management



e-Trade Finance



Electronic Bill Presentation and Payment



Virtual Account Management



Electronic Invoice Presentation & Payment



Digital Compass – Corporate Front End Channel

## Enabling Impactful Outcomes

- ✓ **Global Payments & Receivables** - comprehensive solution for mandate registration and direct debit transactions for corporates. Fully integrated with National Payments Corporation of India (NPCI).
- ✓ **Liquidity Management** - manage all types of complex liquidity requirements ranging from Multi-Bank Cash Concentration (MBCC), notional pooling, intercompany loans and interest optimization, and hybrid pooling.
- ✓ **Virtual Account Management** - complete virtual account management enabling financial institutions to manage different accounts virtually achieving liquidity without the need for multiple physical accounts.





# Nucleus Financial Inclusion Platform

## PaySe™

Enables small ticket transactions at remote locations over a secure and reliable platform.

Financial institutions can achieve easy digital onboarding of rural borrowers as well as achieve cost optimisation through automated business processes. PaySe™ is an offline and online digital cash solution designed to democratize finance and Nucleus Software has been awarded three patents for its pioneering with PaySe™.



Digital on-boarding



Digital payments



MIS & analytics



Digital credit scoring engine



Digital loan disbursement & collection



Digital charts of account

- ✓ **Efficient and comprehensive digital onboarding** – financial institutions can capture customer data, verify documents, conduct KYC/AML checks and create customer accounts while in offline mode to onboard customers in remote areas with no internet connectivity.
- ✓ **Inbuilt innovative digital payment solution** - digital wallet to make payments using smart phones instead of cash or cards when completely offline.
- ✓ **PaySe™ is India's first digitally compliant cash solution** - compliant with RBI PPI guidelines (Approved by RBI for PPI license).

# Nucleus Software Services

Offers banks and financial institutions a holistic approach to digital transformation, by delivering seamless customer experiences, operational and cost efficiencies, and actionable insights. This division leverages a broad spectrum of disruptive digital services like cloud services, application modernization, data engineering / virtualization & analytics, robotic process automation (RPA), infra services and more.



This division has been very active in delivering solutions covering modern banking, self-service onboarding capabilities, straight through processing, data virtualization, data modelling, RPAs, chatbots, machine learning to name a few, including be-spoke services for enterprise level solution implementations.

The services wing has operations in India, Southeast Asia, Japan, Middle East, and Europe focussing on -

01 **Data Engineering & Analytics**

02 **Application Modernization**

03 **Cloud Services**

04 **Infra Services**

## Enabling Impactful Outcomes

**70%**

Reduction in customer applications closure time

**200+**

Applications

**10**

Verticals

**15**

Countries

**86.5%**

Operational efficiency achieved by implementing RPA for a top Japanese NBFC



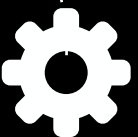
Facilitated the digital transformation of a large Asian bank by developing open banking APIs as per central bank guidelines



Accomplished process automation of the Risk Evaluation Management System for a large regional bank in Europe



# Leading The Path to Innovation



“

*“Innovation is the lifeblood of any successful organization. It is what drives us forward, propels us into new markets, and sets us apart from our competitors. Innovation is not just about coming up with new ideas; it's about transforming those ideas into tangible solutions that create value for our customers and stakeholders.”*

Nucleus Software has imbibed a culture of innovation that encourages creativity, experimentation, and risk-taking among our teams. We create an environment where employees feel empowered to share their ideas, challenge the status quo, and collaborate across departments. We have adopted innovative advancements like Continuous Integration and Continuous Delivery (CICD) and Acceptance Test Driven Development (ATDD), a pivotal force enabling us to deliver cutting-edge products and digital services. By fostering a culture of innovation, we unlock the full potential of our organization and drive continuous improvement.

Over the past few years, technology, particularly Artificial Intelligence (AI), Machine Learning (ML), Gen AI has played a pivotal role in reshaping the banking landscape. With AI's ability to analyze vast amounts of data and identify patterns without human intervention, it has unlocked new possibilities for the industry. At Nucleus Software, we have embraced AI, utilizing it to automate routine payments, enhance security by identifying anomalies, and improve overall efficiency. By leveraging artificial intelligence, machine learning, and data analytics, we unlock new insights, streamline processes, and create personalized experiences for our customers. With the usage of advanced technologies like AI, ML, Blockchain and Cloud Computing we are pushing the boundaries of innovation.

For every GA release, we ensure high quality standards, involving multi-model quality certifications that encompass full blown regression, endurance, scalability, vulnerability and penetration testing etc., on the precise dates that were announced beforehand, which is possible due to our innovative approach to product upgrades.

Our meticulously designed innovative architecture ensures strict control over access to data and algorithms, limiting it to authorized personnel only. This stringent approach guarantees the complete protection of sensitive information.

We are thrilled to update that last FY 23-24 we have been awarded a total of three patents for our first as well as India's first offline and online Financial Inclusion platform, PaySe™.

Our first patent aims to revolutionize electronic transactions; creating and innovating technology to enable secure, efficient, and low-power short-range communication systems. Our second patent unlocks the future of digital payments with innovative wireless digital wallet technology, thus making transactions simpler, faster, and more secure, both offline and online. Our third patent underscores the uniqueness and ingenuity embedded in PaySe™, highlighting its groundbreaking approach to targeted electronic transactions within the financial system.

By the end of 2024, we can expect technology trends to continue to evolve, such as the increasing use of low-code platforms, the emphasis on personalization, the adaptation of payments, open banking, and the increased focus on security. We are committed to championing innovation and empowering our teams to push the boundaries of what's possible. It's about staying relevant, driving growth, and creating value for our customers and stakeholders.

# Trailblazing Achievements: A Legacy of Excellence

“

*“We are delighted to share with you the remarkable achievements and accolades that our company has received over the past year. As shareholders, your investment and support have been instrumental in our success, and it is with great pride that we share these accomplishments with you.”*

These awards serve as a validation of our company's strength, resilience, and long-term growth potential. Looking ahead, we remain committed to building on these achievements and continuing to deliver value to our shareholders, customers, and stakeholders.

With your continued support, we are confident that we will achieve even greater success in the years to come. Thank you for your ongoing trust and confidence in our company.

Among the highlights of our achievements this year include industry recognition, customer satisfaction awards, and innovation awards. Each of these honors reflect our company's commitment to delivering exceptional value to our customers, driving innovation, and maintaining a leadership position in the market.

These accomplishments not only validate our strategic direction and investments but also demonstrate our ability to adapt and thrive in a rapidly changing business environment. As shareholders, you can take pride in knowing that your investment is supporting a company that is recognized and respected worldwide.



FinnOne Neo® won the Banking Frontiers Technoviti Award 2023. FinnOne Neo® is the next-generation digital lending solution built on an advanced technology platform designed to shape the future of lending.



Awarded for the 'Most Innovative Use of Process Automation' under most innovative project category for Mahindra Rural Housing Finance Ltd.



Awarded for the transformative digital lending project with Poonawalla Fincorp.



Dr. Ritika Dusad was honored at "The Rising 2024" for her outstanding contributions to the tech industry.



Annual Report 2023 won the excellence award within the Technology-Software industry and ranked 99th among top 100 worldwide.

“

*Throughout the year, our company has been recognized for its outstanding performance, innovation, and contributions to our industry. These awards and accolades are a testament to the dedication and hard work of our talented team members, who consistently strive for excellence in everything they do.”*



# Market Focus and Product Strategy Narrative



*"We are pleased to provide you with an update on our company's global focus and strategic initiatives. Over the past year, we have maintained a steadfast commitment to expanding our presence and driving growth in key international markets."*

Our company's strategic approach to market focus and product strategy is centered on identifying key markets with high growth potential and aligning our product offerings to meet the specific needs and demands of those markets. Through extensive market research and analysis, we have identified target markets where our products can make a significant impact and drive value for our customers.

## ✔ Market Segmentation

We have segmented our target markets based on various factors such as geographical location, industry verticals, customer demographics, and regulatory environments. This segmentation allows us to adapt our product strategy and marketing efforts to effectively address the unique requirements of each market segment.

## ✔ Partnerships and Alliances

We have forged strategic partnerships and alliances with local businesses, organizations, and government entities in target markets. These partnerships have enabled us to leverage local expertise, networks, and resources to accelerate market penetration and drive business development initiatives.

## ✔ Risk Management Solutions

In an increasingly complex and volatile business environment, risk management is a top priority for organizations across industries. We offer comprehensive risk management solutions that help our clients identify, assess, and mitigate various types of risks, including credit risk, market risk, and operational risk.

## ✔ Customer Engagement

We have prioritized customer engagement and relationship-building efforts to deepen our connections with customers in international markets. Through targeted marketing campaigns, customer outreach programs, and personalized communication channels, we have strengthened customer loyalty and satisfaction, driving repeat business and referrals.

## ✔ Operational Excellence

To support our global expansion efforts, we have focused on achieving operational excellence and efficiency across our international operations. Through streamlined processes, optimized workflows, and leveraging technology solutions, we have enhanced our ability to scale operations and meet the evolving needs of our global customer base.

## ✔ Product Alignment

In each target market, we have strategically aligned our product offerings to cater to the specific needs and preferences of customers. This involves customizing features, functionalities, and pricing models to ensure that our products deliver maximum value to our target audience.



## ✔ Digital Banking Solutions

With the rapid digitization of financial services, we are heavily focused on offering innovative digital banking solutions to banks and financial institutions worldwide. Our digital banking products are designed to enhance customer experience, improve operational efficiency, and drive revenue growth for our clients.

## ✔ Regulatory Compliance Solutions

Regulatory compliance is a critical concern for companies operating in highly regulated industries such as banking, healthcare, and pharmaceuticals. Our regulatory compliance solutions help organizations navigate complex regulatory requirements and ensure compliance with industry standards.

## ✔ Market Study Synopsis

Our market study involves in-depth research and analysis of target markets, including market size, growth trends, competitive landscape, regulatory environment, customer preferences, and emerging opportunities. Through this study, we gain valuable insights into market dynamics and customer needs, which form our product strategy and go-to-market approach. By aligning our product offerings with market demands and leveraging insights from our market study, we are well-positioned to capitalize on growth opportunities and drive sustainable business success.

“

*“As we look ahead, our commitment to global expansion remains unwavering. We will continue to pursue opportunities for growth, innovation, and market leadership in key international markets, while remaining agile and responsive to changing market dynamics. Thank you for your continued support as we navigate this exciting journey of global growth and expansion.”*



# Cultivating Collaboration

## Fostering Shared Visions at Our Global Customer Meets

At the heart of our business philosophy lies a deep commitment to customer-centricity and delivering exceptional value at every touchpoint. Our customer meets during our last financial year were a resounding success, with representatives from various industries and sectors coming together to discuss their experiences, challenges, and aspirations. These interactions provided us with invaluable insights into our customers' needs and preferences, allowing us to adapt our products and services to better meet their requirements.

At these events, our Chairman, Managing Director (MD), Chief Executive Officer (CEO) and senior management team had the privilege of engaging directly with our customers, listening to their feedback, and addressing any concerns they may have had. These interactions are instrumental in fostering a culture of collaboration and partnership, ensuring that we remain aligned with our customers' goals and objectives.

As we move forward, we remain committed to deepening our relationships with our customers and delivering exceptional value and service.



# Embracing Diversity, Fostering Inclusion

## Building a Workplace Where Everyone Thrives

“

*“We provide opportunities for learning and development, mentorship, and career advancement, enabling our employees to reach their full potential and contribute meaningfully to our collective success.”*

In the fiscal year 2023-24, Nucleus Software took significant strides in championing diversity and inclusion. We launched the Parents Club, offering a nurturing platform for parents to connect and share insights, fostering a supportive environment within our organization. Our "Open Dialogue for Change" series facilitated meaningful discussions, celebrating the diverse perspectives that enrich our workplace.

The "Connect with Leaders" series provided a forum for candid conversations with senior

leadership, amplifying diverse voices and driving change towards equitable workplaces.

Additionally, 12 women Nucleites attended "The Rising 2024" event in Bangalore, advocating for women's roles in AI innovation and inspiring all with their dedication and resilience.

*“We are thrilled to announce that Dr. Ritika Dusad, our esteemed leader, was honored with the prestigious 'DE&I in Tech Leadership' award. Her exemplary commitment to inclusive leadership has set a powerful precedent, reinforcing our dedication to fostering diversity and inclusion at every level of our organization.”*

These initiatives reflect our unwavering commitment to creating an inclusive culture where every individual feels valued, respected, and empowered to thrive. Together, we are shaping a more diverse, equitable, and innovative future for Nucleus Software.





# Making a Difference Together

The Nucleus Software Foundation (NSF), is dedicated to leveraging cutting-edge technologies and methodologies to transform the lives of various disadvantaged and marginalised sections of the community with focus on quality of life, gender equality, relative poverty, and education. NSF empowers and educates children and women through various programs. These include sponsorship initiatives, remedial programs, and medical assistance. The foundation's vision revolves around two fundamental pillars that are integral to the progress and well-being of society: education and women empowerment. By emphasizing education, the foundation aims to equip individuals with the knowledge, skills, and opportunities they need to succeed in life.





# Driving Positive Change

## Spotlight on Our Initiatives



Nucleus Software Foundation orchestrated a heart-warming transformation at Samriddhi School, turning it into a "Winterland" through a secret Santa initiative, bringing immeasurable joy to children. The radiant expressions on their faces as they saw their wishes fulfilled were truly touching.



A recent initiative in Chennai, spearheaded by our Chairman, Mr. S.M. Acharya, and Managing Director, Mr. Vishnu R. Dusad, underscores our unwavering commitment to social empowerment. By providing skill-building opportunities in tailoring and embroidery, we witnessed firsthand the profound impact of educating and empowering women.



Additionally, our foray into local communities involved distributing essential resources such as tarpaulins, life jackets, and boats to the fishing community, thereby enabling sustainable livelihoods.





# Nurturing Balance, Cultivating Internal Harmony

In today's fast-paced world of technology, Nucleus Software prioritizes the well-being and equilibrium of its workforce. This narrative explores the internal initiatives spearheaded by our HR team.



# Nucleus Day

Celebrating our 37th Nucleus Day - to make each Nucleus Day a success, we geared up to deliver the best show this year on July 10th, 2023.



NucleusDay is a joyous occasion, radiating the vibrant spirit of our Nucleus family. The festivities begin with captivating performances by the talented children of Nucleites, setting the stage for a delightful day filled with camaraderie and merriment. A delectable lunch and an energetic DJ session further amplify the sense of unity and happiness shared by all. Every Nucleite put their best foot forward in making our foundation day a roaring success!



# Nucleus Diwali

Showcasing our commitment to diversity and inclusivity.



Enhancing the festive fervor is NucleusDiwali, an extraordinary gathering uniting our Nucleus extended family for an evening of cultural enrichment and jubilation. Beyond fostering closer ties, this event serves as a testament to our unwavering dedication to embracing diversity and promoting inclusivity within our community



# Nucleus Badminton Premier League

*Our very own Badminton Premier League redefined our camaraderie and competitive spirit.*



We witnessed the most exhilarating sporting showdown within our office space! From beginners to seasoned players, we got a mix of talent, dedication, and sportsmanship.

With epic rallies, jaw-dropping smashes, and some fierce yet friendly rivalries we forged unforgettable moments both on and off court. The Nucleus Badminton Premier League was more than just a tournament; it was a symphony of collaboration and team spirit.

With 170+ participants forming 25 teams, including a remarkable 42% female players, we didn't just play a sport; we built a community of sports enthusiasts. Each rally, each cheer, and every high-five added to the spirit of togetherness. Our champions not only played with skill but also embodied the true essence of teamwork.



# Nucleus Premier League

*Promoting physical fitness and healthy competition, Nucleites engaged in spirited matches, igniting team spirit and camaraderie*



The grounds of Nucleus Software buzzed with excitement as employees from different departments gathered for the much-anticipated Premier League. It was a day marked by camaraderie, friendly rivalry, and the shared love of cricket. As the match progressed, there were moments of brilliance, with spectacular catches, powerful strokes, and strategic bowling maneuvers. Yet, amidst the competition, there was also a palpable sense of sportsmanship and mutual respect. Spectators, including families and friends, cheered from the sidelines, adding to the festive atmosphere. The aroma of freshly grilled food wafted through the air as participants took breaks to refuel and recharge, bonding over shared experiences and friendly banter. While one team emerged victorious, the real winner was the sense of unity and camaraderie that permeated the day. As players shook hands and exchanged congratulatory remarks, it was evident that the true value of the corporate cricket match lay not in the final score, but in the bonds forged and memories created.



# Nucleus Trip

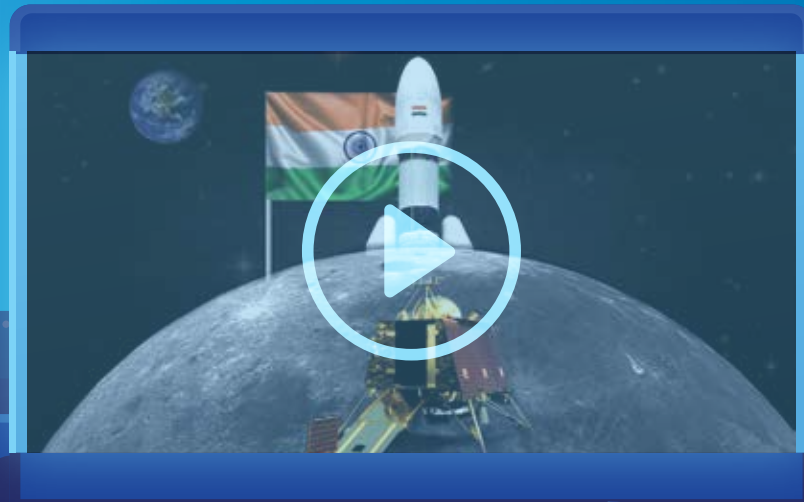
*Reigniting the mind and soul*



This year, we embarked on a new initiative NucleusTrip, a two-day excursion where families were invited to join in. This getaway not only provided a rejuvenating break but also fostered deeper connections among Nucleus families, strengthening our bond beyond the workplace.

# Chandrayaan 3 Special Screening

*Nucleites got together to witness India create history by being the first country to land Chandrayaan3 on the south side of the Moon.*



Nucleites gave a standing ovation to ISRO, saluting the scientists who strived hard over years to gain their rightful place in space technology and exploration!! The Chandrayaan-3 mission marked a significant moment in India's space exploration journey. The moment of Chandrayaan-3's launch was a culmination of years of meticulous planning, engineering expertise, and collaborative efforts among scientists, engineers, and researchers. It symbolized India's ambition to expand its footprint in space exploration and contribute to humanity's understanding of the cosmos.

Like ISRO, Nucleus Software continues to make India proud by crafting Indian Intellectual Property that is implemented by leading global financial services organisations saving India millions in foreign exchange and ensuring our technology is world-class. As Chandrayaan-3 embarked on its journey to the Moon, it sparked excitement and anticipation, serving as a source of inspiration for us at Nucleus.



# Nucleus Annual Awards

*"Celebrating excellence, recognising those who go the extra mile"*



Our recent Corporate Awards Ceremony was an evening filled with excitement, pride, and celebration as we recognized and honoured outstanding achievements across our organization.

From innovative projects to exceptional leadership, the event showcased the remarkable talent and dedication of our team members. The awards ceremony was not only a celebration of individual and team achievements but also a testament to our collective commitment to excellence, innovation, and customer satisfaction. As we look to the future, we are inspired by the talent and dedication of our team members and are confident that together, we will continue to achieve great things.



# Expanding Global Outreach Event Centric Expansion Strategy

Throughout the fiscal year 2023-24, our company actively participated in various industry events across the globe, reinforcing our commitment to innovation, collaboration, and thought leadership within the financial services sector.

These engagements allowed us to effectively convey the value proposition of our solutions to key stakeholders and decision-makers within the industry. By participating in these events, we not only highlighted the benefits our offerings bring to businesses but also emphasized our deep-rooted knowledge and understanding of industry challenges and requirements.



At the NBFC Tech Summit, Delhi, our representative, delivered a presentation on "The Digital Lending Landscape: Unlocking Opportunities for MSMEs and Bridging the Financing Gap." This session provided attendees with valuable insights into leveraging technology to address the unique challenges faced by MSMEs in accessing financing, showcasing our company's expertise in driving financial inclusion through digital innovation.



As a platinum sponsor of MEBIS, Dubai, our company had a prominent presence throughout the event. In addition to our sponsorship, we secured a speaking opportunity where our representative delivered a keynote speech on "The Convergence of Digital Transformation and Innovation in Banking." This presentation highlighted our company's thought leadership and expertise in driving digital innovation within the banking sector, positioning us as a key player in the ME's financial ecosystem.



Participating in the Future of Finance Summit, Bangkok allowed our experts to share insights on the evolving fintech landscape alongside industry peers. Through panel discussions, keynote presentations, and networking opportunities, we explored emerging trends, disruptive technologies, and strategies for driving digital transformation within the financial services sector.



At the WFIS Vietnam, our team engaged in targeted discussions with industry leaders and stakeholders, exploring market dynamics, regulatory trends, and potential partnership opportunities within the Vietnamese financial sector. We showcased our company's innovative solutions and services tailored to the local market's needs.



This summit in Mumbai provided a platform for renowned industry experts, including our representatives, to engage in stimulating discussions centered around India's banking sector's strategic role in propelling the economy towards achieving ambitious goals. Through thought-provoking debates and strategic insights, we contributed to shaping the future of banking in India.



As the Lead Sponsor of the Future of Financial Services event in Sydney, our company had a prominent presence throughout the two-day affair. Our CEO, Mr. Parag Bhise, shared his experience and insights on "Digital Transformation - The Journey and its Challenges," highlighting our company's innovative approaches to overcoming digital transformation challenges in the financial services industry.







At the Global Fintech Fest, Mumbai, we participated as panelist discussing "Leveraging Digital Infrastructure for Transformation in Lending & Payments." This panel provided attendees with valuable insights into leveraging digital infrastructure to drive innovation and transformation in lending and payments, showcasing our company's expertise in fintech solutions.



SIBOS 2023, Toronto, focused on "Collaborative Finance in a Fragmented World," providing a platform for industry leaders to explore collaboration opportunities amidst a fragmented financial landscape. Our participation allowed us to engage with global stakeholders, exchange insights, and contribute to discussions on fostering collaboration and innovation within the financial industry.



Dr. Ritika Dusad shared insights on "AI's Financial Architects: The Domain Expert Touch," contributing to discussions on the role of artificial intelligence in reshaping the future of finance. Our participation in the festival enabled us to showcase our expertise in leveraging AI technologies to drive innovation and enhance customer experiences in financial services.



At FIBAC 2023, Mumbai, our CEO, Mr. Parag Bhise, participated as a panelist on the topic "FinTechs: Strengthening Governance, Economics, and Scalability." This panel discussion provided attendees with strategic insights into the role of fintech companies in strengthening governance, economics, and scalability in the financial industry amidst uncertain times.





Participating in the MENA BFSI Leaders Conclave, Dusit Thani, provided our team with a unique platform to engage with influential leaders and decision-makers from the BFSI sector across the MENA region. Through panel discussions, networking sessions, and knowledge-sharing forums, we exchanged insights on industry trends, best practices, and strategies for achieving inclusivity, sustainability, and collaboration within the financial industry.



Participating as a delegate in AFSA, Nashville, our team gained valuable industry insights and trends on compliance, regulatory activities, and best practices in vehicle finance. The conference provided a platform for networking and knowledge-sharing among industry leaders, contributing to our understanding of key challenges and opportunities in the vehicle finance sector.



### **NEXTGEN BANKING and TECHNOLOGY Summit**

This event provided an excellent opportunity to engage with industry leaders and stakeholders, particularly in the context of Oman's banking sector's digital transformation. We gained insights into the specific challenges and opportunities facing the Omani banking industry, as well as the strategies being employed to enhance accessibility and convenience through digitalization.

# Years at a Glance

(All figures in ₹ crore, except per share data)

## Consolidated Performance

For the Year Ended March 31,	2024	2023	2022	2021	2020
Revenue from Operations	826.45	634.46	497.19	513.53	520.83
Operating Profit (EBITDA)	219.45	155.75	36.22	128.12	93.10
Depreciation	14.55	18.73	15.38	13.87	13.55
Other Income (inclusive of foreign exchange gain/loss)	50.90	34.06	34.66	39.56	37.23
Tax expense	64.20	43.29	14.59	35.86	27.79
Profit After Tax (PAT)	191.60	127.79	40.91	117.95	88.99
EBITDA as a % of Revenue from Operations	26.55	24.55	7.29	24.95	17.88
PAT as a % of Revenue from Operations	23.18	20.14	8.23	22.97	17.09
As at March 31,	2024	2023	2022	2021	2020
Share Capital	26.77	26.77	26.77	29.04	29.04
Reserves and Surplus	750.67	583.89	466.83	642.98	531.84
Net Worth	777.44	610.66	493.60	672.02	560.88
Property, Plant and equipment and Other intangible assets	36.83	26.59	38.20	24.97	31.01
Cash & Cash Equivalents including Current Investments and Other Bank Balances	401.56	277.43	341.94	502.82	332.18
Working Capital	316.42	250.42	237.71	417.03	256.57
No. of Shares (Face Value of ₹ 10.00)	2,67,73,324	2,67,73,324	2,67,73,324	2,90,40,724	2,90,40,724
Market Capitalisation	3172.37	1,711.62	1,109.01	1397.29	521.72
No. of Shareholders	29,900	31,606	38,713	28,170	16,236
Ratios - per share					
Earning Per Share (in ₹)	71.56	47.73	14.28	40.62	30.64
Dividend Per Share (in ₹)	12.50	10.00	7.00	9.00	-
Book Value Per Share (In ₹)	290.38	228.09	184.35	231.41	193.14

### Notes:

1. While calculating figures of group, intergroup transactions have been ignored.
2. Previous year figures have been regrouped/reclassified wherever necessary.

# Years at a Glance

(All figures in USD'000 except per share data)

## Consolidated Performance

For the Year Ended March 31,	2024	2023	2022	2021	2020
Revenue from Operations	99,777	78,746	65,601	69,593	73,751
Operating Profit (EBITDA)	26,494	19,331	4,779	17,363	13,183
Depreciation	1,757	2,325	2,029	1,880	1,919
Other Income (inclusive of foreign exchange gain/loss)	6,146	4,228	4,573	5,361	5,272
Tax Expense	7,751	5,373	1,926	4,860	3,935
Profit After Tax (PAT)	23,132	15,860	5,398	15,985	12,601
EBITDA as a % of Revenue from Operations	26.55	24.55	7.29	24.95	17.88
PAT as a % of Revenue from Operations	23.18	20.14	8.23	22.97	17.09
US\$ Exchange Rate (In ₹)*	82.83	80.57	75.79	73.79	70.62
As at March 31,	2024	2023	2022	2021	2020
Share Capital	3,210	3,258	3,599	3,972	3,838
Reserves and Surplus	90,008	71,059	62,746	87,947	70,284
Net Worth	93,218	74,317	66,345	91,919	74,122
Property, Plant and equipment and Other intangible assets	4,416	3,574	5,231	3,415	4,098
Cash Equivalents & Current Investments	48,149	33,763	45,960	68,776	43,899
Working Capital	37,940	30,476	31,950	57,041	33,906
No. of Shares (Face Value of ₹ 10.00)	2,67,73,324	2,67,73,324	2,67,73,324	2,90,40,724	2,90,40,724
Market Capitalisation	3,80,380	2,08,302	1,49,053	1,91,122	68,947
US\$ Exchange Rate (In ₹)#	83.40	82.17	74.40	73.11	75.67
Per share					
Earning Per Share	0.86	0.59	0.19	0.58	0.43
Dividend Per Share	0.15	0.12	0.09	0.13	-
Book Value Per Share	3.51	2.83	2.43	3.14	2.73

### Notes:

1. While calculating figures of group, intergroup transactions have been ignored.
2. Previous year figures have been regrouped/reclassified wherever necessary
3. \* Revenue and expenditure items have been translated at the average US\$/₹ Rate, mentioned here for respective years
4. # Balance Sheet items have been translated at year end US\$/₹ Rate, mentioned here for respective years.

# Directors' Report

## DIRECTORS' REPORT

Dear Members,

We are pleased to present your Company's Thirty-Fifth Annual Report, together with the Audited Statement of Accounts, for the year ended March 31, 2024.

### 1. RESULTS OF OPERATIONS AND STATE OF AFFAIRS- Financial Results

The Company has adopted the Indian Accounting Standards (Ind-AS) with effect from April 1, 2017 (transition date being April 1, 2016) pursuant to the notification issued by the Ministry of Corporate Affairs dated February 16, 2015, regarding the Companies (Indian Accounting Standards) Rules, 2015.

The consolidated financial statements have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015, notified under section 133 of the Act and other relevant provisions of the Act. The accounting policies have been consistently applied except where a newly issued accounting standard, if initially adopted or a revision to an existing accounting standard, requires a change in the accounting policy hitherto in use. The Management takes into cognisance all

new as well as revised accounting standards on an ongoing basis.

The Company has seven subsidiary companies, all of which are wholly owned subsidiaries. The Company discloses stand-alone audited financial results on a quarterly and annual basis, consolidated unaudited financial results on a quarterly basis and consolidated audited financial results on an annual basis.

#### a) Consolidated Operations

Revenue from consolidated operations for the year crossed the ₹ 800 crore mark for the first time at ₹ 826.45 crore, as compared to ₹ 634.46 crore in the previous year, an increase of 30.26%. The Company continued its focus on excellence in product development, innovation, customer service, focused sales and market development to help drive transformation. The overall Operational Expense for the year was ₹ 607.00 crore, against ₹ 478.71 crore in the previous year. The Operating Profit (EBITDA) was higher at ₹ 219.45 crore, 26.55% of revenue, against ₹ 155.75 crore, 24.55% of revenue in the previous year. Profit after Tax for the year was at ₹ 191.60 crore, 23.18% of revenue, against ₹ 127.79 crore, 20.14%, of revenue in the previous year.

Consolidated financial results are as below:

(₹ in crore)					
For the Year Ended March 31,	2024	% of Revenue	2023	% of Revenue	Growth (%)
<b>Revenue From Operations</b>	<b>826.45</b>	<b>100.00</b>	<b>634.46</b>	<b>100.00</b>	<b>30.26</b>
<b>Expenses</b>					
a) Employee benefit expense	491.06	59.42	393.99	62.10	24.64
b) Operating and other expenses	114.99	13.91	83.70	13.19	37.38
c) Finance costs (Bank charges)	0.95	0.11	1.02	0.16	(7.11)
<b>Total Expenses</b>	<b>607.00</b>	<b>73.45</b>	<b>478.71</b>	<b>75.45</b>	<b>26.80</b>
<b>Operating Profit (EBITDA)</b>	<b>219.45</b>	<b>26.55</b>	<b>155.75</b>	<b>24.55</b>	<b>40.90</b>
Depreciation	14.55	1.76	18.73	2.95	(22.32)
<b>Operating Profit after Interest and Depreciation</b>	<b>204.90</b>	<b>24.79</b>	<b>137.02</b>	<b>21.60</b>	<b>49.55</b>
Other Income	50.90	6.16	34.06	5.37	49.43
<b>Profit Before Tax</b>	<b>255.80</b>	<b>30.95</b>	<b>171.08</b>	<b>26.96</b>	<b>49.52</b>
Taxation	64.20	7.77	43.29	6.82	48.30
<b>Profit After Tax</b>	<b>191.60</b>	<b>23.18</b>	<b>127.79</b>	<b>20.14</b>	<b>49.94</b>
Other Comprehensive Income	1.96	0.24	8.01	1.26	(75.52)
<b>Total Comprehensive Income for the year</b>	<b>193.56</b>	<b>23.42</b>	<b>135.80</b>	<b>21.40</b>	<b>42.54</b>



## b) Standalone Operations

Revenue from the standalone operations for the year was ₹ 766.12 crore against ₹ 584.73 crore in the previous year, an increase of 31.02%. Total Operational Expense for the year was ₹ 553.31 crore against ₹ 428.44 crore in the previous year, an

increase of 29.14%. The Operating Profit (EBITDA) for the year was higher at ₹ 212.81 crore, 27.78% of revenue, against ₹ 156.29 crore, 26.73% of revenue, in the previous year. Profit after Tax for the year was at ₹ 185.95 crore, 24.27% of revenue, against ₹ 130.37 crore, 22.29% of revenue in the previous year.

Standalone financial results are as below:

(₹ in crore)					
For the Year Ended Mar 31,	2024	% of Revenue	2023	% of Revenue	Growth (%)
<b>Revenue from Operations</b>	<b>766.12</b>	<b>100.00</b>	<b>584.73</b>	<b>100.00</b>	<b>31.02</b>
<b>Expenses</b>					
a) Employee benefit expense	427.22	55.76	338.37	57.87	26.26
b) Operating and other expenses	125.37	16.36	89.30	15.27	40.40
c) Finance costs	0.72	0.09	0.77	0.13	(6.89)
<b>Total Expenses</b>	<b>553.31</b>	<b>72.22</b>	<b>428.44</b>	<b>73.27</b>	<b>29.14</b>
<b>Operating Profit (EBITDA)</b>	<b>212.81</b>	<b>27.78</b>	<b>156.29</b>	<b>26.73</b>	<b>36.17</b>
Depreciation	13.16	1.72	17.06	2.92	(22.85)
<b>Operating Profit after Interest and Depreciation</b>	<b>199.65</b>	<b>26.06</b>	<b>139.23</b>	<b>23.81</b>	<b>43.40</b>
Other Income	49.47	6.46	34.16	5.84	44.81
<b>Profit Before Tax</b>	<b>249.12</b>	<b>32.52</b>	<b>173.39</b>	<b>29.65</b>	<b>43.68</b>
Taxation	63.17	8.25	43.02	7.36	46.83
<b>Profit After Tax</b>	<b>185.95</b>	<b>24.27</b>	<b>130.37</b>	<b>22.29</b>	<b>42.64</b>
Other Comprehensive Income	1.99	0.26	6.94	1.19	(71.32)
<b>Total Comprehensive Income for the year</b>	<b>187.94</b>	<b>24.53</b>	<b>137.31</b>	<b>23.48</b>	<b>36.87</b>

A detailed analysis on the Company's performance, both consolidated and standalone, is included in the "Management's Discussion and Analysis" Report, which forms part of this Annual Report.

## 2. TRANSFER TO RESERVES

To augment resources, your Directors do not propose to transfer any amount to reserves. Appropriation to retained earnings for the financial year ended March 31, 2024, as per financial statements are as under:

Retained Earnings (₹ in crore)

Particulars	2024	2023
<b>Opening balance</b>	<b>548.34</b>	<b>433.67</b>
Add: Profit for the year	185.95	130.37
<i>Less: Appropriations</i>		
Final dividend paid	(26.77)	(18.74)
Remeasurement of the defined benefit plans, net	(3.43)	3.04
<b>Closing balance</b>	<b>704.09</b>	<b>548.34</b>

## 3. SHARE CAPITAL

### Issued and Paid-up Share Capital

During the year under review, there has been no change in the Paid-Up Share capital of the Company. As on March 31, 2024, the Paid-Up Share Capital of the Company is 26,773,324 equity shares of ₹ 10 each.

The Company has not issued shares with differential voting rights or sweat equity shares during FY'24.

### Shares under Compulsory Dematerialization

The shares of the Company are under compulsory dematerialization ("Demat") category and are available for trading on both the depositories in India viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Of the entire paid-up shares, 26,727,257 shares (99.83 %) are in dematerialized form as of March 31, 2024. The International Securities Identification Number (ISIN) allotted to the Company's shares is INE096B01018.

# Directors' Report

## 4. LISTING

Your Company's equity shares are listed at the following stock exchanges:

Stock Exchange	Scrip Symbol / Code	w.e.f
National Stock Exchange of India Ltd. (NSE)	NUCLEUS	December 19, 2002
BSE Ltd. (BSE)	531209	November 6, 1995

## 5. LIQUIDITY AND CASH EQUIVALENTS

Your Company continues to retain its debt-free status and maintains sufficient cash and cash equivalents to meet the future strategic initiatives. The Company has been conservative in its investment policy over the years, maintaining a reasonably high level of cash and cash equivalents which enable the Company to eliminate short and medium-term liquidity risks, and at the same time also help scale up operations at a short notice. The goal of cash management at your Company is to:

- Use cash to provide sufficient working capital to manage business operations of the Company to be able to add value to all our stakeholders and continuously enhance the same.
- Maintain sufficient cash as reserves that will aid the Company in capturing meaningful business opportunities.
- Invest surplus funds in low-risk bank fixed deposits, debt schemes of mutual funds and tax-free bonds of Public Sector Enterprises.

Cash and cash equivalents along with other bank balances including current investments at a consolidated level of ₹ 401.57 crore, constitute 52% of the shareholders' funds at the year end, against ₹ 277.43 crore, 45% of the shareholders' funds at the close of the previous year.

The Company has a well-defined Forex policy, based on which its currency exposure is closely monitored to hedge the forward risk in a more structured and timely manner.

## 6. DIVIDEND

The Board of Directors of the Company at their meeting held on May 23, 2024, have recommended a Final Dividend for its shareholders. The Proposed Final Dividend is 125% (₹ 12.50 per equity share of ₹ 10 each), for FY 2023-24. This Dividend is subject to the approval of shareholders at the forthcoming

Annual General Meeting. If approved, the total Dividend pay-out for FY 2023-24 will be ₹ 33.47 crore.

The Register of Members and Share Transfer Books of the Company will be closed on July 9, 2024, to July 15, 2024 (both days inclusive) for annual closing and determining the entitlement of the shareholders to the final dividend for FY 2023-24, if approved by the members at the forthcoming Annual General Meeting.

## 7. INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to applicable provisions of the Companies Act 2013, read with IEPF Authority (Accounting, Audit, Transfer and Refund) Rules 2016 ('the Rules') all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF established by the Central Government, after completion of seven years. Further, according to the Rules, the shares in respect of which dividend has not been paid or claimed by the members for seven consecutive years or more shall also be transferred to the Demat account created by IEPF Authority. Accordingly, the Company has transferred all unclaimed or unpaid dividends and shares to IEPF as per applicable regulations.

The details are provided in the shareholder information section of this Annual Report and are also available on the Company website.i.e. <https://investor.nucleussoftware.com/unclaim.aspx>

The Board has appointed Ms. Poonam Bhasin, Company Secretary, as the Nodal Officer to ensure compliance with the IEPF rules.

## 8. DEPOSITS FROM PUBLIC

The Company has not accepted any deposits covered under Chapter V of the Companies Act, 2013 and, as such, no amount of principal or interest was outstanding on the date of the Balance Sheet.

## 9. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The Company policy for determining 'Material Subsidiaries' and on 'Related Party Transactions', as approved by the Board can be accessed on the Company website link: [https://investor.nucleussoftware.com/files/Nucleus\\_Policy\\_on\\_material\\_subsidaries.zip](https://investor.nucleussoftware.com/files/Nucleus_Policy_on_material_subsidaries.zip) and [https://investor.nucleussoftware.com/files/Policy\\_on\\_Related\\_Party\\_Transactions.zip](https://investor.nucleussoftware.com/files/Policy_on_Related_Party_Transactions.zip) respectively.

Particulars of contracts or arrangements with related parties in the prescribed Form **AOC-2**, are provided as **Annexure B** to this Directors' Report.

## 10. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are provided in the notes to the Financial Statements.

## 11. MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION OF THE COMPANY BETWEEN THE END OF FINANCIAL YEAR 2024 AND DATE OF THIS REPORT

No material changes and commitments have occurred after the close of the year till the date of this Directors' Report, which will affect the financial position of the Company.

## 12. CHANGE IN THE NATURE OF BUSINESS

There has been no change in the nature of business of the Company.

## 13. MANAGEMENT DISCUSSION & ANALYSIS

As per requirements of Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosures) Regulations 2015, the Management's Discussion and Analysis of the financial condition and results of both standalone and consolidated operations have been provided separately in the Annual Report.

## 14. REVIEW OF BUSINESS & OUTLOOK

In an era marked by rapid technological advancements and evolving customer expectations, the fintech landscape is undergoing a paradigm shift. Despite facing challenges such as economic downturns, regulatory complexities, and unpredictable global events, the fintech industry remains resilient, poised for growth and expansion. This resilience stems from the industry's inherent ability to innovate and adapt to change, leveraging emerging technologies to drive transformation across various sectors of the economy.

At the forefront of this transformation is your Company, a leading provider of lending and transaction banking solutions. With a strong foothold in the global market, your Company has established itself as a trusted partner for financial institutions seeking to embrace digital transformation and stay ahead of the curve in an increasingly competitive landscape.

Looking ahead, your Company's strategic outlook is guided by a commitment to innovation, customer-centricity, and sustainable growth. We recognize the immense potential of emerging technologies

such as artificial intelligence (AI), machine learning (ML), blockchain, and digital banking in reshaping the future of finance. By harnessing these technologies, your Company aims to deliver cutting-edge solutions that not only meet the current needs of its clients but also anticipate future trends and requirements.

One of the key drivers of your Company's growth strategy is its relentless focus on product innovation and research and development (R&D). We invest significantly in R&D initiatives to stay at the forefront of technological innovation, continually enhancing its product offerings to address the evolving needs of the banking and financial services (BFS) sector. This emphasis on innovation ensures that we remain agile and adaptable in a rapidly changing environment, enabling it to deliver value-added solutions that drive operational efficiency, improve customer experience, and drive business growth.

Moreover, we are actively expanding our market reach and customer base through strategic partnerships and collaborations. By forging alliances with leading financial institutions, technology providers, and industry stakeholders, we seek to leverage synergies and unlock new opportunities for growth and innovation. These partnerships enable us to access new markets, penetrate existing ones more deeply, and co-create solutions that address specific market needs and challenges.

In addition to expanding its product portfolio and market presence, we are also focused on talent acquisition and development. Your Company recognizes that its success rests on the expertise, creativity, and dedication of its employees. It, therefore, invests in recruiting top talent from diverse backgrounds and fostering a culture of innovation, collaboration, and continuous learning. By nurturing a talented and motivated workforce, your Company ensures that we remain at the forefront of technological innovation and maintain a competitive edge in the global marketplace.

Furthermore, we are proactively exploring opportunities in emerging markets and industry segments. With a keen eye on global trends and market dynamics, we identify high-growth areas and tailor its solutions to meet the unique needs and preferences of customers in these markets. By staying agile and responsive to the changing market conditions, we are able to seize opportunities for expansion and diversification, driving sustainable growth and creating long-term value for stakeholders.

## Directors' Report

In summary, your Company's global strategy and outlook are characterized by a relentless focus on innovation, customer-centricity, and sustainable growth. By leveraging emerging technologies, forging strategic partnerships, nurturing talent, and exploring new market opportunities, your Company is well-positioned to capitalize on the evolving needs of the BFS sector and drive transformational change in the global fintech landscape. As we continue to execute the strategic initiatives and pursue the vision of empowering financial institutions with cutting-edge solutions, we remain committed to delivering value to our customers, driving growth and innovation, and creating lasting impact in the years to come.

### 15. NEW PRODUCT LAUNCHES

During the year, your Company continued to enhance the digital lending and transaction banking platforms to take advantage of market trends, most significant being the increasing digital transformation of financial services. Your Company has upgraded digital capabilities like virtual assistants, messaging applications, augmented channel-based acquisition capability and Geo tracking to offer end-to-end digitization of the loan lifecycle.

FinnOne Neo® suite stands out as an end-to-end solution for lending businesses worldwide. Your Company's relentless pursuit of technological advancement ensures that we remain at the forefront of the industry, providing our customers with cutting-edge solutions that meet their evolving needs. The release of FinnOne Neo® GA 7.0 in May 2023 marked a significant milestone, and the latest release of FinnOne Neo® GA 7.5 in April 2024 underscores your Company's commitment to innovation.

In today's increasingly digitized world, the integrability and compatibility of a software solution with other providers is paramount. FinnOne Neo® leads the way in this regard, boasting a comprehensive API stack of 480+ APIs. These APIs facilitate robust, secure, quick, and agile integration, ensuring seamless interoperability with a wide range of systems. With a strong focus on multi-lingual expansion, your Company's platform enables users to operate in their preferred language, fostering inclusivity and accessibility across regions and cultures. Your Company also repositioned the Captive Automotive Platform for the European and US markets delivering on the aspirations of this niche sector.

FinnAxia® added new features in GA 8.6 release. With Multifactor Authentication, corporate

users can benefit from enhanced security for logins, beneficiary registrations, and transaction authorizations. In the latest GA we have introduced Beneficiary Limits Tracking such that corporates can define the daily and maximum transaction limits for beneficiaries, allowing for close monitoring of beneficiary limits. Beneficiary Validation and Restriction was introduced for NRE account transactions, ensuring compliance and security with built-in beneficiary validation and restriction capabilities, safeguarding international transactions.

Your Company has also introduced Corporate Advice Generation to enable Corporates to download advice from the portal itself, making it readily available to share with beneficiaries. Also, Configurable Reverse MIS got added to get real time, automated MIS of payments file uploaded for complete transparency and 360-degree visibility. In the latest GA, we have upgraded the FinnAxia® Suite to include CBDDT Payments to seamlessly manage CBDDT payments within the platform, streamlining tax-related transactions for greater efficiency. We have also introduced Grievances Redressal for an enhanced grievances redressal system ensuring prompt resolution, keeping our customers business moving forward without disruptions.

### 16. NOTABLE ACCOLADES RECEIVED DURING THE YEAR

- Nucleus Software's FinnOne Neo® won the Banking Frontiers Technoviti Award 2023. FinnOne Neo® is the next-generation digital lending solution built on an advanced technology platform designed to shape the future of lending across Retail Finance, Corporate and SME finance, Automotive Finance and Islamic Finance. The multi-channel solution helps digitize the complete loan lifecycle end-to-end and supports both cloud and on-premise deployments.
- Nucleus Software along with Mirae Asset Financial Services India Pvt Ltd., showcased ground-breaking achievement by winning the IBS Intelligence Global Fintech Innovation Awards 2022, in the innovative category of the "Most Effective Paperless Digitization Project."
- Nucleus Software was honored with a prestigious award from IBS Intelligence (IBSi) for the "Best Digital Lending Implementation - Most Impactful Project" category. This recognition is a testament to our dedication to innovation and excellence in the realm of digital lending. The Company's collaborative



efforts with Poonawalla Fincorp not only transformed digital lending but also left a lasting impact on the industry.

- Annual Report for the Year ended March 31, 2023, won the Silver Award for Excellence within the Technology-Software industry and Technical Achievement Award from League of American Communication Professionals (LACP). The Annual Report was

also ranked 99<sup>th</sup> amongst the top 100 Annual Reports worldwide by League of American Communications Professionals LLC (LACP).

## 17. SUBSIDIARY COMPANIES

Your Company has seven subsidiaries across the globe. There are no associate companies or joint venture companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act").

The following table provides a list of all these subsidiaries as on March 31, 2024:

Name of Subsidiary	Location	Date of Incorporation	Percentage of Shareholding
Nucleus Software Solutions Pte. Ltd.	Singapore	February 25, 1994	100%
Nucleus Software Inc.	USA	August 5, 1997	100%
Nucleus Software Japan Kabushiki Kaisha	Japan	November 2, 2001	100%
Nucleus Software Netherlands B.V.	Netherlands	February 3, 2006	100%
Nucleus Software Ltd.	India	April 21, 2008	100%
Nucleus Software Australia Pty. Ltd.	Australia	February 3, 2014	100%
Nucleus Software South Africa Pty. Ltd.	South Africa	February 10, 2015	100%

There has been no material change in the nature of the business of the subsidiaries.

The Board of Directors reviews the affairs of these subsidiaries periodically. These subsidiaries help the Company in providing front end support to customers and explore new opportunities.

A statement containing the salient features of the financial statement of our subsidiaries in the prescribed form AOC 1 is provided as **Annexure A** to this Directors' Report. The statement also provides the details of performance, financial position of each of the subsidiaries.

Further, pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited accounts in respect of subsidiaries, are available on the website of the Company.

### a) Nucleus Software Solutions Pte. Ltd.

Nucleus Software Solutions Pte. Ltd. (NSS) is based in Singapore. It was incorporated in 1994 to expand the Company's business in Southeast Asia. Currently, it is the central entity for Asia-Pacific excluding Japan and Australia with responsibility for business development,

sales, and software development services for customers in the region.

### b) Nucleus Software Inc.

Nucleus Software Inc. (NSI) is based in New Jersey, USA. It was incorporated in 1997 for providing business presence in the Americas. NSI operates as a business development and sales hub for the region.

### c) Nucleus Software Japan Kabushiki Kaisha

Nucleus Software Japan Kabushiki Kaisha (NSJJK) is based in Tokyo, Japan. It was incorporated in 2001 to expand business in the country. NSJJK operates as a business development and sales hub for Japan. Additionally, the subsidiary provides software development services, to the local customers in Japan.

### d) Nucleus Software Netherlands BV

Nucleus Software Netherlands BV (NSBV) is based in Amsterdam, The Netherlands. It was incorporated in 2006 for enlarging business presence in the European market. NSBV is a business development and sales hub for Nucleus in Europe.

## Directors' Report

### e) Nucleus Software Ltd.

Nucleus Software Ltd. (NSL) has operations in Jaipur with registered office in New Delhi. It was incorporated in 2008 for facilitating delivery to larger clients through operations in a Special Economic Zone. NSL acquired 17.41 acre of land in the Mahindra World Special Economic Zone, Jaipur and has co-developed a 250-seater facility.

### f) Nucleus Software Australia Pty. Ltd.

Nucleus Software Australia Pty. Ltd. (NSA) is based in Sydney, Australia. It was incorporated in 2014 for tapping the growing business opportunities in ANZ region. NSA operates as a business development and sales hub for the region. Additionally, the subsidiary provides software development services, to the local customers in Australia.

### g) Nucleus Software South Africa Pty. Ltd.

Nucleus Software South Africa Pty. Ltd. (NSSA) is based in Johannesburg, South Africa. It was incorporated in 2015 for tapping the growing business opportunities in South African region. NSSA operates as a business development and sales hub for the region.

## 18. INFRASTRUCTURE

Your Company, along with its subsidiaries, has offices at several locations across the globe. The office space and seating capacity of these offices as on March 31, 2024, is detailed below:

	Office Location	Area in sq. ft.	Seating Capacity
			No. of Persons
India	Noida	208,122	1,734
	Jaipur	22,312	250
	Pune	5,993	45
	Chennai	12,286	133
	New Delhi	4,200	40
	Mumbai	1,172	10
Overseas	Singapore	3,767	45
	Dubai, UAE	1,290	16
	Tokyo, Japan	735	15
	Manila, Philippines	83	3
	Sydney, Australia	156	4
	Jakarta, Indonesia	Virtual Office	NA
	London, UK	Virtual Office	NA
	Amsterdam, Netherlands	Virtual Office	NA
	<b>Total</b>	<b>2,60,116</b>	<b>2,295</b>

The premises at Noida, New Delhi, Mumbai and Jaipur are owned by the Company or its subsidiaries.

## 19. QUALITY PROCESSES

Your Company is committed to ensure the highest level of quality for its products and services. Nucleus Quality Management System (NQMS) continues to enable outstanding value and experience to its external and internal customers. One of the key focus areas for this year was to continue to improve delivery quality through various analytical dashboards at all levels, process improvement initiatives and enabling project teams and business groups plan and perform causal analysis along with preventive and corrective actions.

Quality Processes and Frameworks were further aligned and institutionalised as per the PMBoK (Project Management Body of Knowledge) Knowledge Areas and other best practices. Transformation program for Project Management across organization is the key focus area with broader yet focused approach with global market leaders. Learning sessions on Program and Project Management are enabling project teams to implement the best practices.

A dedicated Quality Assurance team handles the process change management, implementation, and its adherence across the organization. This team monitors quality improvements through regular facilitations, trainings, audits, and reviews.

## 20. Market Positioning and Brand Differentiation to Building Brand Equity

In the fiscal year 2023-24, your Company initiated and successfully executed extremely important initiatives to increase brand visibility and reinforce the positioning to external as well as internal audiences on a global scale. For a leader, it's vital to be perceived as one in the marketplace and we worked relentlessly towards creating and maintaining a brand image to reckon with.

### *Brand Prominence:*

Your Company's brand embarked on a strategic journey to enhance its visibility and solidify its position in the market through a multi-faceted approach encompassing brand positioning, leadership reinforcement, and product excellence.

### *Brand Essence:*

We meticulously crafted our brand image to resonate with our target audience's values and aspirations, ensuring that every interaction reinforced our unique value proposition. By articulating our brand story consistently across

various touchpoints, we cultivated a deeper connection with our customers and stakeholders.

*Leadership Strengthening:*

Our leadership team spearheaded initiatives to establish our brand as an industry authority and thought leader. Through thought-provoking content, keynote speeches, and participation in industry forums, we demonstrated our expertise and vision, earning the trust and respect of our peers and customers alike.

*Product Excellence:*

We relentlessly pursued excellence in product development, innovation, and customer service. By consistently delivering high-quality products that exceeded expectations, we reinforced our reputation for reliability and innovation, driving customer loyalty and advocacy.

*Media Channels Utilized:*

*Print Media:*

Strategically placed advertisements and editorial features in leading print publications enabled us to reach a broad audience and reinforce our brand message.

*Television:*

Through targeted television sponsorships of relevant programs, we leveraged the power of visual storytelling to enhance brand awareness and engagement.

*Industry Associations and Events:*

Active participation in industry associations and events provided us with opportunities to network, showcase our expertise, and gain valuable insights into market trends and customer preferences.

*Print and Wires:*

Press releases distributed through print and wire services ensured that our key milestones and achievements received widespread coverage, enhancing our credibility and visibility.

*Specialized Industry Event Partnerships:*

Your Company sponsored banking focused events where industry stalwarts presented their views in contribution of banking towards economic growth and how technology plays an important role in this growth trajectory.

*Capitalizing on Unique Media Opportunities:*

In geographies such as Mauritius, Australia, and our home country, India, your Company identified and

capitalized on unique media opportunities tailored to each market's characteristics and preferences. Whether through targeted digital campaigns, sponsorships of local events, or partnerships with influencers, we maximized our exposure and relevance in these key regions. We mapped products to geographies like USA, Canada, Europe, and SEA building carefully crafted narratives to generate a pull for our products in relevant markets.

Through compelling narratives, insightful data, and visually engaging design, we illustrate how our strategic focus on brand positioning, leadership strengthening, and product excellence has propelled us towards our goal of leading the market.

Expanding Global Outreach

*Event Centric Expansion Strategy:*

Throughout the fiscal year 2023-24, your Company actively participated in various industry events across the globe, reinforcing our commitment to innovation, collaboration, and thought leadership within the financial services sector. These engagements allowed us to effectively convey the value proposition of our solutions to key stakeholders and decision-makers within the industry. By participating in these events, we not only highlighted the benefits our offerings to financial services businesses but also emphasized our deep-rooted knowledge and understanding of industry challenges and requirements.

Here's an account of our engagements in major global events:

1. **WFIS Vietnam:** At the WFIS Vietnam, our team engaged in targeted discussions with industry leaders and stakeholders, exploring market dynamics, regulatory trends, and potential partnership opportunities within the Vietnamese financial sector. Your Company showcased innovative solutions and services tailored to the local market's needs.
2. **MEBIS - Middle East Banking Innovation Summit, Dubai:** As a platinum sponsor of MEBIS, your Company had a prominent presence throughout the event. In addition to our sponsorship, we secured a speaking opportunity where our representative delivered a keynote speech on "The Convergence of Digital Transformation and Innovation in Banking." This presentation highlighted your Company's thought leadership and expertise in driving digital innovation within the banking sector, positioning us as a key player in the Middle East's financial ecosystem.

## Directors' Report

3. **MENA BFSI Leaders Conclave 2023, Dubai:** Participating in the MENA BFSI Leaders Conclave provided our team with a unique platform to engage with influential leaders and decision-makers from the BFSI sector across the MENA region. Through panel discussions, networking sessions, and knowledge-sharing forums, we exchanged insights on industry trends, best practices, and strategies for achieving inclusivity, sustainability, and collaboration within the financial services industry.
4. **Elets 13th NBFC Tech Summit, New Delhi:** At the NBFC Tech Summit, our representative, delivered a presentation on "The Digital Lending Landscape: Unlocking Opportunities for MSMEs and Bridging the Financing Gap." This session provided attendees with valuable insights into leveraging technology to address the unique challenges faced by MSMEs in accessing financing, showcasing your Company's expertise in driving financial inclusion through digital innovation.
5. **Future of Finance Summit, Thailand:** Participating in the Future of Finance Summit allowed our experts to share insights on the evolving fintech landscape alongside industry peers. Through panel discussions, keynote presentations, and networking opportunities, we explored emerging trends, disruptive technologies, and strategies for driving digital transformation within the financial services sector.
6. **Banking Transformation Summit with CNBC TV18, Mumbai:** This summit provided a platform for renowned industry experts, including our representatives, to engage in stimulating discussions centred around India's banking sector's strategic role in propelling the nation's economy towards achieving ambitious goals. Through thought-provoking debates and strategic insights, we contributed to shaping the future of banking in India.
7. **Future of Financial Services, Sydney by FST Media:** As the lead sponsor of the Future of Financial Services event in Sydney, your Company had a prominent presence throughout the two-day affair. Mr. Parag Bhise, CEO & Executive Director shared his experience and insights on "Digital Transformation - The Journey and its Challenges," highlighting your Company's innovative approaches to overcoming digital transformation challenges in the financial services industry.
8. **Global Fintech Fest, Mumbai:** At the Global Fintech Fest, we participated as panelist discussing on subject "Leveraging Digital Infrastructure for Transformation in Lending & Payments." This panel provided attendees with valuable insights into leveraging digital infrastructure to drive innovation and transformation in lending and payments, showcasing your Company's expertise in fintech solutions.
9. **SIBOS2023, Toronto:** SIBOS2023 focused on "Collaborative Finance in a Fragmented World," providing a platform for industry leaders to explore collaboration opportunities amidst a fragmented financial landscape. Our participation allowed us to engage with global stakeholders, exchange insights, and contribute to discussions on fostering collaboration and innovation within the financial services industry.
10. **Singapore Fintech Festival:** Dr. Ritika Dusad, Chief innovation Officer and Executive Director shared insights on "AI's Financial Architects: The Domain Expert Touch," contributing to discussions on the role of artificial intelligence in reshaping the future of finance. The participation in the festival enabled us to showcase our expertise in leveraging AI technologies to drive innovation and enhance customer experiences in financial services.
11. **FIBAC 2023, Mumbai:** At FIBAC 2023, Mr. Parag Bhise, CEO & Executive Director participated as a panelist on the topic "FinTechs: Strengthening Governance, Economics, and Scalability." This panel discussion provided attendees with strategic insights into the role of fintech companies in strengthening governance, economics, and scalability in the financial industry amidst uncertain times.
12. **AFSA's Vehicle Finance Conference & Expo, USA:** Participating as a delegate, our team gained valuable industry insights and trends on compliance, regulatory activities, and best practices in vehicle finance. The conference provided a platform for networking and knowledge-sharing among industry leaders, contributing to our understanding of key challenges and opportunities in the vehicle finance sector.
13. **Cedar-IBSi NextGen Banking and Technology Summit in Muscat, Oman** - This event provided an excellent opportunity to engage with industry leaders and stakeholders,



particularly in the context of Oman's banking sector's digital transformation. Your Company gained insights into the specific challenges and opportunities facing the Omani banking industry, as well as the strategies being employed to enhance accessibility and convenience through digitalization.

14. **Gartner IT Symposium/Xpo™ in Kochi** – This premier event offered a dynamic platform for networking with global experts and peers, fostering invaluable connections within the industry. The symposium served as a catalyst for refining your Company's strategies and gaining fresh insights into the ever-changing IT landscape while underscoring our commitment to stay at the forefront of technological advancement and innovation.

Your Company's presence at these events reinforced its reputation as a trusted partner and solution provider within the industry. These events provided valuable opportunities to engage with potential clients, partners, and influencers, fostering meaningful connections and paving the way for future collaborations and business opportunities, while also leveraging these opportunities to showcase our expertise, build relationships, and drive positive change.

Furthermore, by showcasing our expertise and capabilities in diverse geographical regions, we demonstrated our commitment to serving global markets and addressing the unique needs of clients across different sectors and industries. This multi-faceted approach solidified your Company's position as a leader in the industry and positioned it for continued growth and success in the years to come.

## 21. HUMAN RESOURCE MANAGEMENT

The rapidly evolving landscape of the IT industry calls for continuous adaptation, and your Company is committed to keeping pace with the technological advancements and evolving employee needs. Your Company aims to attract, develop, motivate, and retain diverse talent, that is critical for its competitive differentiation and continued success.

As part of the broader efforts to address the rate of attrition in the industry's resignation wave, your Company made significant strides in providing a secure and satisfying work environment for its customers and employees alike. New hires joined our global employee strength of 1,890 with campus hiring through the Nucleus School of Banking Technology (NSBT) specifically targeting tier 2/3 cities and top institutes, creating a diverse talent pool. Initiated in 2010, NSBT remains a flagship

program for developing professionals in banking technology. Your Company provide a dynamic workplace that offers a range of experiences, training, and career development opportunities.

### *Learning and Development*

Your Company lays high emphasis on continuous learning and growth for every individual. Your Company offers a comprehensive package of learning and development opportunities in technology, processes, functional domain, products, and leadership training. Nucleus Employee Assistance Policy provides financial support and encourages employees to take up industry certification programs in technology, domain, project management, soft skills, and related areas. The Company offers Leadership Programs from global premier institutes to senior leaders.

Our online learning platform iLearn, powered by Skillsoft, has 10,000+ courses to help people hone their business skills, technology, and leadership skills. The courses are continuously updated with the latest trends and technologies. The "Career Aspire" journeys and key industry certifications help the employees for their development and career growth. The leadership courses in the platform are curated by MIT Sloan Management Review. This platform provides various topics ranging from Leading Organizational Vision and Leading a culture of execution to think strategically.

Focus on leadership development for young leaders and mid-level managers continue through our flagship programs – LEAD (Leadership Engagement Action & Development) and YLP (Young Leaders Program). These programs are based on our Core Values and have contributed immensely towards building the organizational culture, individual effectiveness, and leadership competencies.

For strengthening the 3 P's: Project, Program, and Portfolio Management capabilities, there have been focused project coaching sessions for Program and Project Managers during the year.

There is high focus on learning and implementing LEAN Management practices. It will lead to continuous improvement, increased team engagement and enhanced customer value.

### *Diversity and Inclusion*

Your Company has undertaken meaningful efforts to foster diversity in the workforce. We understand that diversity of thoughts, backgrounds, and experiences adds value to the Company.

## Directors' Report

Your Company believes in creating workspaces where a diverse set of people can contribute and thrive. Nucleus is committed to recognize a diverse workplace encompassing variety of perspectives, backgrounds, experiences, and above all establish equity between genders and provide a healthy environment to all Nucleites, so that they are equipped to break through all kinds of barriers and stretch themselves to new possibilities. Your Company organized many events under this initiative during the year e.g., series of connect with leaders, open dialogue for change, and mandatory online course on D&I for employees.

### 22. CORPORATE GOVERNANCE

Your Company believes that good and effective Corporate Governance is critical to achieve corporate vision and mission of the organization on a sustainable basis; it is more of an organizational culture than a mere adherence to rules and regulations.

Your Company has established and maintained a strong ethical environment, overseen by a committed and competent Board of Directors. The Company's practices and policies reflect the true spirit of Corporate Governance initiatives.

The required disclosures of Schedule V part II are mentioned in "Corporate Governance Report" which forms part of the Annual Report.

Your Company is complying with all mandatory requirements of Corporate Governance as stipulated as per Securities and Exchange Board of India (Listing Obligations and Disclosure) Regulations 2015. The compliance status is provided in the Corporate Governance section of the Annual Report. A certificate issued by the Statutory Auditors of the Company under Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure) Regulations 2015, confirming compliance of the conditions of Corporate Governance, is provided as **Annexure C** to this Directors' Report. The auditors' certificate for fiscal 2024 does not contain any qualifications, reservations, or adverse remark.

### 23. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

Mr. S. M. Acharya, Mr. Prithvi Haldea, Prof. Trilochan Sastry, Mrs. Elaine Mathias, Mrs. Yasmin Javeri Krishan, Mr. Shekar Viswanathan and Mr. Prakash Chandra Kandpal are Independent Directors as per the Companies Act, 2013, not liable to retire by rotation, to hold office for five consecutive years. They have submitted a declaration that each

of them meets the criteria of independence as provided in Section 149(6) of the Act and there has been no change in the circumstances which may affect their status as Independent Director during the year.

During the year based on the recommendation of the Nomination and Remuneration/Compensation Committee ( NRC ) , the Board at its meeting held on Feb 12, 2024, appointed Mr. Shekar Viswanathan and Mr. Prakash Chandra Kandpal as Additional Directors (in the capacity of Independent Directors) of the Company, with effect from February 12, 2024, for a term of five consecutive years i.e., upto February 11, 2029. The said appointments were approved by the members by way of a postal ballot on March 31, 2024, in accordance with the provisions of the Companies Act ( 2013) and the Listing Regulations.

The date of appointment of the other Directors are given below:

Mr. Prithvi Haldea and Prof. Trilochan Sastry had been reappointed as Independent Directors w.e.f. July 26, 2019, for a term of 5 years.

Mrs. Elaine Mathias had been reappointed as an Independent Director w.e.f. September 20, 2019, for a term of 5 years.

Mrs. Yasmin Javeri Krishan had been appointed as Independent Director w.e.f. July 30, 2020, for a term of 5 years.

Mr. S. M. Acharya had been reappointed as an Independent Director w.e.f. March 19, 2021, for a term of 5 years.

Mr. Ravi Pratap Singh had been reappointed as a Whole-Time Director w.e.f. July 26, 2019, for a term of 5 years.

Mr. Parag Bhise had been appointed as a Whole-Time Director w.e.f. July 31, 2020, for a term of 5 years.

Dr. Ritika Dusad had been appointed as a Whole-Time Director w.e.f. August 7, 2020, for a period of 5 years.

Mr. Anurag Mantri had been appointed as a Whole-Time Director w.e.f. December 19, 2020, for a period of 5 years.

Mr. Vishnu R. Dusad had been reappointed as the Managing Director w.e.f. January 1, 2022, for a period of 5 years.

During the year, the Non-Executive Directors of the Company had no pecuniary relationship or

transactions with the Company, other than sitting fees, commission, and reimbursement of expenses incurred by them for the purpose of attending meetings of the Company.

During the year, the Board on the recommendation of Nomination and Remuneration/compensation Committee (NRC) approved the continuation of Mr. S M Acharya as a Non-Executive Independent Director of the Company beyond the age of 75 years on the same terms and condition as approved by the members' at 32<sup>nd</sup> Annual General meeting of the Company. The Members approved the above recommendation of Board by way of a postal ballot on January 26, 2024, in accordance with the provisions of the Companies Act ,2013 and the Listing Regulations.

Mr. Anurag Mantri was relieved from the additional responsibility of Chief Financial Officer (CFO) of the Company w.e.f. May 7, 2024. Mr. Mantri continues to be an Executive Director and Chief Operating Officer (COO) of the Company.

Mr. Surya Prakash Kanodia was appointed as the Chief Financial Officer( CFO) and Key Managerial Personnel of the Company with effect from May 8, 2024.

Pursuant to provisions of Section 203 of the Companies Act, 2013, Mr. Vishnu R. Dusad, Managing Director, Mr. Parag Bhise, CEO & Executive Director, Mr. Anurag Mantri, Executive Director & COO, Mr. Surya Prakash Kanodia, Chief Financial Officer and Ms. Poonam Bhasin, Company Secretary are the Key Managerial Personnel of the Company as on date of the report.

In accordance with the provisions of Companies Act 2013 and the Article of Association of the Company, Mr. Parag Bhise , Executive Director and Mr. Anurag Mantri, Executive Director, whose office are liable to retire, shall retire at the ensuing AGM and being eligible, these Directors seek reappointment. Based on performance evaluation and the recommendation of the Nomination and Remuneration/ Compensation committee, the Board has recommended their reappointment.

## 24. BOARD EVALUATION

The Board of Directors carried out an annual evaluation of its own performance and performance of the Chairperson, Board committees and individual Directors pursuant to the provisions of the Companies Act 2013 and the Corporate Governance requirements under Regulation 25 (4) of Securities and Exchange Board of India (Listing Obligations and Disclosure) Regulations 2015.

The Board, along with the Nomination and Remuneration/Compensation Committee (NRC) developed and adopted the criteria and framework for the evaluation of each of the Directors and of the Board and its Committees. The Board evaluation framework has been designed in compliance with the requirements under the Companies Act, 2013, the Listing Regulations, and in accordance with the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017. The Board evaluation was conducted through a questionnaire designed with qualitative parameters. *(explained in detail in the "Report on Corporate Governance" of the Annual report.)*

Evaluation of the Board was based on the criteria such as the board composition and structure, role of board, effectiveness of board processes, board functioning, succession planning and strategic planning, etc.

Evaluation of Committees was based on criteria such as the composition of Committees, adequate independence of each Committee, frequency of meetings and time allocated for discussions at meetings and effectiveness of its advice/recommendation to the Board, etc.

Evaluation of Directors was based on criteria such as participation and contribution in Board and Committee meetings, guidance to top management on business strategy, governance, risk and understanding of the organization's strategy, etc.

The Chairperson of the Board/Committee also had interactions with each of the Director and sought their feedback and suggestions on the overall Board Effectiveness and Director's performance. The feedback received from the Directors was discussed and reviewed by the Independent Directors at their separate meeting and also shared with the NRC/Board.

In addition, pursuant to the provisions of Schedule IV to the Companies Act, 2013 the Independent Directors reviewed the performance of the Non-Independent Directors and of the Board as a whole, performance of the Chairperson of the Board taking into account the views of all the Directors, and the quality, quantity and timeliness of flow of information between the Company management and the Board and its sufficiency for the Board to effectively perform its duties.

The Chairperson placed the Evaluation Summary before the NRC members. The same was discussed in detail, and the members recorded their satisfaction.

## Directors' Report

### 25. COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The primary responsibility of the Nomination and Remuneration/Compensation Committee (NRC) is to identify and nominate suitable candidates for Board membership. The Committee also formulate policies relating to the remuneration of Directors, Key Managerial Personnel, and other senior employees of the Company.

The Committee, while evaluating potential candidates for Board membership, considers a variety of personal attributes, including experience, intellect, foresight, judgment and transparency, and match these with the requirements set out by the Board. The basic responsibilities of NRC with regard to Directors' appointment are as follows:

- Recommending desirable changes in Board size, composition, Committee structure and processes, and other aspects of the Board's functioning.
- Formulating criteria for determining qualifications, positive attributes, and Independence of a Director.
- Conducting search and recommending new Board members in light of resignation of current members or a planned expansion of the Board.
- Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal.

The policy of the Company for "Policy for Appointment of Board and Senior Management" is provided as **Annexure D** and "Policy of Remuneration for Directors, Key Managerial Personnel and other Employees" is provided as **Annexure E** to this Directors' Report. These Policies are also available on the Company website link: [https://investor.nucleussoftware.com/files/Nucleus\\_Policy\\_for\\_Board\\_and\\_Senior\\_Management\\_Appointment.zip](https://investor.nucleussoftware.com/files/Nucleus_Policy_for_Board_and_Senior_Management_Appointment.zip) and [https://investor.nucleussoftware.com/files/Nucleus\\_Remuneration\\_Policy\\_for\\_Board\\_Members.zip](https://investor.nucleussoftware.com/files/Nucleus_Remuneration_Policy_for_Board_Members.zip)

### 26. DECLARATION BY INDEPENDENT DIRECTORS

The Company has received declarations from all the Independent Directors that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 25 of Securities and Exchange Board of India (Listing Obligations and Disclosure) Regulations 2015.

### 27. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTOR'S

The details of programmes for familiarisation of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters can be accessed on the Company website link: [https://investor.nucleussoftware.com/files/NUCLEUS\\_FAMILIARISATION\\_PROGRAMME\\_FOR\\_INDEPENDENT\\_DIRECTORS.zip](https://investor.nucleussoftware.com/files/NUCLEUS_FAMILIARISATION_PROGRAMME_FOR_INDEPENDENT_DIRECTORS.zip)

### 28. MEETINGS OF THE BOARD OF DIRECTORS

The Board met seven times during the year. The details are provided in the "Report on Corporate Governance", a part of the Annual Report.

### 29. COMMITTEES OF THE BOARD

There are five Committees of the Board which are as follows:

- Audit Committee
- Nomination and Remuneration/ Compensation Committee
- Stakeholder Relationship Committee
- Corporate Social Responsibility Committee
- Risk Management Committee

Details of all the Committees along with their charters, composition and meetings held during the year, are provided in the "Report on Corporate Governance", a part of the Annual Report.

The Composition of Board Committees as on date of this report, is as follows:



Name of Member	Audit Committee	Nomination & Remuneration / Compensation Committee	Stakeholder Relationship Committee	Corporate Social Responsibility Committee	Risk Management Committee
Mr. S M Acharya	√	√		√	√
Mr. Vishnu R Dusad			√		√
Mr. Prithvi Haldea	√		√		√
Mrs. Elaine Mathias	√	√			√
Prof. Trilochan Sastry		√		√	√
Mrs. Yasmin Javeri Krishan	√	√		√	√
Mr. Shekar Viswanathan	√		√	√	√
Mr. Prakash Chandra Kandpal	√	√	√		√
Mr. R P Singh			√		√
Dr. Ritika Dusad				√	√
Mr. Parag Bhise				√	√
Mr. Anurag Mantri					√

During the year, the Board approved dissolution of the “Culture Committee.”

### 30. VIGIL MECHANISM

The Company has a well-established whistle blower policy as part of vigil mechanism for observing the conduct of Directors and employees and report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of conduct or ethics policy. This mechanism also provides for adequate safeguards against victimization of Director(s)/employee(s) who avail of the mechanism and also provides for direct access to the Chairperson of the Audit Committee in exceptional cases. The Company is committed to develop a culture of the highest standards of ethical, moral, and legal business conduct.

### 31. SIGNIFICANT AND MATERIAL ORDERS

No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

### 32. REPORTING OF FRAUDS BY AUDITORS

During the year under review, the Statutory Auditors has not reported to the Audit Committee any instances of fraud committed against the Company by its officers or employees under Sec 143(12) of the Companies Act, 2013.

### 33. RISK MANAGEMENT POLICY

The Company has developed and implemented a ‘Risk Management Policy’ that includes identification of elements of risk, which in the opinion of the Board may threaten the existence of the Company. The Board of Directors of the Company has a Risk Management Committee to frame, implement and monitor the risk management plan for the Company. Risk Management Report forms a part of the Annual Report

### 34. ADDITIONAL INFORMATION TO SHAREHOLDERS

Detailed information to the shareholders is provided in the “Shareholders’ Referencer”, a part of the Annual Report.

### 35. AUDITORS

#### *Statutory Auditor*

Pursuant to the provisions of Section 139 of the Companies Act 2013 and the rules framed thereafter, M/s ASA & Associates LLP, (Firm Registration Number- 009571N/N500006) Chartered Accountants, were appointed as statutory auditors of the Company from the conclusion of the Annual General Meeting (AGM) of the Company held on July 8, 2022 until

## Directors' Report

the conclusion of Annual General Meeting of the Company to be held in Calendar year 2027. The requirement to place the matter relating to appointment of the statutory auditors for ratification by the Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of Statutory Auditors at the ensuing AGM and a note in respect of same has been included in the Notice for this AGM.

### **Secretarial Auditor**

As per the Companies Act 2013, Secretarial Audit by a practicing Company Secretary has become mandatory for prescribed companies, and they are required to annex the Secretarial Audit report with their Board Report in the Annual Report.

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board appointed, M/s PI and Associates, Practising Company Secretaries to undertake the Secretarial Audit of the Company. Secretarial Audit Report in the prescribed Form MR 3 is provided as **Annexure F** to this Directors' Report. The Secretarial Auditors' Report does not contain any qualification, reservation, or adverse remark.

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

### **36. INTERNAL FINANCIAL CONTROLS**

Your Company has in place adequate internal financial controls with reference to the financial statements.

Your Company has appointed an external professional firm M/s Varma & Varma, Chartered Accountants as Internal Auditor. The Internal Audit of the Company is regularly carried out to review the internal control systems and processes. The Internal Audit Reports along with implementation and recommendations contained therein are periodically reviewed by Audit Committee of the Board.

M/s ASA & Associates, LLP, the statutory auditors of the Company, has audited the financial statements included in the annual report and has issued an attestation report on our internal control over financial reporting (as defined in Section 143 of Companies Act 2013).

### **37. CORPORATE SOCIAL RESPONSIBILITY (CSR)**

Inclusive growth and sustainable development are strong pillars of your Company's responsible corporate citizenship and are a part of the core values and driving force for many of its initiatives. Your Company believes that responsible investments in this regard will generate long term value for all the stakeholders.

In accordance with requirements of The Companies Act 2013, the Company has a Corporate Social Responsibility Committee comprising of a majority of Independent Directors and chaired by an Independent Director- Mr. Shekar Viswanathan. Mrs. Yasmin Javeri Krishan, Prof. Trilochan Sastry, Mr. S M Acharya, Mr. Parag Bhise, and Dr. Ritika Dusad are the other members.

The CSR Policy may be accessed on the Company website link: <https://investor.nucleussoftware.com/files/CSRPolicyNucleus.zip>

The Company had set up Nucleus Software Foundation (NSF), a Trust for the purposes of undertaking CSR activities of the Company with the mission: "Empowering underprivileged with essence of education and thereby better livelihood and better life".

This year the Company's CSR arm continued with the interventions in the focus areas of education and livelihood.

For education, there was a special focus on early childhood education with a specific emphasis on foundational literacy and numeracy. After working hard during previous year in recouping the learning losses of the covid years, we had to take the momentum forward and move up the learning levels in literacy and numeracy.

At Noida government schools the government focus shifted to program NIPUN. This is a focussed program built around emphasizing the early-stage basic concepts of Hindi and Maths learning. We continued to work at the 14 government schools. Our para teachers supported the government staff in training the students of classes 1,2 &3 in basic concepts of Hindi and English and students of classes 4&5 in remedial work of Maths, Hindi, and English.

NSF continued the support an NGO school "Samridhi" managed by Sandeepon music and educational trust (located in Ghaziabad Vaishali area of Uttar Pradesh). Their learning centre was operational, and they prepared their students like a mainstream school in all the required subjects. They support their elder students by enrolling them at a Centre for Open School Board Exams.

At Dehradun, the implementing partner Mountain's Children Foundation worked in an intensive manner to train the primary school students in remedial and grade level Maths and English. We worked at 27 learning centres in two different geographies close to Dehradun, Vikasnagar block and Bandalghati area in Raipur block of Dehradun after school hours.

Our remedial program of Maths and English at tribal dominated areas of the chosen seven Districts of MP, Dewas, Sehore, Khandwa, Betul, Chhindwara, Dindori and Mandla is emerging as our biggest intervention. We are working there with the support of our implementing Partner organisation Parivaar.

We catered to 400 Learning centers (Commonly known as Seva Kutirs in the area). The Kutirs cater to the tribal students of pre-primary to middle school, in those remote areas.

As a strategy to support this large program we supported team Parivaar in creating a new team of educational coordinators who are working with a total focus on educational quality. NSF trainers trained these coordinators through on ground physical trainings and online trainings.

NSF distributed Maths workbooks and English workbooks required for our remediation program to each student of these Kutirs. We reached out to around 25,000 students at the Kutirs and measured the progress of these students. We aim to reach out to students of all 15 districts soon.

We supported in Navodaya Entrance Training of Kutir students with the help of an implementing partner Self Reliant India. 43 students gained admission at Navodaya through our efforts.

At Chennai, NSF partner SIRAGU continued with their women empowerment program of training in tailoring and embroidery at 6 centres in and around Chennai. The team trained around 200 plus women in these courses and moved them towards a path of financial independence. We also held training camps for sanitary pad stitching and basket weaving. This program has a lot of engagement with Nucleus Chennai office employees.

NSF also assisted families of a tribal village by giving them life jackets and torches which enabled them to do fishing safely in late hours and move on to a path of long-term financial independence.

We forged new partnerships in new geographies of Bihar and Chhattisgarh where our partners are training youth, girls of the area and utilizing their help in remedial education for students

at government primary school of the area. We have taken efforts to promote Vedic and Sanskrit education by supporting a Sanskrit Vidyalaya near Meerut. We have also joined hands with R K mission at Gurgaon to promote value education.

The brief outline of the Corporate Social Responsibility (CSR) policy of the Company and the initiatives undertaken by the Company on CSR activities during the year is also set out in **Annexure G** of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

### 38. EMPLOYEE STOCK OPTION PLAN (ESOP)

Currently, there is only one ESOP scheme prevalent in the Company; ESOP scheme - 2015 (instituted in 2015). As per ESOP scheme 2015, equity shares would be transferred to eligible employees on exercise of options through Nucleus Software Employee Welfare Trust, which is established to carry out activities for the benefit and welfare of its Employees by launching various Schemes in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

Details of ESOP as per the provisions of Companies Act, 2013 and Rules made there under are as follows:

Particulars		2015 Plan
(a)	Total number of options under the Plan	500,000
(b)	Pricing formula	100% of the Fair Market Price as on date of grant
(c)	Options granted during the year	-
(d)	Options vested as of March 31, 2024	-
(e)	(i) Options exercised during the year	-
	(ii) Total number of shares arising as a result of exercise of above options during the year	-
(f)	Options forfeited during the year	-
(g)	Option lapsed during the year	-
(h)	Variation of terms of options during the year	-
(i)	Amount realized by exercise of options during the year	-
(j)	Total number of options in force as on March 31, 2024	-

# Directors' Report

During the year, no stock options were granted to any employee under the above-mentioned ESOP plan and therefore no calculations are required to be made or reported regarding difference between intrinsic value and fair market value of ESOPs granted.

## 39. PARTICULARS OF EMPLOYEES

The statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in **Annexure H**. Further, the report and the accounts are being sent/mailed to the Members excluding the employees information. In terms of Section 136 of the Act, the said information is open for inspection and any Member interested in obtaining a copy of the same may write to the Company Secretary.

## 40. DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to as per Section 134 (5) of the Companies Act, 2013, the Directors confirm that:

- (a) in the preparation of the annual accounts for the financial year ended March 31, 2024, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- (b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period.
- (c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (d) the Directors had prepared the annual accounts on a going concern basis.
- (e) the Directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory, and secretarial auditors, including audit of internal financial controls over financial reporting by the statutory auditors, and the reviews performed by the management, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2023-24.

## 41. EXTRACT OF ANNUAL RETURN

Extract of Annual Return of the Company is available on [https://investor.nucleussoftware.com/files/Nucleus\\_MGT-9\\_FY2023-2024.zip](https://investor.nucleussoftware.com/files/Nucleus_MGT-9_FY2023-2024.zip)

## 42. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated under Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, is provided as **Annexure I** to this Directors' Report.

## 43. COST RECORDS AND COST AUDIT

Maintenance of cost records and requirements of cost audit as prescribed under the provisions of section 148 (1) of the Companies Act 2013 are not applicable for the business activities carried out by the Company.

## 44. DISCLOSURE REQUIREMENTS

As per SEBI Listing Regulations, the Corporate Governance Report with the Auditors' Certificate thereon, and the integrated Management Discussion and Analysis are attached, which forms part of this report.

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

## 45. INTERNAL COMPLAINTS COMMITTEE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company values the dignity of individuals and strives to provide a safe and respectable work environment to all its employees. The Company has put in place a 'Policy against Sexual Harassment,' compliant with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("Sexual Harassment Act"). The Internal Committee has



been constituted, to consider and resolve all sexual harassment complaints as reported under the policy. The Committee also includes an external member with relevant experience. We affirm that adequate access was provided to any complainant who wished to register a complaint under the policy.

The essence of the policy is communicated to all Company employees at regular intervals through assimilation and awareness programs.

During the FY23-24, the Company has not received any complaint on sexual harassment under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013.

#### **46. BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT**

The Listing Regulations mandate the inclusion of the Business Responsibility & Sustainability Report (BRSR) as part of the Annual Report for the top 1,000 listed entities based on market capitalization. In compliance with the Listing Regulations, we have integrated BRSR disclosures into our Annual Report.

#### **47. ACKNOWLEDGEMENTS**

Your directors would like to place on record their gratitude for the co-operation received from the Government of India, State Governments of Delhi, Uttar Pradesh and Rajasthan, Customs and Excise Departments, Department of Scientific and Industrial Research (Ministry of Science and Technology), Software Technology Park-Noida, Special Economic Zone authorities and other government agencies.

Your directors would also like to thank the Company's customers, bankers, vendors, partners, and shareholders for their continued support to the Company. In specific, the Board would like to put on record its sincere appreciation of the commitment and contribution made by all employees of the Company.

**For and on behalf of the Board of Directors**

**Date: May 23, 2024  
Place: Noida**

**Sd/-  
S M Acharya  
Chairperson**

# Directors' Report

## ANNEXURES TO THE DIRECTORS' REPORT

- Annexure A** Salient features of the financial statement of subsidiaries in Form AOC-1
- Annexure B** Particulars of contracts or arrangements with related parties in Form AOC-2
- Annexure C** Certificate by Statutory Auditors confirming compliance of the conditions of Corporate Governance
- Annexure D** Policy for Board and Senior Management Appointment
- Annexure E** Remuneration Policy for Directors, Key Managerial Personnel and other employees
- Annexure F** Secretarial Audit Report in Form MR 3
- Annexure G** Annual Report on CSR activities
- Annexure H** Disclosures pertaining to remuneration under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
- Annexure I** Conservation of Energy, Research and Development, Technology Absorption and Foreign Exchange Earnings and Outgo

## Annexure A

**FORM AOC -1****Statement containing salient features of the financial Statement containing salient features of the financial statement of subsidiaries**

*(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)*

A statement containing the salient features of the financial statement of our subsidiaries in the prescribed Form AOC-1 is attached at the end of consolidated financial statements of the Company.

For and on behalf of the Board of Directors

Date: May 23, 2024  
Place: Noida

Sd/-  
S M Acharya  
Chairperson

## Annexure B

**FORM - AOC - 2****Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013**

*(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)*

**1. Details of contracts or arrangements or transactions not at arm's length basis-**

There were no contracts or arrangements entered by the Company during FY 2023-24 which were not at arm's length.

**2. Details of material contracts or arrangement or transactions at arm's length basis-**

The transactions /entered into by the Company with related parties were at arm's length but were not material.

- (a) Name(s) of the related party and nature of relationship: N.A
- (b) Nature of contracts/arrangements/transactions: N.A
- (c) Duration of the contracts/arrangements/transactions: N.A
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: N.A
- (e) Date(s) of approval by the Board, if any: N.A
- (f) Amount paid as advances, if any: N.A

For and on behalf of the Board of Directors

Date: May 23, 2024  
Place: Noida

Sd/-  
S M Acharya  
Chairperson

# Directors' Report

Annexure C

## INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

### TO THE MEMBERS OF NUCLEUS SOFTWARE EXPORTS LIMITED

This certificate is issued in accordance with the terms of our engagement letter dated August 03, 2023.

We have examined the compliance of conditions of Corporate Governance by Nucleus Software Exports Limited ("the Company"), for the year ended March 31, 2024, as stipulated in regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and paragraphs C and D of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("Listing Regulations") pursuant to the Listing Agreement of the Company with Stock Exchanges.

#### Management's Responsibility

The compliance of conditions of Corporate Governance as stipulated under the listing regulations is the responsibility of the Company's Management including the preparation and maintenance of all the relevant records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of Corporate Governance stipulated in the Listing Regulations.

#### Auditor's Responsibility

Our examination is limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended March 31, 2024.

We conducted our examination of the above corporate governance compliance by the Company in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) and Guidance Note on Certification of Corporate Governance both issued by the Institute of the Chartered Accountants of India (the "ICAI"), in so far as applicable for the purpose of this certificate. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

#### Opinion

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2024.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

#### Restriction on use

The certificate is addressed and provided to the Members of the Company solely for the purpose of enabling the Company to comply with the requirement of the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **ASA & Associates LLP**  
Chartered Accountants  
Firm's Registration No. 009571N/N500006

Sd/-  
**Nitin Gupta**  
Partner

Place: New Delhi  
Date: May 23, 2024

Membership No. 122499  
UDIN: 24122499BKJRRH7839



## POLICY FOR BOARD AND SENIOR MANAGEMENT APPOINTMENT

### A. OBJECTIVE

The objective of this policy is to achieve an optimal structure of the Board of Directors for Nucleus Software Exports Limited (the Company) , to include varied expertise, diversity and independence to view issues without prejudice or bias and to set standards for Members of Senior Management who should have the capacity and ability to lead the Company.

### B. DEFINITIONS

1. **"COMPANY"** means Nucleus Software Exports Limited.
2. **"DIRECTORS"** means Directors of the Company;
3. **"INDEPENDENT DIRECTOR"** means a Director appointed in accordance with the requirements laid down by the Companies Act 2013 and the Rules and Regulations thereunder and the Listing Regulations and amendments thereto.
4. **"KEY MANAGERIAL PERSON"** (KMP) means.
  - Chief Executive Officer or Managing Director or the Manager
  - Whole Time Director
  - Chief Financial Officer
  - Company Secretary
5. **"SENIOR MANAGEMENT"** shall be as defined under Regulation 16(1) (d) of Listing Regulations.
6. **"The ACT"** means the Companies Act, 2013 and Rules and Regulations thereunder, as amended from time to time;
7. **"The BOARD"** means the Board of Directors of the Company;
8. **"The COMMITTEE"** means the Nomination and Remuneration/Compensation Committee of the Company as constituted by the Board in accordance with the Act, Rules, Regulations and the obligations under the Listing Regulations and
9. **"The POLICY"** means the Policy for the constitution of the Board of the Company.

### C: RESPONSIBILITY FOR CONSTITUTION OF THE BOARD:

1. The Board is responsible for the constitution of the Board consisting of suitable candidates for making up the Board of Directors of the Company.
2. The Board shall be the appointing authority of a Director on the Board of the Company.

### D: PROCEDURE FOR NOMINATION, SELECTION AND APPOINTMENT OF A DIRECTOR:

#### 1: Board Initiation:

The Board shall continually assess its current and requisite strengths and decide on the desired composition of the Board in line with the Company's requirement. The Board shall inform the Committee whenever the Board needs to induct Director/s.

The Board may also request the Committee to propose candidates for induction on the Board.

#### 2(a): Selection Process of Directors:

- i. The Committee shall receive a request for the appointment of a Director to the Board.
- ii. The Committee shall prepare profiles of the candidates furnished by the Board.
- iii. The Committee may seek external professional assistance to gather information on the proposed candidates, if deemed necessary.
- iv. The data and information on the candidates being considered shall be examined by the Committee to ascertain if they possess the attributes that the Board had envisaged.

## Directors' Report

- v. Screening of proposed candidates require the Committee to cover:
  1. Qualifications, experience and skills.
  2. Potential contribution the candidate can bring to the Board.
  3. The time the candidate can give for Board work.
  4. The extent of independence that can be exercised by the candidate being considered to act as an Independent Director; and
  5. The candidate conforms to the requirements of the Act, Rules, Regulations and obligations of the Listing Agreements.
- vi. The Committee may interview the candidate, if it deems fit.
- vii. The Committee, after evaluating the material it has gathered shall forward its recommendation to the Board.
- viii. Upon receipt of the recommendation of the Committee, the Board may accept the recommendation wholly or partly and where it is at a variance from the Committee's recommendation, it shall return the same to the Committee for reconsideration and accord reasons for the same.

In addition to the above criteria, the Company may also refer "*Board Diversity Policy.*"

### 2 (b): Selection Process of Senior Management

The Committee/Company may consider following criteria for assessing prospective candidates for a Senior Management position:

- i. highest levels of personal and professional ethics and integrity.
- ii. demonstrable leadership skills; managerial abilities such as effective communication skills, people engagement, team player, strategic thinking, cultural diversity etc.
- iii. specialist knowledge and/or experience required for the Senior Management position in question.
- iv. sharing and demonstrating the values of the Company.

In case of any vacancy in Senior Management positions, the Executive Directors shall identify and short list employees to fill such vacancy; based on above criteria prescribed by the Committee. Senior Management Personnel shall be appointed by the Company as per Company policies.

### E: APPOINTMENT OF A DIRECTOR

1. A candidate recommended by the Committee and accepted by the Board shall be appointed as an Additional Director, subject to ratification by the shareholders. After such a ratification, the Additional Director shall be designated as a Director, Whole-Time or Independent, as the case may be.
2. Appointment of a candidate as an Additional Director shall be through a letter that shall set out the terms of appointment and the duties and functions expected to be carried out by a Director.

### F: TERM/TENURE OF A DIRECTOR

#### 1. *Managing Director/Whole-Time Director:*

The Board shall appoint any person as a Managing Director or Whole-Time Director for a term not exceeding five years at a time.

#### 2. *Independent Director*

An Independent Director shall hold office for a term of five successive years and will be eligible for re-appointment as per applicable statutory provisions.

No Independent Director shall hold office for more than two consecutive terms. An Independent Director having completed two consecutive terms shall be eligible for consideration after the expiry of a period of three years provided the person has not been appointed or associated with the Company in any capacity directly or indirectly.

**G: RETIREMENT:**

1. The Directors shall retire as per the applicable provisions of the relevant laws. The Nomination & Remuneration/Compensation Committee & the Board will have the discretion to retain the Directors in the same position / remuneration or otherwise, even after attaining the retirement age, for the benefit of the Company, subject to approvals as required under the relevant laws.
2. The Board may at its discretion retire a Director, if such a Director has been convicted by a court of law or has acted in a manner that is contrary to the interest of the Company after allowing the said Director to explain the action leading to considering retirement by the Board.

**H: REMOVAL**

Due to reasons of any disqualification mentioned in the Act or any other applicable law, rules and regulations thereunder, the Committee may recommend to the Board with reasons recorded in writing, removal of a Director/ KMP subject to the provisions and compliance of the said Act, laws, rules and regulations.

Removal of Senior Management shall be as per Company's policies and process.

**I: POLICY REVIEW:**

This Policy is purely at the discretion of the Nomination and Remuneration/Compensation Committee, and it reserves its right to recommend modifications in this Policy to the Board, as per applicable laws and regulations, at any time without assigning any reason whatsoever.

For and on behalf of the Board of Directors  
Sd/-

Date: May 23, 2024  
Place: Noida

S M Acharya  
Chairperson

## REMUNERATION POLICY FOR BOARD MEMBERS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

### A. OBJECTIVE

Nomination and Remuneration/Compensation Committee of the Board, shall recommend this Policy to the Board, relating to the remuneration of the Directors, Key Managerial Personnel and other employees. The objective of this policy is to ensure that :

1. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors.
2. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
3. Remuneration to Directors, Key Managerial Personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

### B. DEFINITIONS

1. **"The Policy"** means Remuneration Policy for Board Members, Key Managerial Personnel and other Employees.
2. **"The Board"** means Board of Directors of the Company.
3. **"The Act"** means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
4. **"The Committee"** means the Nomination and Remuneration / Compensation Committee of the Company as constituted by the Board, in accordance with the Act and applicable listing regulations.
5. **"Directors"** means Directors of the Company.
6. **"Independent Director"** means a Director appointed as such in accordance with the requirements laid down by the Companies Act, 2013 and applicable rules and the Listing Regulations, including amendments thereto.
7. **"Key Managerial Person"** means key managerial personnel as defined under Section 2(55) of the Companies Act, 2013 and amendments made from time to time and includes the following personnel in the Company:
  - (i) The Chief Executive Officer or the Managing Director or the Manager;
  - (ii) the Company Secretary and
  - (iii) The Chief Financial Officer;
8. **"Senior Management"** shall be as defined under Regulation 16(1) (d) of Listing Regulations.

Unless the context otherwise requires, words and expressions used in this Policy and not defined herein but defined in the Companies Act, 2013 and Rules made there under as amended from time to time shall have the meaning respectively assigned to them therein.

### C. REMUNERATION TO EXECUTIVE DIRECTORS

The Remuneration to be paid to Executive Directors shall be governed as per provisions of the Companies Act, 2013 and Rules made there under. The same shall be determined by the Committee and recommended to Board for approval.

1. Remuneration structure of the Executive Directors shall include following components:
  - a. Fixed Pay
  - b. Perquisites and allowances
  - c. Commission
  - d. Stock Options



2. The Committee may recommend an increase in existing remuneration structure to the Board, within the limits as approved by shareholders.
3. Minimum Remuneration: If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Executive Directors in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

#### **D. REMUNERATION TO NON-EXECUTIVE/INDEPENDENT DIRECTORS**

The Remuneration to be paid to Non-Executive/Independent Directors shall be governed as per provisions of the Companies Act, 2013 and Rules made there under. The same shall be determined by the Committee and recommended to Board for approval.

##### **1. Commission-based payment**

Non-Executive / Independent Directors of the Company may be paid an amount not exceeding one percent of the net profits of the Company in terms of provisions of the Companies Act, 2013 and Rules made thereunder as amended from time to time, and as approved by the shareholders.

##### **2. Sitting Fees**

Non-Executive / Independent Directors of the Company shall be paid a sitting fee for attending the Board as well as the Committee meetings as per the Companies Act, 2013 and Rules made thereunder as amended from time to time

##### **3. Employee Stock Option(ESOP)**

An Independent Director shall not be entitled to any stock option of the Company.

##### **4. Pension**

The Board of Directors of the Company are not covered by any pension scheme or any defined benefit pension scheme.

##### **5. Reimbursement of expenses**

The Company shall reimburse the Directors all traveling, hotel, and other incidental expenses properly and reasonably incurred by them in the performance of duties as per provisions of the Companies Act, 2013 in conjunction with the Company rules and policies.

#### **E. REMUNERATION OF KEY MANAGERIAL PERSONNEL (KMP) AND SENIOR MANAGEMENT PERSONNEL**

Remuneration of KMP's (excluding the Managing Director and Executive Director, which is already covered above) and Senior management personnel, shall be reviewed /decided on an annual basis, or earlier if deemed necessary, by the Nomination and Remuneration/ Compensation Committee.

The Remuneration shall consist of the following components:

- Fixed remuneration
- Variable Pay
- Incentives if any
- Employee Stock Options (ESOP)
- Reimbursement of expenses

#### **F. Policy Review**

This Policy is purely at the discretion of the Nomination and Remuneration/Compensation Committee and it reserves its right to recommend modifications in this Policy to the Board, as per applicable laws and regulations, at any time without assigning any reason whatsoever.

**For and on behalf of the Board of Directors**  
 Sd/-

**S M Acharya**  
 Chairperson

**Date: May 23, 2024**  
**Place: Noida**

## FORM NO. MR - 3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,  
**Nucleus Software Exports Limited**  
(L74899DL1989PLC034594)

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Nucleus Software Exports Limited (hereinafter called "the Company")**. The Secretarial Audit was conducted in a manner that provided us with a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon for the financial year ended on March 31<sup>st</sup>, 2024 ("**Audit Period**"). 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.

### Limitation of the Auditors

- (i) Based on our verification of the Company's books, papers, minute books, forms and returns filed, and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the Audit Period, complied with the statutory provisions listed hereunder; and
- (ii) Based on the management representation, confirmation and explanation wherever required by us, the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

### Auditors Responsibility

- (i) Our responsibility is to express the opinion on the compliance with the applicable laws and maintenance of records based on audit. We conducted our audit in accordance with the Guidance Note on Secretarial Audit ("**Guidance Note**") and Auditing Standards issued by the Institute of Company Secretaries of India ("**ICSI**"). The Guidance Note and Auditing Standards require that we comply with statutory and regulatory requirements and also that we plan and perform the audit so as to obtain reasonable assurance about compliance with applicable laws and maintenance of records.
- (ii) Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Standards.
- (iii) Our audit involves performing procedures to obtain audit evidence about the adequacy of compliance mechanism exist in the Company to assess any material weakness and testing and evaluating the design and operating effectiveness of compliance mechanism based upon the assessed risk. The procedures selected depend upon the auditor's judgement, including assessment of the risk of material non-compliance whether due to error or fraud.
- (iv) We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's Board processes and compliance-mechanism.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Audit Period, according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder;

- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not applicable during the Audit Period)**
  - d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(No event took place under these Regulations during the Audit Period)**
  - e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(Not applicable during the Audit Period)**
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not Applicable)**
  - g. The Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018;
  - h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not applicable during the Audit Period)**
  - i. The Securities and Exchange Board of India (Buy - back of Securities) Regulations, 2018; **(Not applicable during the Audit Period)**
  - j. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations').

It is further reported that with respect to the compliance of other applicable laws, we have relied on the representation made by the Company and its officers for system and mechanism framed by the Company for compliances under general laws (including Labour Laws, Tax Laws, etc.) and as informed to us, there are no laws which are specifically applicable to the Company.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by the ICSI wherein the Company is generally complying with the standards; and
- (ii) The Listing Agreements entered into by the Company with the Stock Exchange(s) and Listing Regulations.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned hereinabove.

**We further report that:**

- (i) The Board of Directors of the Company was duly constituted with proper balance of Executive Director(s), Non-Executive Directors and Independent Directors during the Audit Period. The changes in the composition of the Board of Directors that took place during the Audit Period were carried out in compliance with the provisions of the Act. The following changes took place during the Audit Period:
  - a. That Mr. Shekhar Vishwanathan and Mr. Prakash Chandra Kandpal were appointed as Additional Directors in the category of Non- Executive Independent Director w.e.f. February 12, 2024, for a term of 5 years, who were subsequently regularized vide shareholders' approval dated March 31, 2024.
- (ii) Further, the composition of all statutory committees was also in compliance with the Act and applicable Rules and Regulations.
- (iii) Adequate notice was given to all directors to schedule the Board Meetings, Statutory Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for

## Directors' Report

seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

(iv) The majority of decisions were carried through and there were no instances where any director expressed any dissenting views.

**We further report that** in our opinion, the Company has, in all material respects, adequate systems and processes commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations, and guidelines.

**We further report that** no events occurred during the Audit Period which have had a major bearing on the Company's affairs.

**For PI & Associates,  
Company Secretaries**

Sd/-

**Nitesh Latwal  
Partner**

**ACS No.: 32109**

**CP No.: 16276**

**Peer Review No.: 1498/2021**

**UDIN: A032109F000395461**

**Date: 23 May 2024**

**Place: New Delhi**



To,  
The Members,  
**Nucleus Software Exports Limited**

Our Secretarial Audit Report of even date is to be read along with this letter:

- (i) Maintenance of secretarial records is the responsibility of the management of the Company. Our Responsibility is to express an opinion on these secretarial records based on our audit.
- (ii) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on sampling basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- (iii) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- (iv) Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulation and happening of events etc.
- (v) The compliance of the provisions of corporate and other sector specific laws as applicable on the Company, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on sampling basis.
- (vi) The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For PI & Associates,  
Company Secretaries**

Sd/-

**Nitesh Latwal  
Partner**

ACS No.: A32109

CP No.: 16276

Peer Review No.: 1498/2021

UDIN: A032109F000395461

**Date: 23 May 2024  
Place: New Delhi**

## ANNUAL REPORT ON CSR ACTIVITIES

### 1. Brief outline on CSR Policy of the Company:

Corporate Social Responsibility (CSR) is a means to balance economic, social and environmental objectives while addressing stakeholder expectations and enhancing shareholder value. It is a responsible way of doing business.

The objective of CSR framework at Nucleus is to encourage the stakeholders to have a more meaningful engagement with the business rather than the often-prevalent one-sided expectation driven engagement.

Your Company has set up Nucleus Software Foundation (NSF), a Trust for the purposes of undertaking CSR activities of the Company.

As per the CSR Policy, the objective of CSR will be achieved through concentrated and dedicated initiatives/projects encompassing the following identified core areas:

#### Education-

- To encourage the development of human capital of the country by expanding human capabilities through skills development, vocational training etc. and by promoting excellence in identified cultural fields.
- Including special education and employment enhancing vocation skills specially among children, women, elderly and differently abled and livelihood enhancement projects.
- providing basic computer based literacy programs for unprivileged children in nearby villages.
- Assisting in providing better infrastructural facilities to schools for construction/renovation/repair of hostels, school buildings, classrooms etc.

#### Health & Medical Care –

- Promoting preventive health care measures
- Assisting in providing better infrastructural facilities to Medical Centers/Hospitals/Dispensaries etc.
- Actively supporting healthcare programmes of nearby localities.

#### Community at large –

- Setting up homes and hostels for women, orphans, setting up oldage homes, daycare centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
- Promote employment opportunities for differently abled persons.
- Development of rural based projects

#### Environment

- Promote ecological balance, protection of flora and fauna, animal welfare, conservation of natural resources and maintaining quality of soil, air and water.
- Promoting recycling waste for energy production and installation of solar panels.

Nucleus Software Foundation (NSF) established in 2014, works towards its stated mission: “Empowering underprivileged with essence of education and thereby better livelihood and better life”.

The detail of the initiatives taken and work done by Nucleus Software Foundation during the year is provided in Directors' Report and in other sections of this Annual Report.

## 2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation /Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Shekar Viswanathan*	Chairperson, Independent Director	3	0
2	Mrs. Yasmin Javeri Krishan	Independent Director	3	3
3.	Prof Trilochan Sastry	Independent Director	3	3
4.	Mr. S. M. Acharya	Independent Director	3	3
5.	Mr. Parag Bhise	Executive Director & CEO	3	3
6.	Dr. Ritika Dusad	Executive Director	3	3

\*Mr. Shekar Viswanathan was appointed as a member of CSR committee w.e.f. April 1, 2024

## 3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company.

CSR Policy: <https://investor.nucleussoftware.com/files/CSRPolicyNucleus.zip>

CSR Projects: <https://investor.nucleussoftware.com/CorporateSocialResponsibility.aspx>

## 4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).

In pursuance of the sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014 the Impact assessment is *Not Applicable* on the Company, but the Company along with Nucleus Software Foundation has been conducting internal assessments to monitor and evaluate its strategic CSR programs.

## 5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1	-	Nil	Nil

## 6. Average net profit of the Company as per section 135(5): ₹ 106.64 crore

- Two percent of average net profit of the company as per section 135(5): ₹ 2.13 crore
- Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil
- Amount required to be set off for the financial year, if any: Nil
- Total CSR obligation for the financial year (7a+7b- 7c): ₹ 2.13 crore

## 8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (₹ in crore)	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount (₹ in crore)	Date of transfer	Name of the Fund	Amount (₹ in crore)	Date of transfer
2.13	Nil	NA	NA	Nil	NA

## (b) Details of CSR amount spent against ongoing projects for the financial year:

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local area (Yes / No)	(5) Location of the project		(6) Project duration	(7) Amount allocated for the project (in crore)	(8) Amount spent in the current financial year (in ₹ crore)	(9) Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹ crore)	(10) Mode of Implementation-Direct (Yes /No)	(11) Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration Number
1	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

# Directors' Report

## (c) Details of CSR amount spent against other than ongoing projects for the financial year:

1 Sl. No.	2 Name of the Project	3 Item from the list of activities in schedule VII to the Act	4 Local Area (Yes/No)	5 Location of the project		6 Amount spent for the project (₹ in crore)	7 Mode of implementation Direct (Yes/No)	8 Mode of implementation – Through implementing agency.	
				State.	District.			Name	CSR registration number
1	Education of underprivileged kids (School for underprivileged)	2	Yes	UP	Ghaziabad	0.16	No	Sandeepon music and educational trust	CSR00025187
2	Education for underprivileged kids learning centres for remediation	2	No	Uttarakhand	Dehradun	0.17	No	Mountains children foundation	CSR00002578
3	Education for tribal kids (Educational quality improvement and remediation)	2	No	MP	Dewas, Khandwa, Mandla, Betul, Chhindwada, Sehore, Dindori	0.26	No	Parivaar	CSR00000052
4	Scholarships for martyr kids	2	No	UP	Ghaziabad, Moradabad, Lucknow, Unnao, Meerut	0.13	Yes	Nucleus Software Foundation	CSR00013556
5	Remedial education at government schools and local community centers	2	Yes	UP	Noida	0.13	No	Sandeepon music and educational trust	CSR00025187
6	Women empowerment tailoring and embroidery course	2	No	Tamil Nadu	Chennai	0.23	No	Acid Survivors & Women Welfare Foundation	CSR0005920
7	Teaching and learning material distribution for educational quality improvement	2	No	Madhya Pradesh, Uttarakhand, Uttar Pradesh	Dewas, Khandwa, Mandla, Betul, Chhindwada, Sehore, Dehradun, Noida	0.18	Yes	Nucleus Software Foundation	CSR00013556
8	English math remedial program design trainings and implementation	2	No	Madhya Pradesh, Uttarakhand, and Uttar Pradesh	Dewas, Khandwa, Mandla, Betul, Chhindwada, Dehradun, Noida	0.57	Yes	Nucleus Software Foundation	CSR00013556
9	Women empowerment & remedial education	2	No	Bihar	Jamui, Muzaffarpur, begusarai	0.06	No	i-Saksham	CSR00000430
10	Tribal Language content development for early education	2	No	Chhattisgarh	Sukma	0.05	No	Shiksharth	CSR00018295
11	Youth support and remedial education	2	No	Uttarakhand	Haridwar	0.05	No	Samanta Foundation	CSR00005920
12	Navodaya entrance Training	2	No	Madhya Pradesh	Dewas, Khandwa, Mandla, Betul, Chhindwada, Sehore, Dindori	0.03	No	Self Reliant India	CSR00014417
13	Vedic education support	2	No	Uttar Pradesh	Baghpat	0.05	Yes	Nucleus Software Foundation	CSR00013556
14	Value education support	2	Yes	Haryana	Gurgaon	0.05	No	Ramakrishna Mission	CSR00006101
<b>Total</b>						<b>2.12</b>			



(d) Details of CSR amount spent against Non ongoing projects for the financial year:

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act.	(4) Local area (Yes/No)	(5) Location of the project		(6) Amount spent for the project	(7) Mode of implementation Direct (Yes/No)	(8) Mode of implementation –Through implementing agency	
				State	District			Name	CSR registration number
Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

(e) Amount spent in Administrative Overheads : ₹ 0.01 crore

(f) Amount spent on Impact Assessment, if applicable : Nil

(g) Total amount spent for the Financial Year (8b+8c+8d+8e) : ₹ 2.13 crore

(h) Excess amount for set off, if any :

Sl. No.	Particular	Amount (₹ in crore)
(i)	Two percent of average net profit of the company as per section 135(5)	2.13
(ii)	Total amount spent for the Financial Year	2.13
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in crore)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1.	NA	Nil	Nil	Nil	Nil	Nil	Nil

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1) Sl. No.	(3) Name of the Project	(4) Financial Year in which the project was commenced	(5) Project duration	(6) Total amount allocated for the project (in crore)	(7) Amount spent on the project in the preceding Financial Year (in crore)	(8) Cumulative amount spent at the end of reporting Financial Year (in crore)	(9) Status of the project -Completed / Ongoing
1.	NA	Nil	Nil	Nil	Nil	Nil	Nil

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).

(a) Date of creation or acquisition of the capital asset(s) : NA

(b) Amount of CSR spent for creation or acquisition of capital asset : NA

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. : NA

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset) : NA

11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5) : NA

Sd/-  
Vishnu R Dusad  
Managing Director

Date: May 23, 2024  
Place: Noida

Sd/-  
Yashmin Javeri Krishan  
Member CSR Committee

Date: May 23, 2024  
Place: Singapore

Sd/-  
Shekar Viswanthan  
Chairperson CSR Committee

Date: May 23, 2024  
Place: Noida

# Directors' Report

## Annexure H

The information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

### A. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year:

Independent directors	Ratio to median remuneration (FY24)
Mr. S.M. Acharya	4.46
Mr. Prithvi Haldea	4.18
Mrs. Elaine Mathias	4.46
Prof. Trilochan Sastry	3.90
Mrs. Yasmin Javeri Krishan	4.11
Mr. Shekar Viswanathan*	0.66
Mr. Prakash Chandra Kandpal*	0.66

\* Note: Mr. Shekar Viswanathan and Mr. Prakash Chandra Kandpal are appointed as Non-Executive Independent Director of the Company w.e.f. February 12, 2024

Executive directors	Ratio to median remuneration (FY24)
Mr. Vishnu R. Dusad	9.00
Mr. Ravi Pratap Singh	6.38
Mr. Parag Bhise	20.52
Dr. Ritika Dusad	10.67
Mr. Anurag Mantri	47.17

### B. (I) The percentage increase in remuneration of each Director, CFO & Company Secretary

Name	Remuneration in fiscal 2024 (in ₹)	Remuneration in fiscal 2023 (in ₹)	No. of stock options / RSUs granted in fiscal 2024	% increase of remuneration in 2024 as compared to 2023	Excl. WTD	Incl. WTD	Ratio of remuneration to		
					Ratio of remuneration to MRE	Ratio of remuneration to MRE and WTD	Revenues (fiscal 2024)	Revenues (fiscal 2023)	Net Profit (fiscal 2024)
Mr. Vishnu R. Dusad	1,27,48,800	1,27,48,800	Nil	-	9.07	9.00	0.17	0.22	0.69
Mr. Ravi Pratap Singh	90,44,219	79,69,606	Nil	13.48	6.44	6.38	0.12	0.14	0.49
Mr. Parag Bhise	2,90,83,138	2,12,29,441	Nil	36.99	20.7	20.52	0.38	0.36	1.56
Dr. Ritika Dusad	1,51,17,446	48,82,572	Nil	209.62	10.76	10.67	0.2	0.08	0.81
Ms. Poonam Bhasin	56,17,210	51,27,161	Nil	9.56	4.00	3.96	0.07	0.09	0.30
Mr. Anurag Mantri	6,68,37,574*	1,70,64,370	Nil	291.68	47.57	47.17	0.87	0.29	3.59

RSU - Restricted Stock Units

WTD - Whole-time Director

MRE - Median Remuneration of Employees

\* Reimbursement to wholly owned subsidiary - Nucleus Software Solutions Pte. Ltd.

**(2) Remuneration paid to Independent Director**
*(Amount in ₹)*

Name of the Director	Remuneration in fiscal 2024	Remuneration in fiscal 2023	Number of Stock Options/ RSU's granted in fiscal 2024	% increase of remuneration (2024 over 2023)
Mr. S.M. Acharya	6,324,482	4,250,000	-	49%
Mr. Prithvi Haldea	5,924,482	5,150,000	-	15%
Mrs. Elaine Mathias	6,324,482	5,250,000	-	20%
Prof. Trilochan Sastry	5,524,482	4,350,000	-	27%
Mrs. Yasmin Javeri Krishan	5,824,482	5,050,000	-	15%
Mr. Shekar Viswanathan	9,38,796	NA	-	NA
Mr. Prakash Chandra Kandpal	9,38,796	NA	-	NA

**C. The percentage increase in the median remuneration of employees in the financial year:**

The Median Remuneration of Employees (MRE) excluding Whole-time Directors (WTDs) was ₹ 1,404,967/- and ₹ 1,322,845/- in fiscal 2024 and fiscal 2023 respectively. The increase in MRE (excluding WTDs) in fiscal 2024, as compared to fiscal 2023 is 6.21%

The Median Remuneration of Employees (MRE) including Whole-time Directors (WTDs) was ₹ 1,417,004/- and ₹ 1,324,277/- in fiscal 2024 and fiscal 2023 respectively. The increase in MRE (including WTDs) in fiscal 2024, as compared to fiscal 2023 is 7.00%

**D. The number of permanent employees on the rolls of Company:**

The number of permanent employees on the rolls of the Company and its subsidiaries as of March 31, 2024 and March 31, 2023 was 1,890 and 1,782 respectively.

**E. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

The increase in remuneration is in line with the market trends. Increase in the managerial remuneration for the year is under consideration as on date.

**F. Affirmation that the remuneration is as per the remuneration policy of the Company:**

The Company affirms remuneration is as per the remuneration policy of the Company.

**G. The statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure. Further, the report and the accounts are being sent to the members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary.**

For and on behalf of the Board of Directors

Date: May 23, 2024  
Place: Noida

Sd/-  
S M Acharya  
Chairperson

# Directors' Report

Annexure I

## Conservation of Energy, Research and Development, Technology Absorption and Foreign Exchange Earnings and Outgo

### A. Conservation of Energy

Your Company is always in the lookout for energy efficient measures for operation, and values conservation of energy through usage of latest technologies for improving productivity and quality of products and services.

The Company focuses on processes to monitor and improve environmental performance through various means and initiatives focusing on energy, carbon, water and waste. Moreover, operations of the Company also involve low energy consumption, but still the endeavor is to reduce electricity consumption and the resultant carbon footprint. A few of the energy conserving measures, include the following:

- Replacement of Sodium vapor and CFL based lights by LED based lights have been completed.
- Strong measures are being observed to ensure that no equipment is left in a switch on mode during non-working hours unnecessarily.
- Use of AAC blocks in construction for keeping the load and pressure on air-conditioning minimal.
- Use of furniture and equipment products that are standard and branded, and which comply with environment-friendly specification.
- Implementation of Green building designs and construction which dramatically reduces the enormous amounts of energy that buildings consume in heating, cooling, lighting, and water use.
- Regular UPS and AC plant maintenance to ensure efficient working of the equipment.
- Regular maintenance of all water pumps to improve pump efficiency and thereby reduction in Energy demand
- Waste water from the RO plant is being recycled to conserve water.
- Continuous monitoring of floor areas after normal working hours and switching off lights and air-conditioning.
- Installation of chillers graded with VFD in HVAC plant to reduce energy consumption immensely has been and is being done.
- Replacement of aluminum blade assemblies of cooling tower by FRP blade assemblies has been done.
- Installation of 158.6 kwh terrace solar plant has been completed and being maintained through OEM i.e. TATA Power.
- Optimum and need based utilization/running of AC's, Chillers, AHU's, Pumps, Fans, etc. is being ensured.
- Installation of auto controls over running hours of some AC equipment's in areas like Hub Rooms, UPS Rooms, Cafeteria, Auditorium, etc has been done..
- Replacement of old version UPS modules (03) by the energy efficient modules of latest technology.
- Replacement of old version Data Centre PAC's (Packaged AC's) by the energy efficient PAC's of latest technology.
- Installation of energy efficient and 5 star rated split AC's of inverter technology to reduce heavy central air-conditioning load.
- Installation of 100KLD MBR based STP plant for reusages sewage water for flushing system and green area horticulture purpose.

### B. Research and Development

Central to this vision is our dedication to cultivating a culture of innovation and R&D excellence. We understand that staying at the forefront of the industry requires a commitment to continuous improvement and forward-thinking strategies.

Our R&D efforts are not just about creating products; they're about shaping the future of finance. We invest heavily in cutting-edge technologies, rigorous research methodologies, and cross-disciplinary collaboration to drive innovation.



Your Company continues to invest significantly in product R&D. Some highlights of the activities are:

1. Applying the Concept of Lean Manufacturing in Software Product Development

The constant evolution of the financial services landscape demands robust and agile solutions, and advancements like CICD and ATDD play a pivotal role in achieving this. By embracing these innovations, Nucleus Software positions itself as a leader at the forefront of reshaping financial services, driving the financial technology landscape forward with a deep understanding of market needs and sets new quality standards.

2. Maintaining the highest data security standards

Data security is of paramount importance and our platforms have capabilities to ensure data access control mechanism, controlling the exposure of data at rest etc. Our meticulously designed architecture ensures strict control over access to data and algorithms, limiting it to authorized personnel only. This stringent approach guarantees the complete protection of sensitive information.

3. We have developed an incredible number of 520+ APIs that help seamlessly connect to the ever-evolving financial ecosystem and hence this evolving ecosystem holds immense promise for the future. Fintech integrations are increasing both horizontally and vertically, and we are equipped to seamlessly integrate in a secured and efficient way. Our endeavour is to remain aligned to global standards like open banking API for frictionless digital experience across multiple touchpoints.

4. During our ongoing journey in intellectual property (IP), Nucleus Software has achieved remarkable success in defining a distinctive Product Lifecycle Management (PLM) process. Over the past decade, we have proudly executed 32 releases, encompassing both our flagship product suites, **FinnOne Neo®** and **FinnAxia®**. This achievement includes an impressive rate of four full-blown releases annually across both suites, marking a significant milestone in our journey.

5. Domain expertise is extremely crucial and the most vital aspect when building intelligent systems; only technology is not enough. A product must be built the right way, implemented the right way, the product has to be intuitive, as well as user friendly and above all a great product has to address and solve all the business pain areas. This can only be achieved if the team creating the product has in-depth domain expertise. Our products are developed with in-built engines that incorporate domain expertise to manage the entire business processes of lending and transaction banking successfully and intuitively. Our platforms not only address current pain areas but also future growth trajectory of our customers and the industry at large.

6. Furthermore, our emphasis on continuous learning extends beyond traditional training programs. We encourage cross-functional collaboration, mentorship opportunities, and exposure to diverse projects that stimulate creativity and problem-solving skills. At Nucleus we not only enhance individual capabilities but also cultivate a high-performance workforce poised for success.

The following sections highlight R& D Initiatives in Specific Areas, their benefits and future plan of action:

**FinnOne Neo®**

**FinnOne Neo®** is an end-to-end solution for Lending Businesses. Your Company released **FinnOne Neo®** GA 7.0 in May 2023 marking a significant milestone, and the release of FinnOne Neo® GA 7.5 in April 2024 underscores your company's commitment to innovation.

**Release Highlights**

Incorporation of TRAI Guidelines pertaining to SMS

GST handling for NRI customers

Current Asset Collateral - Stock Upload

Collateral Investigation Completion - Legal Verification

Asset Upgradation

Moratorium - Hybrid Treatment

Multi-Lingual support for Arabic language

Editable Settlement Plan

# Directors' Report

Custom Id Configuration for PIS and Settlement

Installment Plan Master

Skip Tracking API

Overdraft Overdue Adjustment

## FinnAxia®

The **FinnAxia®** suite offers an enterprise solution for the Transaction Banking operations of corporate banks. The last release i.e. FinnAxia@8.6 in 2023 enabled corporates to make informed decisions on their cash positions and enabled banks to seamlessly provide integrated one stop secured solutions to their corporate customers.

### Release Highlights

- Beneficiary Validation and Restriction: For NRE account transactions, ensure compliance and security with built-in beneficiary validation and restriction capabilities, safeguarding international transactions.
- Corporate Advice Generation: Corporates will be able to download advice from the portal itself, making it readily available to share with beneficiaries.
- Configurable Reverse MIS: Get a timely, real time, automated MIS of payments file uploaded.
- CBDT Payments: Seamlessly manage CBDT payments within our platform, streamlining your tax-related transactions for greater efficiency.
- Grievances Redressal: An enhanced grievances redressal system ensures prompt resolution, keeping your business moving forward without disruptions.

R&D is a continuous innovation process and with changing needs and technologies we will continue to re-evaluate and where necessary reinvent our solution offerings to meet the needs of the market and our customers.

### Research & Development Expenditure

The Company has a in house R&D unit located in the corporate office in Noida, The R&D expenditure for FY 2024 and FY 2023 is as follows:

	(₹ in crore)	
For the Year ended March 31,	2024	2023
Revenue expenditure	28.01	24.33
R&D expenditure/Total revenue	3.66%	4.16%

## C. Technology Absorption, Adaptation and Innovation

Your Company realizes the importance of innovation and improvements in key areas of business. As business and technologies are changing constantly, investment in research and development activities is of paramount importance.

Web 3.0, blockchain, digital currency, Hyperledger, quantum computing and the Metaverse are just some of the buzzwords associated with what is now referred to as 'The Fourth Industrial Revolution' or Industry 4.0.

Industry 4.0 is the culmination of digital advances made over the past 35 years and will be the foundation on which customer experience and business models will be laid for the next 35 and beyond.

The financial services industry is not just one of the sectors that is disrupted by these advances but have been one of the core drivers. Nowadays every major bank, financial institution and NBFC have either already begun to incorporate Web 3.0 technologies like blockchain into their business model or plan to do so. And as Nucleus has been at the forefront of providing digital solutions to BFS sector.

With 'Innovation' as one of our key values, we strive to incorporate innovative thinking in everything we do, including offering inventive solutions to the myriad problems which our customers depend upon us to solve across our product suite.

To institutionalize Innovation within the organization, we have set it up as an independent function, under a separate department. The role of this department is to collect, track and program manage the execution of ideas at all levels across products and teams. The key charter is to unlock unrealized revenue potential

and prepare the company for the continuous digital evolution that will shape the needs and expectations of customers both present and future.

Some of the key initiatives which are underway to support the Innovation charter include:

- Looking at existing codebase with a fresh perspective to discover new use cases and business models. This includes looking at use cases of FinnOne Neo® modules beyond lending. One of the ideas which we have successfully piloted internally has led to digitization of employee documentation and records and will be ready to be piloted externally with the 2023-24 FY's mid-year GA release.
- With the successful implementation of CICD and ATDD Nucleus will be enabling Financial Institutions by delivering Efficient Testing, Enhanced Collaboration and Accelerating the pace of value realization by customers.
- Obeya visualization command center has been created for project monitoring and execution.
- Modernizing data pipelines to drive analytics and decisioning with both internal as well as customer use cases. Your Company uses a number of tools to manage data such as product usage statistics and is experimenting with approaches that will automate the collection, storage and usage of internal product data and add a high-fidelity analytics layer for customer data, thereby eliminating manual processing and/or use of third-party tools.
- Research of the applications of emerging technologies such as digital currencies and quantum computing to make our solutions ready to use for customers as and when they want to start embracing them.

Information in case of imported technology (imports during the last five years) - *Not applicable to the Company.*

#### D. Foreign Exchange Earnings and Outgo

##### 1. Export Initiatives and Development of New Export Markets

In FY 2024 foreign exchange earnings from software products and services were at ₹ 328.26 crore, 43% of revenue against ₹ 254.75 crore, 44% of revenue in FY 2023

##### 2. Foreign Exchange Earned and Used

(₹ in crore)		
For the Year ended March 31,	2024	2023
Foreign Exchange earnings:		
<i>from software development of products and services</i>	328.26	254.75
<i>from dividend and interest income</i>	-	-
Foreign Exchange outgo (Including capital goods):	49.16	35.11

For and on behalf of the Board of Directors

Date: May 23, 2024  
Place: Noida

Sd/-  
S M Acharya  
Chairperson

# Report on

# Corporate Governance

Strong corporate governance practices help to build an environment of trust, transparency and accountability necessary for fostering long-term investment, financial stability and business integrity, thereby supporting stronger growth and more inclusive societies. All these pillars are critical in successfully running an entity and forming solid professional relationships among its stakeholders which include board of directors, managers, employees, customers, suppliers, regulators and most importantly, shareholders.

### Company's Philosophy on Corporate Governance

Nucleus has a strong legacy of fair, transparent and ethical governance practices. Integrity and transparency are key to Company corporate governance practices and performance to ensure that we gain and retain the trust of our stakeholders at all times.

Our commitment to adoption of best practices of corporate governance makes us fully compliant with

the Companies Act 2013 as well as with the provisions of Corporate Governance of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, not just in word but in spirit. Besides complying with the statutory guidelines, the Company has voluntarily adopted and evolved various practices of governance conforming to highest ethical and responsible standards of business, generating value creation for all. The flow of content in this Report is as follows:

### Report on Corporate Governance

- A. Board of Directors
- B. Committee of the Board of Directors
- C. Shareholder Information
- D. Disclosures
- E. General Shareholder Information
- F. Compliance with Non-Mandatory Requirements

### Corporate Governance Framework at Nucleus





The Company's Corporate Governance practice is based on the following:

#### A. Board of Directors

The Company's Board of Directors plays a key role in providing direction in terms of strategy, target setting and performance evaluation of the top management. The primary role of the Board is that of trusteeship – to protect and enhance stakeholders' value through strategic direction to the Company.

Nucleus firmly believes that Board independence is essential to bring objectivity and transparency in the management of the Company.

##### a) Size and Composition of the Board

An ideal Board should ensure an appropriate balance of power, independence and authority. The key to good Corporate Governance is the optimum combination of the executive and non-executive Directors on the Board. As of March 31, 2024, the Board at Nucleus comprises twelve members; Seven Board members are Non-Executive Independent Directors including two women Directors, and the other five are Executive Directors, including one woman Director. All Independent Directors, with their diverse knowledge and expertise, provide valuable contribution in the deliberations and decisions of the Board, maintaining the requisite independence. The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Act. The Company does not have any pecuniary relationship with any of the non-executive Directors, other than sitting fees, commission and reimbursement of expenses incurred by them for attending meeting of the Company.

**Composition of the Board as on March 31, 2024:**

Name of Director	Position	Age in years
Mr. S.M Acharya (DIN 00545141)	Chairperson Non-Executive, Independent Director	75
Mr. Vishnu R Dusad (DIN 00008412)	Managing Director, Promoter	67
Mr. Parag Bhise (DIN 08719754)	Executive Director & CEO	58
Mr. Prithvi Haldea (DIN 00001220)	Non-Executive, Independent Director	73

Name of Director	Position	Age in years
Mrs. Elaine Mathias (DIN 06976868)	Non-Executive, Independent Director	70
Prof. Trilochan Sastry (DIN 02762510)	Non-Executive, Independent Director	64
Dr. Ritika Dusad (DIN: 07022867)	Executive Director	34
Mr. R. P. Singh (DIN 00008350)	Executive Director	61
Mr. Anurag Mantri (DIN 09002894)	Executive Director & COO	54
Mrs. Yasmin Javeri Krishan (DIN 08801422)	Non-Executive, Independent Director	64
Mr. Shekar Viswanathan (DIN: 01202587)	Non-Executive, Independent Director	68
Mr. Prakash Chandra Kandpal (DIN: 06452437)	Non-Executive, Independent Director	61

Table 1

**A brief profile of each of the Board members is presented below:**

##### Mr. S M Acharya, Chairperson, Independent Director

Mr. S M Acharya is a retired IAS officer of the Karnataka cadre. He has held various senior positions in both State and Central Governments in his long and distinguished career and retired as Secretary to the Government of India in the Ministry of Defense in 2009. Mr. S M Acharya went to school in Bangalore and Gwalior and graduated from the universities of Madras and Hong Kong obtaining Bachelor of Arts degrees. He also possesses a Masters Degree in Economics from the Victoria University of Manchester, UK. Having taught at a school for a year and a half, Mr. Acharya enrolled in an intensive course in Chinese language at the University of Delhi and then sat for the civil service examinations in 1973. He served in the Indian Administrative Service for 35 years based in Karnataka for 20 years and in Delhi for 13 years and 2 years as a probationer in Mussoorie. During the course of these years, he had a variety of experiences that have helped him to gain an insight into the affairs of human beings. After retirement he had been retained by a leading education Trust to act the Chief Executive to help run their

## Report on Corporate Governance

engineering and general sciences institutions. He also served as an Independent Director on the Board of the Bharat Electronics Ltd. His areas of expertise include Governance, Global Business, Strategy and Planning. Mr. Acharya joined the Board of Directors of Nucleus Software Exports Ltd. in March 2016.

### **Mr. Vishnu R. Dusad, Managing Director**

Mr. Vishnu R Dusad is a visionary leader and co-founder of Nucleus Software, where he has played a pivotal role in shaping the company's trajectory since its inception. His unwavering passion to empower banks with technology has not only propelled Nucleus Software to the forefront of the industry but has also catalyzed the evolution of India's financial technology landscape on a global scale.

With profound expertise in product development, forging strategic alliances, and strategic planning, Mr. Dusad has steered Nucleus Software towards international prominence. His leadership has been instrumental in establishing the company as a beacon of innovation, driving efficiency and excellence across lending operations for banks and financial institutions globally.

During the nascent stages of India's financial services sector in the late 1980s, Mr. Dusad spearheaded pioneering initiatives in collaboration with banks and financial institutions, laying the groundwork for technological advancements that would redefine industry standards. Under his guidance, Nucleus Software conceptualized and developed groundbreaking solutions such as "Leaseware", marking the inception of a legacy built on a passion and vision for making financial services easy and accessible worldwide.

Mr. Dusad's relentless pursuit of excellence culminated in the creation of FinnOne, a testament to his commitment to delivering customer-centric products that revolutionize the financial landscape. The resounding success of Nucleus Software's offerings resonated globally, leading to expansion into over 50 countries across all continents.

As a Director on the Board of Indian Post Payments Bank, Mr. Dusad continues to leverage his expertise to drive innovation and excellence in the financial services sector. His unwavering mission to instill a culture of excellence among Nucleus Software's workforce, or "Nucleites," underscores his dedication to fostering innovation and driving transformative change.

A distinguished alum of the prestigious Indian Institute of Technology (IIT), Delhi, Mr. Dusad embarked on his entrepreneurial journey in 1983, laying the groundwork for Nucleus Software's establishment in 1986. His formative experiences and indomitable spirit have been instrumental in shaping Nucleus Software into a global leader in financial technology, leaving an indelible mark on the industry landscape.

### **Mr. Prithvi Haldea, Independent Director**

Mr. Prithvi Haldea did his MBA from Birla Institute of Technology & Science, Pilani in 1971. Over the next 18 years, he worked at senior positions in the corporate sector in the areas of exports, consulting and advertising. During late 70s and early 80s, he was also associated with the information industry and among various activities, worked as a consultant with the World Bank and the U.S. Department of Commerce.

In 1989, Mr. Haldea founded PRIME Database, the country's first and still the only database on the primary capital market. PRIME has a large subscriber base and is widely reported by the media. Spreading over more than 3 decades, Mr. Haldea has played a significant role in policy formulation for the primary market. In a recent effort, he has rewritten gratis for SEBI the entire ICDR Regulations, in an orderly manner, and in simple English.

Mr. Haldea is presently a member of several committees including SEBI Market Data Advisory Committee. Additionally, he is an Advisor to Gaja Capital, Inversion Management Services, Association of Investment Bankers of India, BGJC & Associates, and Association of Independent Directors of India.

In the past, Mr. Haldea has served, among others, as a Member of SEBI Primary Market Advisory Committee, Board Member of the Central Listing Authority-SEBI, First Trustee of the Pension Fund Regulatory & Development Authority, Government's Standing Council of Experts for the Financial Sector, Board of Governors of Indian Institute of Corporate Affairs, Member-Investment Board of Postal Life Insurance, Central Government Nominee on the Governing Council of Institute of Chartered Accountants of India and Central Government Nominee on the Governing Council of Institute of Company Secretaries of India. He was also a member of Ministry of Finance Task Force on Financial Redress Agency, Finance Minister's High-level Expert Committee on Corporate Bonds and Securitization, Quality Review Board-ICAI, FSDC Committee on Commission/ Incentive

Structure of the Distributors of Financial Products, Advisory Committee on Individual Insolvency and Bankruptcy of the Insolvency and Bankruptcy Board of India, SEBI Secondary Market Advisory Committee, SEBI Committee on Disclosures & Accounting Standards, SEBI Committee for Reviewing Disclosures, SEBI Committee for Review for MAPIN, Rules Committee (for the Companies Act) of the Ministry of Corporate Affairs, MCA Committee on Review of Corporate Governance Norms, MCA Committee for Review of the Chartered Accountants Act, MCA Group on Review of Independent Directors and NISM National Securities Market Data Committee.

He has also served as a member of Listing Advisory Committee of NSE, Index Committee, Listing Committee and Delisting Committee of BSE and Delisting Committee of DSE, ICSI Standing Committee for Development of a Model for Assessing Corporate Governance, Editorial Board of ICSI, and Financial Services Committee of ICSI. He was also a member of CII National Task Force on Financial Markets, FICCI Task Force on Development of Capital Markets and NASSCOM's Corporate Governance & Ethics Committee. Mr. Haldea was also the Chairman of the ASSOCHAM's National Council for Capital Markets, ASSOCHAM's awards committee for Corporate Governance and for Corporate Social Responsibility, and Chairman of PHDCCI Capital Markets Committee.

Mr. Haldea was also on the boards of UTI Mutual Fund as an Independent Director for nearly 6 years and served as a Public Interest Director on the boards of Multi Commodity Exchange of India (MCX), OTC Exchange of India and Central Depository Services (India) Ltd. Mr. Haldea was also the founder-advisor of Invest India Foundation, Superbrands and Manupatra.

Mr. Haldea has been a visiting faculty at several institutions, including Masscom and has addressed hundreds of conferences in India and abroad on capital markets, IPOs, financial frauds, corporate governance and investor protection. As an investor protection activist and proponent of corporate governance, Mr. Haldea regularly raises issues with regulators and in the media. In the pursuit of this objective, he has also launched several unique websites which include [www.watchoutinvestors.com](http://www.watchoutinvestors.com), aggregating information on economic defaulters which now lists over 8,70,000 entities [www.primedirectors.com](http://www.primedirectors.com): a databank of professionals for listed companies to select independent directors, now hosting profiles of over 20,000 professionals,

[www.primeinfobase.com](http://www.primeinfobase.com), a searchable database of information on listed companies, [www.indianboards.com](http://www.indianboards.com) profiling directors of listed companies and [www.msmentor.in](http://www.msmentor.in), a national skills registry of professionals for the benefit of MSMEs. He had earlier designed and maintained [www.directorsdatabase.com](http://www.directorsdatabase.com), covering detailed profiles of directors of Indian listed companies and [www.iepf.gov.in](http://www.iepf.gov.in), an investor education initiative of the Ministry of Corporate Affairs in English, Hindi and 9 regional languages. He also produced simply-written Investor Guides for the Ministry of Corporate Affairs. Mr. Haldea also extended his skills of information management to other organizations, by creating [www.bsepsu.com](http://www.bsepsu.com), a website for BSE dedicated to disinvestments, a revamped website [www.divest.nic.in](http://www.divest.nic.in) for the Department of Disinvestment, and the PE/VC Directory for the Indian Venture Capital Association.

His areas of expertise include Finance, Capital Markets, Governance, Global Business, Strategy, Planning, Sales and Marketing.

A lover of Urdu poetry, he has been devoting a lot of his time to Ibaadat Foundation, which he created for bringing poets and poetry back to life, through musical dramas. He is also the Founder-Advisor to Rekhta Foundation which has created the world's largest website on Urdu poetry and which conducts the Jashn-e-Rekhta festivals.

Mr. Haldea joined the Board of Directors of Nucleus Software Exports Ltd. in June 2001 and of Nucleus Software Ltd. in April 2008.

#### **Mrs. Elaine Mathias, Independent Director**

Mrs. Elaine Mathias is a B.Com (Hons.) graduate from Sydenham College of Commerce and Economics, Mumbai. She has a dual Professional qualification and is a Fellow member of the Institute of Chartered Accountants of India and also an Associate member of the Institute of Cost Accountants of India.

Mrs. Elaine Mathias is a highly reputed professional with thirty-four years' experience in Bharat Electronics Limited (BEL), Bangalore, a Navratna Company under the Ministry of Defense, Government of India, from where she superannuated as Executive Director (Finance). At BEL she was in charge of various portfolios in Corporate Finance like Accounts, Taxation, Treasury, Budgeting and Pricing and introduced continuous improvements in systems and procedures in all these areas.

Besides her Finance role, she played a very active part in all Human Relations activities

## Report on Corporate Governance

including negotiations with the Unions and framing of Personnel Policies within the Government Guidelines. She has proficiency in development of various financial systems, risk management, regulatory compliances, strategy implementation, talent management, best practices of Corporate Governance.

At the time of her superannuation, she was the Chairperson of various Trusts and Committees like the BEL Gratuity Trust, the BEL Superannuation Pension Trust and the Corporate Committee against Sexual Harassment of Women at the Workplace.

She has interacted and represented BEL at meetings with various external agencies like Bankers, Credit rating agencies, Statutory Auditors, Government Auditors, Cost Auditors, Government officials, Financial Analysts, Institutional Investors and Technology Collaborators. Her areas of expertise include Finance, Governance, Strategy and Planning. Mrs. Elaine Mathias joined the Board of Directors of Nucleus Software Exports Ltd. in September 2014.

### **Professor Trilochan Sastry, Independent Director**

Professor Trilochan Sastry, former Dean at IIM Bangalore, currently teaches at IIM Bangalore. A B.Tech from IIT, Delhi, an MBA from IIM, Ahmedabad, and a Ph.D. from MIT, USA, Professor Sastry has taught for several years at IIM, Ahmedabad after which he moved to IIM, Bangalore. A recipient of national award for research and teaching, Professor Sastry has taught in many prestigious Universities in India, Japan, Hong Kong and United States and has published several academic papers in Indian and International journals. He had earlier served on the Board of NABARD and also on the Board of IIM Bangalore for 5 years. He is currently a Director on the Board of Indiafarm Foods Pvt. Ltd. His areas of expertise include Governance, Social Entrepreneurship and Operations Research. Prof. Trilochan Sastry joined the Board of Directors of Nucleus Software Exports Ltd. in April 2013. He is also on the Board of Nucleus Software Limited in August 2014.

### **Mr. R. P. Singh, Executive Director**

Mr. Ravi Pratap Singh or 'RP' started his career with Nucleus Software as a summer trainee in 1986 and grew with the Company to become the Chief Executive Officer in 2018. He saw Nucleus Software transform from a 10 member startup to becoming a pioneer in software products in India with its leading Lending platform, FinnOne®, having over 250

customers across 50 countries. He retired as CEO in 2021 and continues on the Board. He held multiple key roles during the period.

As Global Delivery Head, he drove the operation with an intense focus on customer delight ensuring business value gets delivered to each customer. His area of expertise includes Global Business, Technology, Strategy and Planning, Governance Sales and Marketing. Being a natural mentor and a technocrat of high caliber himself, he started the Nucleus School of Banking Technology (NSBT) as a new division of Nucleus Software in 2010 with a vision of developing world class Banking & Financial Technology Professionals. Today, NSBT is key to campus onboarding and talent development at Nucleus. As Product head, he led the strategic initiative to re-build and re-architect the 15 year old Nucleus products. The renewed Cloud-ready FinnOne® NEO is already a leader in India with over 50 Financial Institutions deriving value. He feels this was his most challenging responsibility.

As CEO, his key focus was to strengthen the core values at Nucleus as it expanded and to build a learning organization.

RP did his graduation in Economics from Shri Ram College of Commerce before doing his Post Graduation in Computer Applications. He is an alumnus of Harvard Business School, completing the General Management Program (GMP) in 2014.

He is an outdoors man, into adventure activities, photography and an ardent golfer.

He joined the Board of Nucleus Software Export Ltd. in July 2014. He is also on the Board of Nucleus Software Ltd in August 2014.

### **Mr. Parag Bhise, Executive Director & Chief Executive Officer**

Mr. Parag Bhise epitomizes transformational leadership at Nucleus Software, where his three-decade tenure has been marked by exceptional contributions to business development and relationship-building. With a diverse background encompassing product development, delivery, IT infrastructure management, and quality assurance, Parag's steadfast commitment to execution excellence has been a cornerstone of his career.

Throughout his journey at Nucleus Software, Parag has played a pivotal role in shaping the company's product narrative, directly contributing to the creation and evolution of key offerings such as LeaseWare and FinnOne®. His leadership in product engineering for FinnAxia® and



FinnOne Neo®. Neo has been instrumental in driving the company's evolution towards the Nucleus 2.0 mindset, delivering robust solutions that stand the test of time.

A natural at leveraging technology to solve complex problems, Parag's ability to forge strategic partnerships across diverse industries and geographies is unparalleled. His groundbreaking collaboration with Shinsei Bank of Japan stands as a testament to his visionary leadership, driving significant revenue and profitability for Nucleus Software through innovative technology solutions.

Parag's leadership journey began early in his career when he led teams to deliver cutting-edge lending platforms for global giants such as Citibank and SAMBA. His innate ability to inspire and motivate teams, coupled with his unwavering commitment to integrity, parity, and quality, has earned him the respect and admiration of Nucleites across the organization.

As the transitions into a new role overseeing Nucleus Software's global footprint, Parag remains steadfast in his commitment to driving change and innovation. A lifelong learner, he holds a Professional Certificate in Innovation & Technology from MIT, complementing his academic credentials with a Master's in Computer Applications from BIT Mesra and an MBA from the Management Development Institute, Gurgaon. His Area of expertise includes Technology, Business Strategy and Planning.

Beyond his professional endeavors, Parag finds solace in the world of cricket, where he indulges his passion for the sport. His dedication to excellence and customer-centric solutions continues to inspire Nucleus Software's culture, reaffirming the company's commitment to delivering cutting-edge business solutions with unwavering precision. He joined the Nucleus Board on March 2020.

**Dr. Ritika Dusad, Executive Director and Chief Innovation Officer**

Dr. Ritika Dusad brings a wealth of expertise and leadership to the Nucleus Software Board of Directors. As the Chief Innovation Officer, Dr. Dusad is at the forefront of driving transformative initiatives that align with our overarching business strategy. Her strategic vision and relentless pursuit of innovative excellence have been instrumental in positioning Nucleus Software as a leader in the financial technology industry.

With a keen focus on data-driven decision-making, Dr. Dusad leverages her deep

understanding of data analytics, artificial intelligence, big data, and data science to drive innovation across our product offerings. Her commitment to simplifying customer processes and enhancing the consumer experience through data-driven insights has enabled financial institutions to thrive in an increasingly digital landscape.

Prior to her current role, Dr. Dusad served as the Head of Marketing and Global Strategy, where she played a key role in driving financial growth and enhancing brand visibility for the company. Her expertise in evaluating long-term trends and market intelligence has been instrumental in maintaining business model innovation and ensuring Nucleus Software remains at the forefront of industry trends.

Dr. Dusad's illustrious educational background underscores her expertise in innovation. A graduate of the University of California with an undergraduate degree, she went on to earn her PhD in Physics from Cornell University, USA, where she was honored with the prestigious Springer Thesis Award for her outstanding doctoral research. Following her PhD, Dr. Dusad conducted groundbreaking research on quantum magnetism as a postdoctoral researcher at Lawrence Berkeley National Lab, further solidifying her reputation as a leader in the field of low-temperature physics.

Since joining the Nucleus Board in July 2016, Dr. Dusad has been a champion of diversity and inclusion, governance, and corporate social responsibility. Her contributions to board deliberations have highlighted the importance of creating the right structure and environment for world-class research, underscoring Nucleus Software's commitment to excellence and innovation under her visionary leadership. She was appointed as an Executive Director in August 2020.

**Mrs. Yasmin Javeri Krishan, Independent Director**

Mrs. Yasmin has a multi-faceted global experience of more than 20 years in Financial Control, MIS, Treasury, Process rationalization, Business Intelligence & Executive Search. She is a rank-holding Chartered Accountant from the Institute of Chartered Accountants of India and an MBA (Finance and International Business) from the Stern School of Business, New York University. She has worked with large multinational institutions like Price Waterhouse (India), American Express (US, India and Korea), Citibank (Korea), a British educational institution (Saudi Arabia), start-ups in HR consultancy (India) as well as in Analytics



## Report on Corporate Governance

(Singapore) and a boutique recruitment firm (Singapore). She was Head of Campus for S P Jain School of Global Management's Singapore Campus. Her work experience spans several industries: Retail Banking & Credit Cards, HR Consultancy & Search, Education, Accounting and Information Consultancy/ Decision Management. She served as Honorary Treasurer for a not-for-profit cultural organization called Friends of the Museums in Singapore, for a couple years in the past, to give back to the Singapore cultural community by ensuring the financial security of the Society.

Mrs. Yasmin joined the Board of Nucleus Software's wholly owned Singapore subsidiary in February 2016 and the Board of Nucleus Software Exports Ltd. in July 2020. Her areas of expertise include Finance, Governance, Strategy and Planning.

### **Mr. Anurag Mantri, Executive Director & COO**

Mr. Anurag Mantri started his career with Nucleus Software in 1994. While working with Nucleus for close to three decades, Anurag had led Company's Digital Services Business and Cloud Technology Business and also managed many large and complex global and regional business transformation programs as well as many Cutting-Edge Digital Transformation Initiatives.

Anurag had also managed the Global Customer Support Centre of Excellence for Transaction Banking product suite for Nucleus. Anurag was also responsible for leading sales function for Nucleus's flagship products FinnOne Neo® and FinnAxia® for Southeast Asia.

Anurag joined the Board of Nucleus Software Exports Ltd. in December 2020 as an Executive Director. He was also appointed as Chief Financial Officer of the Company in December 2020. In Aug 2023, Anurag was also appointed as the Chief Operating Officer of the company.

Anurag's areas of expertise include Business Transformation, Complex Program Management and Spawning successful Business Leaders. Anurag strongly believes in providing thought partnership to external and internal customers and have been providing highest-quality experiential certainty to his clients for long decades.

Anurag was relieved from the additional responsibility of Chief Financial Officer (CFO) of the Company w.e.f. May 7, 2024, due to his preoccupation in other roles and positions of the Company, he is responsible for.

Anurag is a postgraduate in Statistics from prestigious Banaras Hindu University (BHU), and holds his second post-graduate degree in Computer Science, again from BHU.

### **Mr. Shekar Viswanathan, Independent Director**

Mr. Shekar Viswanathan has over four decades of varied experience. He retired at the end of November 2020 as the Vice Chairman and whole-time Director of Toyota Kirloskar Motors Private Limited. He joined the Toyota Kirloskar group of companies in 1999 where he contributed for 22 years across various critical leadership functions and has been a member of the Board of Directors of each of the 3 Toyota Group companies that he served.

Having started his career with the Unit Trust of India, he then moved to The Chase Manhattan Bank as Second Vice President, handling trade finance and investment banking products. He has interacted extensively with the Ministry of Finance and several leading PSU's. Previously, he also held directorships in L&T Mitsubishi Boilers, L&T Mitsubishi Turbines, Kirloskar Technologies and Kirloskar Systems. He is currently on the Board of Jay Bharat Maruti Ltd., Brakes India Private Limited, ASM Technologies Limited, ASM Digital Engineering Private Limited, ANA ARC Private Limited and Reconnect Energy Solutions Limited.

Mr. Viswanathan held many positions in industry bodies in the past such as the President of the Bangalore Chamber of Commerce and Industry, Chairman of CII Karnataka, Chairman of the Tax Group for the Society of Indian Auto Manufacturers (SIAM), Chairman of FICCI Karnataka, and Chairman of EV Committee with FICCI.

He joined the Board of Nucleus Software Export Ltd. in February 2024.

### **Mr. Prakash Chandra Kandpal, Independent Director**

Mr. Prakash Chandra Kandpal has extensive experience of over 36 years with State Bank of India and its subsidiaries. He retired as Deputy Managing Director (Retail business - Personal Banking and Real Estate) of SBI. Mr. Kandpal has held multiple leading responsibilities at SBI including MD & CEO of SBI General Insurance and COO at SBI Funds Management Ltd. He has an in-depth expertise in Banking, HR, Insurance, Mutual funds space and has contributed immensely to the Banking and Financial Services Industry. He has led many

renowned initiatives in Investments and Governance.

Mr. Kandpal has held positions as Nominee Director, SBI Foundation and believes in contributing back to the environment and society with strong governance in place. He is currently on the Board of Social Worth Technologies Private Limited, Earlsalary Services Pvt Ltd., Tata AIG General Insurance Company Limited and HDFC Pension Management Company Limited. Mr. Kandpal has been honored by prestigious awards such as Business Leader of the Year Award, in 2021, the Company with Great Managers Award on behalf of SBI GI, in 2021 and secured the Brandon Hall Award in 2018 for SBI for his pathbreaking initiatives in Learning and Development at SBI to name a few.

Mr. Kandpal holds an M.A. in Economics from Kumaon University, Nainital and Masters in Financial Management from Jamnalal Bajaj Institute of Management, Mumbai. He also has multiple professional certifications such as an Executive MBA program (curated for SBI) from ISB Hyderabad, and Global Advance Management Program-AIIMA with Berkley University, USA.

He joined the Board of Nucleus Software Export Ltd. in February 2024.

**b) Board Membership Criteria**

Our Board comprises of eminent professionals of integrity with relevant skills and experience.

Their contribution is facilitated by:

- high quality Board documentation;
- expert opinions, wherever deemed necessary; and
- healthy debate especially on complex, contentious and critical issues.

The Board members are committed to ensure that Nucleus follows the highest standards of Corporate Governance.

Nomination and Remuneration/ Compensation Committee (NRC) of the Board assist in fulfilling the responsibilities relating to the size and composition of the Board.

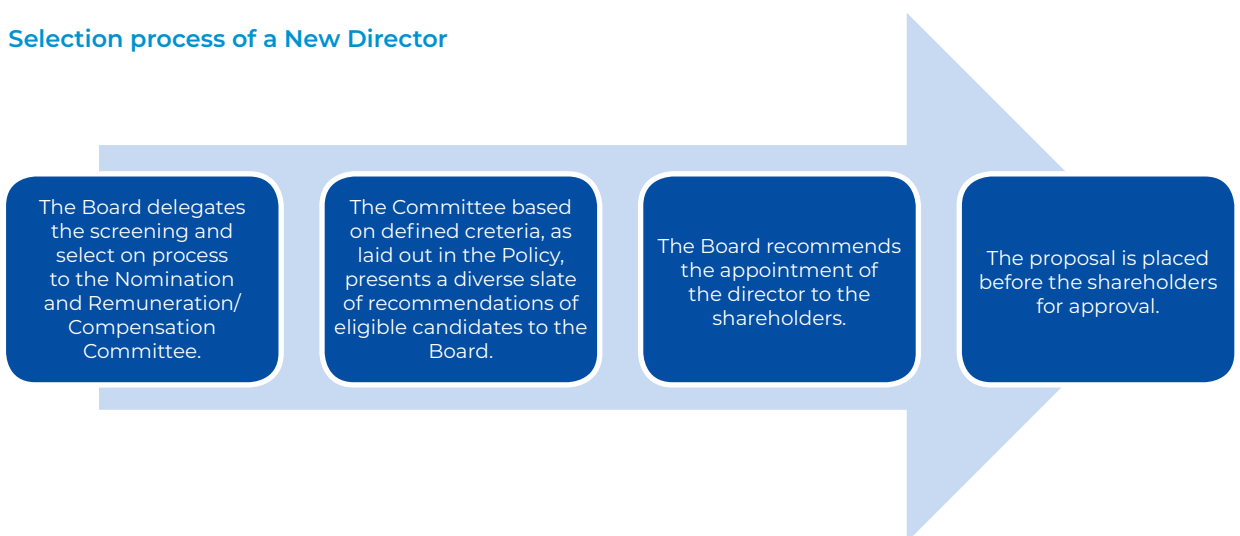
**Certificate from Company Secretary in practice**

A certificate from M/s PI & Associates, Company Secretary in practice has been taken as required under the Listing Regulations, confirming that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Director of Company by SEBI /Ministry of Corporate Affairs or any such statutory authority. The certificate is enclosed as **Annexure A**.

**c) Selection of New Directors**

The Board is responsible for the selection of new Directors and has delegated this to the Nomination & Remuneration/ Compensation Committee (NRC).

**Selection process of a New Director**



# Report on Corporate Governance

The aim is to secure a Boardroom which achieves the right balance between challenge and teamwork and fresh input and thinking.

Every Independent Director, at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he/she meets the criteria of independence as provided under law.

The Company has received declarations from all the Independent Directors that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 25 of the SEBI (LODR) Regulations, 2015, and fulfill the conditions as specified in the regulations 16(1)(b) of the SEBI Listing Regulations, that they are independent of the management.

Further, the Independent Directors have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

## **d) Familiarization Programs for Board members**

The Company has constituted familiarization programmes for its Directors (Independent and Non-Independent), with an objective to provide them with every opportunity to familiarize themselves with the Company, Nucleus's Board practices and processes, its management and its operations and above all the Industry perspective & issues.

The familiarization programs comprise of a combination of written information, presentations and activities, including meetings, site visits, etc. to enable them to familiarize with the Company management, operations and practices. The details on programs can be accessed on the Company website link: [https://investor.nucleussoftware.com/files/NUCLEUS\\_FAMILIARISATION\\_PROGRAMME\\_FOR\\_INDEPENDENT\\_DIRECTORS.zip](https://investor.nucleussoftware.com/files/NUCLEUS_FAMILIARISATION_PROGRAMME_FOR_INDEPENDENT_DIRECTORS.zip)

## **e) Diversity in Board**

Diversity, in all its aspects, serves an important purpose for Board effectiveness. It can widen

perspectives while making decisions, avoid similarity of attitude and help companies better understand and connect with its stakeholders. The Board continues to recognize that an appropriate mix of diversity and skills is key for different perspectives into the Board discussions and for better anticipating the risks and opportunities in building a long term sustainable business.

## **f) Separation of the Office of Chairperson and the Managing Director/Chief Executive Officer (CEO)**

At Nucleus, the role and office of the Chairperson and Chief Executive Officer (CEO) have always been separate. This promotes the right balance and prevents unfettered decision making power with a single individual. For greater efficiency, there is also a clear demarcation of the role and responsibilities of the Chairperson and the CEO.

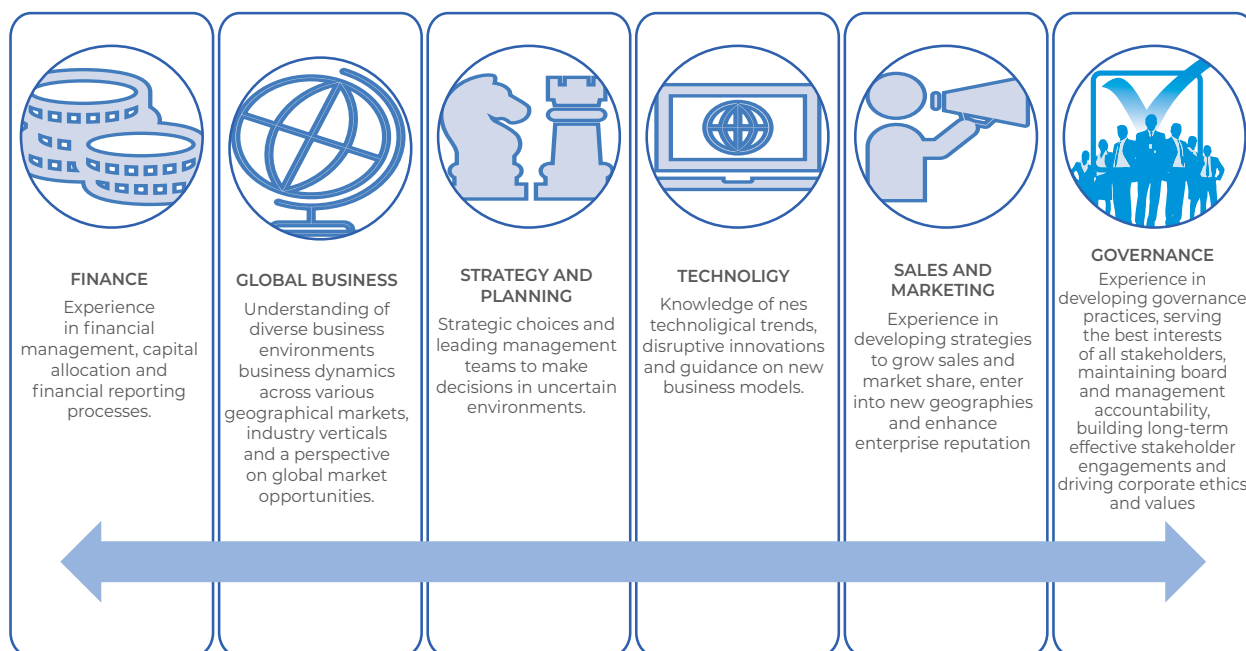
The primary role of the Chairperson of the Company is to provide leadership to the Board. The Chairperson of the Board presides over its meetings and leads and assists the Board in setting and realizing the Company's vision and related short and long term goals.

CEO is the principal executive of the Company and is accountable for the management and operations of the Company and implementation of business policies and strategies agreed to by the Board of Directors in a manner that is consistent with best business practices. CEO leads internally by adding value in strategy and structure and ensuring that the Company is represented with integrity to institutions, investors, analysts and other stakeholders.

## **g) Key Board qualifications, expertise and attributes**

The Board comprises of qualified members who bring in the required skills, competence and expertise that allow them to make effective contributions to the Board and its committees.

The Board has identified the following skills/expertise/competencies fundamental for the effective functioning of the Company. The expertise of all Board members is mentioned in their brief printed elsewhere in this Report.



#### h) Mechanism for Evaluating Board members

Pursuant to the provisions of the Companies Act, 2013 and Regulations 25 of the SEBI (LODR) Regulations, there is a formal Policy for Board Performance Evaluation which suggests process for evaluation of the performance of both the Board and individual Directors and the Committees.

The Board, along with the Nomination and Remuneration/Compensation Committee, laid down the criteria for evaluation of the performance of all Directors, which then became a part of the Board Effectiveness Survey. The Nomination and Remuneration/Compensation committee in view of the Guidance Note issued by SEBI, drafted the evaluation criteria for the performance of the Chairperson, the Board, Board committees and executive/non-executive/Independent Directors. The Chairperson of the Committee circulated the evaluation forms to all the Directors, including Executive Directors. These filled-in forms had been received back by the Chairperson and the responses were tabulated and analyzed.

The performance of the Board was evaluated on the basis of various criteria such as composition and functioning of the Board, information flow between management and Board and its dynamism, effective participation in deliberations, strategic issues, flow of agenda and other related papers,

updating the Board with the outcome of meeting of Board committees, remuneration framework for Independent Directors, etc. The performance of the Committees was evaluated after seeking the inputs of Committee members on the criteria such as composition and structure of Board committees, their functioning and effectiveness, conduct of meetings, understanding the terms of reference, Independence, flow of agenda & other related documents, etc.

Specifically, for Independent Directors, the key performance indicators based on which they were evaluated, besides their attendance in the Board/Committee meetings, included monitoring of the Company's Corporate Governance practices, improving policies and processes across all functions, and contribution to strategic planning. Further, the evaluation process was based on the affirmations received from Independent Directors that they meet the independence criteria as required under the Companies Act 2013 and listing regulations. The performance of the Board Chairperson was evaluated after seeking the inputs from all the Directors other than the Board Chairperson about the criteria such as vision for the Company, standards of Board's governance, experience and knowledge, interests of shareholders, other stakeholders and the Company during discussions and while taking decisions at the

## Report on Corporate Governance

Board meetings, oversight on the business of the Company, etc. The evaluation of the Board and the Directors for fiscal 2024 has been completed.

### i) Compensation of the Board of Directors

The Nomination and Remuneration/ Compensation Committee determines and recommends to the Board the compensation payable to the Directors.

Non-Executive, Independent Directors are paid an amount by way of commission not exceeding one percent of the net profits of the Company for the year, in accordance with section 197 of the Companies Act, 2013, and as approved by the shareholders for a period

of five years, at the Annual General Meeting held on July 8, 2019. The approval for payment of such commission for a further period of five year w.e.f. April 1, 2024 is placed for shareholders approval at the forthcoming Annual General Meeting. As per the Companies Act, 2013, Independent Directors are not eligible to receive options under the various Employee Stock Option Plans (ESOP) launched by the Company from time to time. The annual compensation of the Executive Directors is approved by the Committee and placed before the shareholders at the shareholders' meeting.

All Board level compensation is disclosed separately in the financial statements.

### Compensation Paid /Payable to the Directors for the period April 2023 to March 2024

(Amount in ₹)

Name of Director	Position	Salary	Company's Contribution to Provident and other funds	Perquisites/ Allowances	Commission	Sitting Fees	Total Compensation
Mr. S M Acharya	Chairperson, Non-Executive, Independent Director	-	-	-	40,24,482	23,00,000	63,24,482
Mr. Vishnu R Dusad	Managing Director & Promoter	1,20,00,000	7,20,000	28,800	-	-	12,748, 800
Mr. Prithvi Haldea	Non-Executive, Independent Director	-	-	-	40,24,482	19,00,000	59,24,482
Mrs. Elaine Mathias	Non-Executive, Independent Director	-	-	-	40,24,482	23,00,000	63,24,482
Prof. Trilochan Sastry	Non-Executive, Independent Director	-	-	-	40,24,482	15,00,000	55,24,482
Mr. R. P. Singh	Executive Director	85,84,619	4,20,000	39,600	-	-	90,44,219
Dr. Ritika Dusad	Executive, Director	1,42,10,400	9,07,046	-	-	-	1,51,17,446
Mr. Parag Bhise	Executive Director	2,79,39,101	11,04,437	39,600	-	-	2,90,83,138
Mrs. Yasmin Javeri Krishan	Non-Executive, Independent Director	-	-	-	40,24,482	18,00,000	58,24,482
Mr. Shekar Viswanathan	Non-Executive, Independent Director	-	-	-	5,38,796	4,00,000	9,38,796
Mr. Prakash Chandra Kandpal	Non-Executive, Independent Director	-	-	-	5,38,796	4,00,000	9,38,796
Mr. Anurag Mantri	Executive Director	6,68,37,574*	-	-	-	-	6,68,37,574
<b>Total</b>		<b>12,95,71,694</b>	<b>31,51,483</b>	<b>1,08,000</b>	<b>2,12,00,002</b>	<b>1,06,00,000</b>	<b>16,46,31,179</b>

Table 2

None of the non-executive Directors received remuneration amounting to 50% of the total remuneration paid to non-executive directors during the year ended March 31, 2024.

\* Reimbursement to wholly owned subsidiary - Nucleus Software Solutions Pte. Ltd.



The service contract of the Executive Directors is as below:

1. Mr. Vishnu R Dusad, Managing Director - for a period of 5 years that will expire on December 31, 2026
2. Mr. R. P. Singh, Executive Director - for a period of 5 years that will expire on July 25, 2024.
3. Mr. Anurag Mantri, Executive Director - for a period of 5 years that will expire on December 18, 2025
4. Dr. Ritika Dusad, Executive Director - for a period of 5 years that will expire on August 06, 2025
5. Mr. Parag Bhise, Executive Director - for a period of 5 years that will expire on July 30, 2025.

Remuneration of the Executive Directors included above, does not include provision for incremental liability on account of gratuity, compensated absences since actuarial valuation is done for the Company as a whole.

None of the above Directors are eligible for any severance package and do not hold any stock options of the Company as on March 31, 2024. The notice period for a Director is as mutually agreed between the Executive Director and the Board.

Formal letters of appointment were issued to all Independent and Non-Executive Directors and terms and conditions of the same are disclosed on the website of the Company.

The Board believes that the above compensation structure is commensurate with global and domestic best practices in terms of remunerating non-executive/independent Directors of a Company of similar size, and it adequately compensates for the time and contribution made by the non-executive / independent Directors.

In accordance with the Listing Regulations, no employee, including key managerial personnel or Director or promoter of a listed entity, shall enter into any agreement for himself or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit-sharing in connection with dealings in the securities of the Company, without prior approval from the Board as well as from shareholders. No such instances were reported during fiscal 2024.

#### Details of Equity Shares held by Non-Executive Directors as on March 31, 2024

Name of Director	Position	No. of Equity Shares
Mr. S M Acharya	Chairperson, Non-Executive, Independent Director	-
Mr. Prithvi Haldea	Non-Executive, Independent Director	-
Mrs. Elaine Mathias	Non-Executive, Independent Director	-
Prof. Trilochan Sastry	Non-Executive, Independent Director	-
Mrs. Yasmin Javeri Krishan	Non-Executive, Independent Director	-
Mr. Shekar Viswanathan	Non-Executive, Independent Director	-
Mr. Parakash Chandra Kandpal	Non-Executive, Independent Director	-

Table 3

#### j) Memberships of other Boards

An Executive Director may, with the prior consent of the Chairperson of the Board, serve on the Board of two other business entities, provided that such business entities are not in direct competition with Company operations. A Director shall not serve as Director in more than 20 companies of which not more than 10 shall be Public Limited Companies. A Director shall not serve as an Independent Director in more than 7 Listed Companies and not more than 3 Listed Companies in case he is serving as a Whole-time Director in any Listed Company. A Director shall not be a member in more than 10 Committees or act as Chairperson of more than 5 Committees across all companies in which he holds Directorships. For the purpose of considering the limit of the Committees, Audit Committee and Stakeholders' Relationship Committee of all Public Limited Companies, whether listed or not, shall be included and all other companies including Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013 shall be excluded.

Furthermore, all our Directors besides informing the Company annually about their Committee positions in other companies, also notify changes as and when these take place. None of the Directors of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India or the Ministry of Corporate Affairs or any such statutory authority. A certificate to this effect, duly signed by the Practicing Company Secretary is annexed to this Report.

## Report on Corporate Governance

The number of other Directorships and Chairmanship/ Memberships of Committees held by each of the Director as on March 31, 2024, is mentioned in the table below:

Name of Director	Position	Relationship with other Directors	Directorships Held of Other Companies			Committee Positions held as a**		Directorship in other Listed Company
			Public	Private	Section 8 Company	Chairperson	Member	(Category of Directorship)
Mr. S M Acharya	Chairperson, Independent Director	None	-	-	-	-	1	-
Mr. Vishnu R Dusad	Managing Director (MD), Promoter	Father of Executive Director, Dr. Ritika Dusad	1	1	1	1	1	-
Dr. Ritika Dusad	Executive Director	Daughter of Managing Director	-	1	-	-	-	-
Mr. Prithvi Haldea	Non-Executive, Independent Director	None	1	1	1	1	2	-
Mrs. Elaine Mathias	Non-Executive, Independent Director	None	-	-	-	1	-	-
Prof. Trilochan Sastry	Non-Executive, Independent Director	None	1	1	-	-	1	-
Mr. R. P. Singh	Executive Director	None	1	-	-	-	1	-
Mr. Parag Bhise	Executive Director	None	-	-	-	-	-	-
Mrs. Yasmin Javeri Krishan	Non-Executive, Independent Director	None	-	-	-	-	1	-
Mr. Anurag Mantri	Executive Director	None	-	-	-	-	-	-
Mr. Shekar Viswanathan	Non-Executive, Independent Director	None	3	3	-	-	-	-
Mr. Prakash Chandra Kandpal	Non-Executive, Independent Director	None	2	2	-	-	-	-

Table 4

In accordance with Regulation 26 of SEBI (LODR) Regulations, 2015 of the Listing Agreement:

- **Note\*\*:**

Membership/Chairmanships of only the Audit Committee and Stakeholder Relationship Committee of all Public Limited Companies including Nucleus Software Exports Ltd. is considered.

None of our Directors are members of more than ten Board level committees, or Chairperson of more than five committees in Companies in which they are Directors. All the Directors are fully compliant with the requirement.

### k) Board Meetings

#### (i) Board Agenda

The Company Secretary, in consultation with the Chairperson of the Company and Chairperson of the respective Board Committees, prepares the agenda and supporting papers for discussion at each Board and Committee Meeting. The agenda and notes are circulated to Board/Committee members in advance, and in the defined agenda format. Members of the Board or Committees are free to suggest any item to be included in the agenda, in addition to exercising their right to bring up matters for discussion at the meeting with permission of the chairperson.

#### (ii) Board Materials Distributed in Advance

Information and data that is important to the Board's understanding of matters on the agenda is distributed to the Board several days prior to the Board meetings in order to allow the members adequate time for a detailed review.

#### (iii) Minutes of Board meetings of the Company's unlisted subsidiary companies

Minutes of the Board meetings of the Company's unlisted subsidiary companies are also placed before the Board for information.

**(iv) Scheduling of Board Meetings and Attendance during FY 2023-24**

- A minimum of four Board Meetings are required to be held each year. Moreover, the gap between two Board Meetings should not exceed 120 days. During FY 2023-24, seven Board meetings were held by your

Company and the maximum gap between two Board meetings during the year was 97 days.

- The dates on which the Board meetings were held during FY 2023-24, and the attendance record of the members in these meetings is provided in a table.

Name of Directors	Attendance of the Board meeting Held in FY 2023-24							AGM held for FY 2022-23
	26 May 2023	04 August 2023	09 November 2023	08 December 2023	12 February 2024	27 March 2024	30 March 2024	14 July 2023
Mr. S M Acharya	✓	✓			✓	✓		
Mr. Vishnu R Dusad	✓	✓	✓	✓	✓	✓		
Dr. Ritika Dusad	✓	✓	✓	✓	✓	✓	☒	
Mr. Prithvi Haldea	✓	✓				✓		
Mrs. Elaine Mathias	✓	✓		✓	✓			
Prof Trilochan Sastry	✓	✓		✓		✓		
Mr. R. P. Singh	✓	✓			✓	☒		
Mr. Parag Bhise	✓	✓	✓	✓	✓	✓		
Mrs. Yasmin Javeri Krishan		✓	✓	✓	✓	✓		
Mr. Anurag Mantri	✓	✓	✓	✓	✓	✓		
Mr. Shekar Viswanathan*	-	-	-	-	✓			☒
Mr. Prakash Chandra Kandpal*	-	-	-	-	✓			☒

Table 5

✓ Physically available

/ Through Web Conference

☒ Leave of Absence

\* Note: Mr. Shekar Viswanathan and Mr. Prakash Chandra Kandpal are appointed as Non-Executive Independent Director of the Company w.e.f. February 12, 2024

**(vi) Remote e-voting and voting at the Annual General Meeting (AGM)**

To allow the shareholders to vote on the resolutions proposed at the AGM, the Company has arranged for remote e-voting facility. The Company has engaged KFin Technologies Limited. to provide e-voting facility to all the members. Members whose names appear on the register of members as on July 5, 2024 shall be eligible to participate in the e-voting.

The facility for voting through ballot will also be made available at the AGM and the members who have not already cast their vote by remote e-voting can exercise their votes at the AGM.

**(vii) Postal Ballot During the year**

During the year, the Company passed three Special Resolutions through postal ballot through e-voting.

**(viii) Procedure for postal ballot**

The postal ballot was carried out as per the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Rules framed thereunder and applicable circulars issued by the Ministry of Corporate Affairs from time to time.

**(ix) Details of special resolution proposed to be transacted through postal ballot.**

None of the businesses proposed to be transacted at the ensuing AGM requires

## Report on Corporate Governance

passing of a special resolution through postal ballot.

### (x) Recording Minutes of Proceedings at Board/Committee Meeting

The Company Secretary, who is present in each Board/Committee meeting, records the minutes of the proceedings. The draft minutes are circulated to Board/Committee members for their comments.

Further all other requirements as per the Companies Act, 2013 and Rules made thereunder are duly observed regarding Board/Committee meeting Minutes.

### (xi) Action Taken Report

All items discussed in the Board meetings which require an action are recorded separately and are circulated to the relevant persons for requisite action. The action taken by them is then reported through an "Action Taken Report", which is placed at each Board meeting.

## I) Discussion with Independent Directors

Pursuant to Schedule IV of the Companies Act 2013 and the Rules made thereunder, the Independent Directors of the Company held a meeting during the year, in absence of the non-Independent Directors and members of management. The Independent Directors were present at this meeting and participated in the discussions. Your Company recognizes the crucial role that the Independent

Directors play in ensuring a compliant, efficient and transparent work environment.

In this meeting, the Independent Directors discuss, among other matters, the performance of the Company and risks faced by it, the flow of information to the Board, strategy, leadership strengths and weaknesses, governance and performance of the executive members of the Board, including the Chairperson. During the year, the independent Directors met once without the presence of the Management.

## B. Committees of the Board of Directors

Committees are a means of improving Board effectiveness in areas where more focused, specialized and extensive discussions are required. Some of the Board functions are performed through specially constituted Board Committees consisting of Executive and Non-Executive / Independent Directors, which then report to the Board. The Board's Committees include Audit Committee, Stakeholder Relationship Committee, Nomination and Remuneration / Compensation Committee, Corporate Social Responsibility Committee and Risk management Committee.

All Committees have formally established terms of reference/charter, subject to revision/amendment as and when required.

### Nucleus Board Committees

The Board as on March 31, 2024 had five committees. The Board of Directors at their meeting held on March 27, 2024 reconstituted the committees of Board w.e.f. April 1, 2024.

The Composition of the Board Committees post Re-constitution is as follows:



































Name of Directors	Audit Committee	Nomination & Remuneration / Compensation Committee	Stakeholder Relationship Committee	Corporate Social Responsibility Committee	Risk Management Committee
Mr. S M Acharya					
Mr. Vishnu R Dusad					
Mr. Prithvi Haldea					
Mrs. Elaine Mathias					
Prof. Trilochan Sastry					
Mr. R P Singh					
Dr. Ritika Dusad					
Mr. Parag Bhise					
Mrs. Yasmin Javeri Krishan					
Mr. Anurag Mantri					
Mr. Shekar Viswanathan					
Mr. Prakash Chandra Kandpal					

Table 6

### a) Audit Committee

The Audit Committee of the Company is constituted in line with the provisions of Regulation 18 of SEBI (LODR) Regulations 2015, read with section 177 of the Companies Act 2013.

The Audit Committee at Nucleus was formed in August 2001. To efficiently carry out its functions, the Audit Committee has the following roles and responsibilities as per its charter:

Audit committee shall along with such matter as may be referred by Board, be responsible for following:

#### With reference to the financial statements

- Examination of the financial statements and the auditors' report thereon,
- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:-
  - ✓ Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
  - ✓ Changes, if any, in accounting policies and practices and reasons for the same
  - ✓ Major accounting entry, if any involving estimates based on the exercise of judgment by management
  - ✓ Significant adjustments, if any made in the financial statements arising out of audit findings
  - ✓ Compliance with listing and other legal requirements relating to financial statements
  - ✓ Disclosure of any related party transactions
  - ✓ modified opinion in the draft audit report, if any

- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- Review the financial statements, in particular, the investments made by the unlisted subsidiary company.

#### With reference to Auditors

- The recommendation for appointment, remuneration and terms of appointment of all Auditors of the Company including filling of casual vacancy;
- Reviewing and monitoring the Auditor's independence and performance and effectiveness of the Audit process;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern;

#### With reference to related party transactions

- Approval or any subsequent modification of transactions of the company with Related Parties,

The term "related party transactions" shall have the same meaning as provided in SEBI (LODR) Regulations, 2015 and also the provisions of Companies Act, 2013 read with relevant rules thereto.



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## Other references

- Scrutiny of Inter-Corporate Loans and Investments,
- Valuation of undertakings or assets of the company, wherever it is necessary,
- Evaluation of Internal Financial Controls and Risk Management Systems
- Monitoring the end use of funds raised through public offers and related matters.
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the Whistle Blower mechanism;
- Approval of appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances/ investments.

## Following information is required to be mandatory reviewed by Audit Committee

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;

- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the internal auditor shall be subject to review by the Audit Committee
- Statement of deviations:
  - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of SEBI Regulations
  - (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice in terms of SEBI Regulations.

## Additional responsibility of the Chairperson of the Audit committee

- Direct access to the Chairperson of the audit committee under the vigil mechanism process.
- The Chairperson of the Audit Committee shall be present at Annual General Meeting to answer shareholder queries.

## a) Powers of the Audit committee

- Audit committee has been provided with following powers:
  - o To investigate any activity within its terms of reference.
  - o To seek information from any employee.
  - o To obtain outside legal or other professional advice.
  - o To secure attendance of outsiders with relevant expertise, if it considers necessary.

## Composition of the Audit Committee and Meetings Held during FY 2023-24

Mrs. Elaine Mathias was the Chairperson of the Audit Committee for FY 2023-24 . The Company Secretary of the Company is the Secretary of the Committee.

The Audit Committee met 08 times during the year. As per the statutory requirement, the maximum gap between two Audit Committee Meetings did not exceed the mandatory 120 days. (The maximum gap between two meetings was 97 days).

**The Composition of the Audit Committee as on March 31, 2024 and details of attendance of the members in the meetings are as follows:**

Director	Position	No. of Meetings	
		Held	Attended
Mrs. Elaine Mathias	Committee Chairperson, Independent Director	8	8
Mr. S.M Acharya	Independent Director	8	8
Mr. Prithvi Haldea	Independent Director	8	8
Mrs. Yasmin Javeri Krishan	Independent Director	8	8

Table 7

Mr. Shekar Viswanathan and Mr. Prakash Chandra Kandpal were appointed as members of the Audit Committee w.e.f April 1, 2024.

The Chairperson of the Audit Committee was present at the previous year Annual General Meeting held on July 14, 2023 to answer shareholders' queries

In addition to the members of the Audit Committee, Management, the Chief Financial Officer, Internal Auditor, Statutory Auditors and other executives attend the meetings of the Committee upon invitation. Necessary information such as Management Discussion and Analysis of financial condition and results of operations, statement of significant related party transactions submitted by the management, management letters, internal audit reports relating to internal control weaknesses as per the requirement of law, are reviewed by the Committee. This ensures that we make timely disclosures and share accurate information regarding our financials and performance with the Audit Committee.

The Audit Committee provides periodic feedback and reports to the Board.

#### **Separate Meetings of the Audit Committee Members with the Auditors**

In line with the best Corporate Governance practices, meetings of the Audit Committee, independent of the Management, are scheduled every quarter, prior to the Audit Committee's meeting to review the quarterly results. The main objective of such meetings is to allow the Statutory Auditor and the Internal Auditor to express any areas of

concern with respect to any matter at the same time also raise issues of any disagreement with the Management.

#### **b) Nomination and Remuneration/ Compensation Committee**

The Nomination and Remuneration/ Compensation committee of the Company is constituted in line with the provisions of Regulation 19 of SEBI (LODR) Regulations 2015, read with section 178 of the Companies Act 2013.

#### **(i) Terms of Reference/Charter of the Nomination and Remuneration/ Compensation Committee**

Primary responsibility of the Committee is to identify and nominate suitable candidates for Board membership, KMP and as members of senior Management of the Company. The Committee also formulated policies relating to the remuneration of Directors, Key Managerial Personnel and other employees of the Company.

This Committee is responsible for:

- Recommending desirable changes in the Board composition, size and diversity, committees structures and processes, and other aspects of the Board's functioning
- Formulating criteria for determining qualifications, positive attributes and independence of an Independent Director
- Conducting search and recommending new Board members in light of resignation of some current member/s or in case of a planned expansion of the Board
- Identifying persons who are qualified to become Directors and who may be appointed as senior management in accordance with the criteria laid down, and recommend to the Board for their appointment
- Recommending to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel and other senior employees, and while formulating such policy, to ensure that:
  - a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the desired persons

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- b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- c) remuneration to Directors, Key Managerial Personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals
- d) recommend to the board, all remuneration, in whatever form, payable to senior management and Key Managerial Personnel
  - o Formulating criteria for evaluation of Independent Directors and the Board and carrying out evaluation of each Director's performance
  - o Ensuring that there is an appropriate induction program in place for new Directors and members of senior management and reviewing its effectiveness
  - o Developing a succession plan for the Board and certain Key positions and regularly reviewing the plan
  - o Reviewing succession plans for the senior management
  - o Reviewing and Formulate Employee Stock Option Plan (ESOP)
    - Determine terms and conditions of ESOP plan, eligibility criteria, grant of options, vesting and exercise of options and such other adjustments in case of Corporate actions
    - Review the design of and approve the Company's other benefit plans (including retirement, medical and other employee benefit and perquisite plans)
    - Perform such functions as required by the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ('ESOP Regulations') and its amendments, if any

- o Carrying out any other function as is mandated by the Board from time to time and / or is enforced by any statutory notification, amendment or modification, as may be applicable.

### (ii) Composition of the Nomination and Remuneration / Compensation Committee and Meetings Held during FY 2023-24

Prof. Trilochan Sastry was the Chairperson of the Nomination and Remuneration / Compensation Committee for FY 2023-24. As on March 31, 2024, the Committee consisted of three members, all the members are Independent Directors. The composition of the Committee is in compliance with the applicable laws. The Company Secretary of the Company is the Secretary of the Committee.

Director	Position	No. of Meetings	
		Held	Attended
Prof. Trilochan Sastry	Committee Chairperson, Independent Director	5	5
Mrs. Elaine Mathias	Independent Director	5	5
Mr. S.M Acharya	Independent Director	5	5

Table 8

Mr. Prakash Chandra Kandpal was appointed as member of the committee w.e.f April 1, 2024.

The Chairperson of the Nomination and Remuneration/ Compensation Committee attended the previous year Annual General Meeting held on July 14, 2023.

### (iii) Remuneration Policy

Remuneration policy for the members of the Board of Directors of the Company takes into consideration their role and responsibilities. The salient features of the policy are highlighted below:

- The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component) and commission to its Managing Director (an Executive Director).
- The Nomination and Remuneration/ Compensation Committee decides the commission payable to the Executive Directors and the Non-

Executive Directors out of the profits for the financial year and within the ceilings prescribed under the Companies Act, 2013 and as approved by the shareholders at a General Meeting.

- Non-Executive Directors of the Company are paid sitting fees for attending meetings of the Board and meetings of Committees of the Board, as per the Companies Act, 2013 and as prescribed in the Articles of Association of the Company.
- The Company reimburses expenditure reasonably incurred by the Directors in the performance of their duties as per the provisions of the applicable laws Companies Act, 2013 and in conjunction with the rules and policies of the Company.
- The Nomination and Remuneration/ Compensation Committee reviews and finalizes the remuneration of the key executives on an annual basis, or earlier if deemed necessary.

### c) Stakeholder Relationship Committee

The Stakeholders' Relationship Committee is constituted in line with the provisions of Regulation 20 of SEBI (LODR) Regulations read with section 178 of the Act. The Stakeholder Relationship Committee has been constituted to assist the Board in safeguarding the interests of and redressing the grievances of the security holders of the Company.

#### (i) Terms of Reference/Charter of Stakeholders Relationship Committee

The Stakeholders Relationship Committee of the Board is constituted with powers and responsibilities including, but not limited to.:

- To approve/ reject registration of transfer/transmission/transposition of shares.
- To authorize issue of Duplicate Share Certificates and Share Certificates after Split/Consolidation/ Rematerialization and in replacement of those which are defaced, mutilated, torn or old, decrepit or worn out.
- To monitor and review the performance and service standards of the Registrar and Share Transfer

Agents of the Company and provide continuous guidance to improve the service levels.

- To monitor and review the mechanism for redressal of shareholders'/ investors' grievances.
- To authorise Managers/Officers/ Signatories for signing Share Certificates;
- To appoint and seek outside advice from professionals, consultants or advisors as deemed appropriate to assist the Committee in discharging its functions efficiently.
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/ statutory notices by the shareholders of the company.
- Resolving the grievances of the security holders of the company including complaints related to transfer/transmission of shares, non-receipt of annual report, nonreceipt of declared dividends, issue of new/ duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

The Committee meets as often as required to discharge its functions. The status on complaints and share transfers is reported to the Board.

#### (ii) Composition of the Stakeholder Relationship Committee and Meetings Held during FY 2023-24

Mr. Prithvi Haldea was the Chairperson of the Stakeholder Relationship Committee for FY 2023-24. The composition of the Committee is in compliance with the applicable laws. Ms. Poonam Bhasin, Company Secretary of the Company is the Secretary of the Committee and also the Compliance officer of the Company. The

## Report on Corporate Governance

Board has also appointed the Company Secretary as the Nodal Officer to ensure compliance with the IEPF Rules.

Director	Position	No. of Meetings	
		Held	Attended
Mr. Prithvi Haldea	Committee Chairperson, Independent Director	1	1
Mr. Vishnu R Dusad	Managing Director, Promoter	1	1
Mr. R P Singh	Executive Director	1	1

Table 9

Mr. Shekar Viswanathan and Mr. Prakash Chandra Kandpal were appointed as members of the Stakeholder Relationship Committee w.e.f April 1, 2024.

The Chairperson of the Stakeholder Relationship Committee attended the previous year Annual General Meeting held on July 14, 2023.

**(iii) Details of investor complaints/requests received and resolved during FY 2023-24 are as follows:**

Nature of complaints /requests	No. of complaints/requests			
	Received during the year	Resolved during the year	Pending at the year end	Number of complaints not solved to the satisfaction of shareholders)
Non- Receipt of Dividend Warrant	5	5	Nil	Nil
Duplicate/Revalidation of Dividend warrants	4	4	Nil	Nil
Issue of duplicate share certificates	3	3	Nil	Nil
Non receipt of share certificate	1	1	Nil	Nil
Non-Receipt of Annual Report	17	17	Nil	Nil

Table 10

### d) Corporate Social Responsibility (CSR) Committee

The CSR Committee is responsible for overseeing the activities/functioning of the Nucleus Software Foundation, in identifying areas of CSR activities and programs, and

Execution of the initiatives as per its defined guidelines, The Foundation updates the Committee by reporting the progress of deployed initiatives, and making appropriate disclosures on a periodic basis.

#### (i) Terms of Reference/Charter of the CSR Committee

The purpose of the Committee is to assist the Board in setting Company Corporate Social Responsibility policies and programs

and assessing Company Corporate Social Responsibility performance.

The responsibilities of the Corporate Social Responsibility Committee are:

1. To formulate and recommend to the Board, a CSR policy for undertaking permissible CSR activities.
2. To identify and bring to the attention of the Board key Social Responsibility issues that may affect the business operations, brand image or reputation of the Company.
3. To recommend the amount of expenditure to be incurred on CSR activities.



4. To re-evaluate Social Responsibility, from time to time, in light of changes in public perception, industry best practices, and evolving priorities and needs in the communities, where company does business
5. To provide oversight of Social Responsibility
6. To monitor and review the operation and effectiveness of Company's Corporate Social Responsibility policies and programs
7. To update Board at each regularly scheduled meeting and make relevant recommendations in relation to matters arising for consideration by the Committee
8. To appoint and seek outside advice from professionals, consultants or advisors as deemed appropriate to assist the Committee in discharging its functions efficiently
9. To make any amendments or modifications in CSR Policy as required by law or otherwise
10. Perform such functions as the Board may from time to time assign to it.

The CSR Policy of the Company, as approved by the Board, is available on our website <https://investor.nucleussoftware.com/files/CSRPolicyNucleus.zip>.

**(ii) Composition of the Corporate Social Responsibility Committee as on March 31, 2024 and details of attendance of the members in the meetings are as follows:**

Mrs. Yasmin Javeri Krishan was the Chairperson of the Committee for FY 2023-24. The composition of the Committee is in compliance with the applicable laws. The Company Secretary of the Company acts as the Secretary to the Committee.

Director	Position	No. of Meetings	
		Held	Attended
Mrs. Yasmin Javeri Krishan	Committee Chairperson, Independent Director	3	3
Dr. Ritika Dusad	Executive Director	3	3
Mr. Parag Bhise	CEO and Executive Director	3	3
Prof. Trilochan Sastry	Independent Director	3	2
Mr. S. M. Acharya	Independent Director	3	3

Table 11

Mr. Shekar Viswanathan was appointed as a member of CSR committee w.e.f April 1, 2024.

**e) Culture Committee**

The Board of Directors during FY 2020-21 formed a "Culture Committee" for considering the important matter of Culture and Values that Nucleus Software should abide by, to build an organization of repute and regard.

The Board of Directors unanimously approved to dissolve the Culture Committee w.e.f March 27, 2024.

**f) Risk Management Committee**

The Board of Directors had constituted a Risk Management Committee, in compliance with the Regulation 21(2) of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and other applicable statutory provisions.

**(i) Terms of Reference/Charter of the Risk Management Committee**

The Key Objective of the Committee is to identify and assess significant risk exposures of the Company as well as plan and assess management's actions to manage and mitigate the risks and the related exposures in a timely manner.

This Committee is responsible for:

- Provides executive oversight to Company's Enterprise risk management framework (ERMF), process, procedures and controls.
- Formulating a detailed risk management policy including the framework for identification of risks with a special focus to compliance, regulatory, cyber and info security, financial, operational, business continuity, and reputational risk; measures for risk mitigation; systems of internal control and business contingency plans.
- Oversee Company's process and policies for determining risk threshold/ tolerance and review management's measurement and comparison of overall risk tolerance to established levels.
- Reviewing the Risk Management at the required frequency, considering the changing dynamics.
- Coordinate its activities with the Audit Committee in the instances of overlap with audit activities (e.g. internal or external audit issue relating to risk management policy or practice)

## Report on Corporate Governance

- Keeping the Board informed about nature and content of discussions, recommendations and actions to be taken.

### (ii) Composition of the Risk Management Committee and Meetings Held during FY 2023-24 and details of attendance of the members in the meetings are as follows

Director	Position	No. of Meetings	
		Held	Attended
Mr. S. M. Acharya	Committee Chairperson, Independent Director	2	2
Mr. Vishnu R Dusad	Managing Director (MD), Promoter & Executive Director	2	2
Mrs. Elaine Mathias	Independent Director	2	2
Prof. Trilochan Sastry	Independent Director	2	2
Mr. Prithvi Haldea	Independent Director	2	2
Mrs. Yasmin Javeri Krishan	Independent Director	2	2
Dr. Ritika Dusad	Executive Director	2	2
Mr. R P Singh	Executive Director	2	2
Mr. Parag Bhise	CEO & Executive Director	2	2
Mr. Anurag Mantri	COO & Executive Director	2	2

Table 13

Mr. Shekar Viswanathan and Mr. Prakash Chandra Kandpal are appointed as members of Risk Management Committee w.e.f April 1, 2024.

## C. Shareholder Information

### a) Means of Communication

#### (i) Quarterly/Annual Results

- The Company communicates quarterly/annual financial results via email to all its shareholders who have valid e-mails ids registered with their Depository Participants (DP's).

Earnings conference calls are conducted after announcement of

quarterly/annual financial results wherein the Management updates the investor community on the progress made by the Company and also answers their queries. The audio as well as the transcript of the call is uploaded on the website [www.nucleussoftware.com/investors](http://www.nucleussoftware.com/investors), for public information.

- The Company publishes official news releases and they are also uploaded on the website [www.nucleussoftware.com/investors](http://www.nucleussoftware.com/investors).
- Social media today is identified as an important means of communication among investors, shareholders, employees and other stakeholders. Therefore, all announcements by the Company are communicated through the corporate social pages on Twitter, LinkedIn, Instagram and Facebook. Viva Engage is also a tool through which Nucleus communicates with its employees.
- The Company uses a wide array of communication tools including face to-face, online and offline channels to ensure that information reaches all the stakeholders in their preferred medium.

#### (ii) Newspapers for publication of financial results

The Company's financial results are published in Business Standard, the leading national financial daily and in the Hindi edition of Business Standard for regional circulation.

#### (iii) Investor Section at Company's website

The investor section at our website [www.nucleussoftware.com/investors](http://www.nucleussoftware.com/investors) provides comprehensive information about the Company. Our goal is to enable shareholders and potential investors (as also media and researchers) to easily find or navigate pertinent information about us, including:

- Company Overview, Financials, Board of Directors, Stock Exchange filings, Shares, Corporate Governance, Corporate Social Responsibility, Awards, Investor contact, Investor related Frequently Asked Questions (FAQ) and various forms for shareholder assistance.

- The important events such as AGM etc. and official press releases of the Company are also updated on the Company's website regularly.
- Interested persons, who register on the Company's website, receive alerts and updates on financial events, financial results, press releases and annual and quarterly reports.

The Company also issues press releases from time to time.

#### (iv) Annual Report

The Company's Annual Report containing, inter alia, Letter from the Chairperson, Letter from the CEO, Letter from Managing Director, Audited Annual Accounts, Consolidated Financial Statements, Directors' Report, Auditors' Report, Report on Corporate Governance, Business Responsibility and sustainability Report, Financial Highlights, Management Discussion and Analysis and other important information is circulated to all the members. The Annual Report of the Company is also available on the Company's website; in a downloadable pdf format.

**Dedicated Email id for shareholders** [investorrelations@nucleussoftware.com](mailto:investorrelations@nucleussoftware.com) is the email id exclusively devoted for shareholders' queries.

#### (v) Letters/e-mails to Investors:

The Company continuously send investor centric letters / e-mails to its shareholders reminding them for claiming unclaimed/unpaid dividend from the Company, dematerialization of shares, updating e-mail, PAN, address and bank account details.

#### (vi) Investor Relations - Our communication with the Investor Community

The Company values transparent relationship with the shareholders, prospective investors and the wider investment community. The Investor Relations (IR) team at Nucleus manages these relationships with high standards of clarity and transparency. It proactively interacts with the investors through investor conference calls, conferences and mails. Dedicated Investors' page on corporate website of the Company

provides an efficient medium of information to the investors. The IR team can be reached at [ir@nucleussoftware.com](mailto:ir@nucleussoftware.com)

#### (vii) NSE Electronic Application Processing System (NEAPS)

NEAPS is a web-based application designed by NSE for corporates. All periodical compliance filings like shareholding pattern, Corporate Governance report, media releases, among others are filed electronically by the Company on NEAPS.

#### (viii) BSE Corporate Compliance & Listing Centre (the 'Listing Centre')

BSE's Listing Centre is a web-based application designed for corporates. All periodical compliance filings like shareholding pattern, Corporate Governance report, media releases, among others are also filed electronically by the Company on the Listing Centre.

#### (ix) SEBI Complaints Redress System (SCORES)

The investor complaints are processed in a centralized web-based complaints redressal system. The salient features of this system are Centralized database of all complaints, online upload of Action Taken Reports by the concerned companies and online viewing by investors of actions taken on the complaint and its current status.

Further, SEBI vide Circular Nos. SEBI/HO/OIAE/OIAE\_IAD-1/P/CIR/2023/131 dated July 31, 2023, and SEBI/HO/OIAE/OIAE\_IAD-1/P/CIR/2023/135 dated August 4, 2023, read with Master Circular No. SEBI/HO/OIAE/OIAE\_IAD-1/P/CIR/2023/145 dated July 31, 2023 (updated as on August 11, 2023), has established a common Online Dispute Resolution Portal ("ODR Portal") for resolution of disputes arising in the Indian Securities Market.

#### b) Corporate Identity Number (CIN)

Corporate Identity Number (CIN), allotted by the Ministry of Corporate Affairs, Government of India is L74899DL1989PLC034594 and the Company Registration Number is 034594. The Company is registered in the State of New Delhi.

## Report on Corporate Governance

### c) General Body Meetings

(i) Particulars of Annual General Meetings (AGM) held during the previous three years is as follows:

Financial Year, Date, Time	Venue	Ordinary Resolution	Special Resolution
FY-22-23, July 14 2023, 11.00 a.m.	VIAVIDEOCONFRENCING/ AUDIO VISUAL MEANS	Adoption of Annual Accounts for the year ended March 31, 2023  Declare Final Divided on Equity Shares  To Re-appoint Mr. R P Singh (DIN 00008350), as Director of the Company who retires by rotation and being eligible offers himself for reappointment.  To Re-appoint Mr. Vishnu R Dusad (DIN: 00008412), as Director of the Company who retires by rotation and being eligible offers herself for re-appointment.	Nil
FY-21-22, July 08 2022, 11.00 a.m.	VIAVIDEOCONFRENCING/ AUDIO VISUAL MEANS	Adoption of Annual Accounts for the year ended March 31, 2022  Declare Final Divided on Equity Shares  To Re-appoint Mr. Anurag Mantri (DIN 09002894), as Director of the Company who retires by rotation and being eligible offers himself for reappointment.  To Re-appoint Dr. Ritika Dusad (DIN 07022867), as Director of the Company who retires by rotation and being eligible offers herself for re-appointment.  Appointment of Statutory Auditor	To consider and approve the payment of remuneration to Mr. Parag Bhise, Whole Time Director and CEO of the Company, in the event of inadequacy or absence of profits in any financial year during his tenure.  To consider and approve the payment of remuneration to Mr. Anurag Mantri, Whole Time Director and CFO of the Company, in the event of inadequacy or absence of profits in any financial year during his tenure.  To consider and approve the payment of remuneration to Mr. Vishnu R Dusad, Managing Director of the Company, in the event of inadequacy or absence of profits in any financial year  To consider and approve the payment of remuneration to Dr. Ritika Dusad, Whole Time Director of the Company, in the event of inadequacy or absence of profits in any financial year during her tenure  To consider and approve the payment of remuneration to Mr. R. P. Singh, Whole Time Director of the Company, in the event of inadequacy or absence of profits in any financial year during his tenure

Financial Year, Date, Time	Venue	Ordinary Resolution	Special Resolution
FY-20-21, July 23 2021, 11.00 a.m.	VIA VIDEO CONFERENCING/ AUDIO VISUAL MEANS	<p>Adoption of Annual Accounts for the year ended March 31, 2021</p> <p>To take note of Interim Dividend Declared</p> <p>To Declare Final Dividend for the Year.</p> <p>To re-appoint Mr. R P Singh (DIN 00008350), as Director of the Company who retires by rotation and being eligible offers himself for re-appointment</p> <p>To re-appoint Mr. Parag Bhise (DIN 8719754), as Director of the Company who retires by rotation and being eligible offers himself for re-appointment.</p> <p>To appoint Retiring Auditors M/s BSR &amp; Associates LLP, Chartered Accountants as Statutory auditors.</p>	<p>To consider and approve Re-appointment of Mr. S M Acharya (DIN: 00545141) as an Independent Director</p> <p>To consider and approve appointment of Mrs. Yasmin Javeri Krishan (DIN: 08801422) as an Independent Director.</p> <p>To consider and approve the appointment of Dr. Ritika Dusad (DIN 07022867), as a Whole Time Director.</p> <p>To consider and approve Reappointment of Mr. Vishnu R Dusad (DIN: 00008412) as Managing Director of the Company.</p> <p>To consider and approve the appointment of Mr. Anurag Mantri, as a Whole Time Director.</p>

Table 14

## D. Disclosures

### (a) Disclosure on materially significant related party transactions:

The Company has not entered into any material transaction with any of its related parties. Detailed information on related party transactions is enclosed in Annexure A to the Directors' Report.

### (b) Compliances by the Company of Capital Market Guidelines

The Company has complied with all requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to the capital market during the past, including the immediately preceding three years.

### (c) Whistle Blower Policy

Nucleus is committed to conduct its business in accordance with the applicable laws, rules and regulations, and with highest standards of business ethics. Nucleus does not tolerate any malpractice, impropriety, abuse or wrongdoing. The Company has a well established whistle blower policy (available on the Company's website <https://investor.nucleussoftware.com/files/WhistleblowerPolicy.zip>) as part of a vigil mechanism for Directors and employees to report concerns

about unethical behavior, actual or suspected fraud or violation of the Company's Code of conduct or ethics policy. This mechanism also provides for adequate safeguards against victimization of Director(s) / employee(s) who avail of the mechanism and also provides for direct access to the Chairperson of the Audit Committee in exceptional cases.

In accordance with the Companies Act 2013 and Rules made there under and SEBI (LODR) Regulations, 2015, the Board adopted a Whistle Blower Policy. No complaint was received under the Policy, during the year. We affirm that:

- Provision is made for adequate safeguards to employees against their victimization on reporting to the Ombudsperson and
- No personnel was denied access to the Audit Committee.

### (d) Policy against Sexual Harassment

Nucleus values the dignity of individuals and strives to provide a safe and respectable work environment to all its employees. The Company is committed to provide an environment, which is free of discrimination, intimidation and abuse. Nucleus prohibits any employee of the Company from making any unwelcome and unsolicited sexually determined behavior



## Report on Corporate Governance

(whether directly or by implication). Such kind of harassment can have potential legal and moral pitfalls not only for the individuals involved but also for the Organization as a whole. We at Nucleus believe that it is the responsibility of the organization to protect the integrity & dignity of its employees and also to avoid conflicts & disruptions in the work environment due to such cases.

The Company has put in place a 'Policy against Sexual Harassment', compliant with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("Sexual Harassment Act"). As per the policy, any employee may report his/ her complaint to the Committee by various modes i.e. in person, through email, in writing or by calling on mobile no. as mentioned. The Committee would then make enquiries and submit its recommendation to the HR head. She would further take a decision on the same and report to the Board. We affirm that adequate access was provided to any complainant who wished to register a complaint under the policy, during the year. The details of the complaints received, disposed and pending during the financial year is as below:

- a. number of complaints filed during the financial year - nil
- b. number of complaints disposed of during the financial year-nil
- c. number of complaints pending as on end of the financial year.-nil

### (e) Code of Conduct

The Company has in place a Code of Conduct which helps to maintain high standards of ethics for the Company's employees. In terms of Code of Conduct, the Directors and Senior Management must act within the boundaries of the authority conferred upon them and with a duty to make and enact informed decisions and policies in the best interests of the Company and its stakeholders. The Company obtains the affirmation compliance of the Code of Conduct from its Directors and Senior Management on an annual basis.

The Company has obtained a declaration from its Directors and Senior Management affirming their compliance to the Code of Conduct for the current year.

A copy of the Code of Conduct is made available on the website of the Company i.e. <https://investor.nucleussoftware.com/CorporateGovernance.aspx>.

### (f) Prevention of Insider Trading

The Company has the "Code of Conduct for prevention of Insider Trading" to regulate, monitor and report trading by insiders, in line with the SEBI (Prohibition of Insider Trading) (Amendment) Regulations 2018. The code also includes practices and procedures for fair disclosure of unpublished Price sensitive information. There is quarterly update placed before Board for any disclosures received under the Code. The policy is available on our website [https://investor.nucleussoftware.com/files/Nucleus\\_Policy\\_for\\_Prevention\\_of\\_Insider\\_Trading.zip](https://investor.nucleussoftware.com/files/Nucleus_Policy_for_Prevention_of_Insider_Trading.zip)

### (g) Risk Management and Internal Control Policies adopted by the Company

A report on Risk Management and Internal Control Policies adopted by the Company has been discussed later as a separate chapter in this Annual Report.

### (h) Adherence to Accounting Standards

The Company follows the mandatory Accounting Standards prescribed by The Institute of Chartered Accountants of India and to the best of its knowledge; there are no deviations in the accounting treatment that require specific disclosure.

### (i) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).

During the period under review, no such fund is raised by the Company

### (j) Management Discussion and Analysis

As required by SEBI (LODR) Regulations 2015, the Management Discussion and Analysis is provided in this Annual Report. As a voluntary initiative, the Company also prepares and publishes Management Discussion and Analysis for the consolidated financials in the Annual Report, which is also provided later in this Annual Report.

### (k) Subsidiary Companies

The Company has Seven subsidiaries across the globe. The Company does not have any material non-listed Indian subsidiary Company. The Company has a policy for determining 'material subsidiaries' which is disclosed Company its website i.e. [https://investor.nucleussoftware.com/files/Nucleus\\_Policy\\_on\\_material\\_subsidaries.zip](https://investor.nucleussoftware.com/files/Nucleus_Policy_on_material_subsidaries.zip)

The following table provides a list of all these subsidiaries as on March 31, 2024.

Date of Incorporation	Subsidiaries	Location	Percentage of Shareholding
February 25, 1994	Nucleus Software Solutions Pte. Ltd.	Singapore	100%
August 5, 1997	Nucleus Software Inc.	US	100%
November 2, 2001	Nucleus Software Japan Kabushiki Kaisha	Japan	100%
February 2, 2006	Nucleus Software Netherlands B.V.	Netherlands	100%
April 21, 2008	Nucleus Software Ltd.	India	100%
February 3, 2014	Nucleus Software Australia Pty Limited	Australia	100%
Feb 10, 2015	Nucleus Software South Africa Pty. Ltd.	South Africa	100%

#### (l) Unlisted Indian Subsidiary Companies

The Company has one Indian Subsidiary Company i.e. Nucleus Software Limited as on March 31, 2024. The investment of the Company in the subsidiary does not exceed twenty per cent of its consolidated net worth as per the audited balance sheet of the previous financial year. Also, the subsidiary has not generated twenty per cent of the consolidated income of the Company during the previous financial year.

- (i) Mr. Prithvi Haldea and Prof. Trilochan Sastry, Independent Directors on the Board of Directors of the Company, are Directors on the Board of Directors of Nucleus Software Ltd.
- (ii) The Audit Committee of the Company reviews the financial statements, in particular, the investments made by Nucleus Software Ltd.
- (iv) During FY-24, the Company has one material subsidiary, the details of the same is as follows:

Name of Material Subsidiary	Date of Incorporation	Place of Incorporation	Name of Auditors	Date of appointment of Auditor
Nucleus Software Solutions Pte. Ltd.	February 25, 1994	Singapore	Natarajan & Swaminathan, Chartered Accountants of Singapore	March 07, 2023

- (v) Details of non-compliance by the Company, penalties, strictures imposed on the Company by the stock exchanges or the SEBI or any statutory authority, on any matter related to capital markets, during the last three years 2021-22, 2022-23 and 2023-24 respectively: Nil
- (m) Policy on Archival and Preservation of Documents as per Regulation 9 of SEBI Listing Regulations is adopted by the Company and available on the Company's website at <https://investor.nucleussoftware.com/CorporateGovernance.aspx>
- (n) The Board of Directors have adopted Dividend Distribution Policy in terms of the requirements of Listing Regulations. The Policy is available on the website of the Company at [https://investor.nucleussoftware.com/files/Nucleus\\_Dividend\\_Policy.zip](https://investor.nucleussoftware.com/files/Nucleus_Dividend_Policy.zip)
- (o) The Terms of Appointment of Independent Directors as per Regulation 46 of SEBI Listing Regulations and Section 149 read with Schedule IV of the Act are available on the Company's website [https://investor.nucleussoftware.com/files/Nucleus\\_Policy\\_for\\_Selection\\_of\\_Directors.zip](https://investor.nucleussoftware.com/files/Nucleus_Policy_for_Selection_of_Directors.zip)

## Report on Corporate Governance

- (p) During FY-24, no loan or advance was given to any firm/company in which Directors are interested, other than a wholly owned subsidiary Company.
- (q) During the year under review, there was no such recommendation which the Board had not accepted of any committee of the board which is mandatorily required.
- (r) During the FY-24, in accordance with the Listing Regulations, no employee, including key managerial personnel or director or promoter of a listed entity entered into any agreement for himself or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit-sharing in connection with dealings in the securities of the Company.

### E. General Shareholder Information

• <b>Date of incorporation</b>	9 <sup>th</sup> January, 1989
• <b>Registered Office</b>	33-35, Thyagraj Nagar Market New Delhi-110 003 India
• <b>Corporate Office</b>	A-39, Sector 62 Noida, 201307 India
• <b>Date and time of Annual General Meeting</b>	July 15, 2024 at 11.00 a.m.
• <b>Venue of Annual General Meeting</b>	The Company is conducting meeting through VC/ OAVM pursuant to MCA Circular dated September 25, 2023 and as such there is no requirement to have a venue for the AGM.
• <b>Date of Book Closure for AGM</b>	July 9, 2024 to July 15, 2024
<b>Financial Calendar for the financial year 2024-25 (tentative and subject to change)</b>	
Annual General Meeting for the year ending March 31, 2024	July 2024
• <b>Financial reporting for :</b>	<b>Tentative dates</b>
First Quarter ending June 30, 2024	July - August 2024
Second Quarter ending September 30, 2024	October - November 2024
Third Quarter ending December 31, 2024	January - February 2025
Year ending March 31, 2025	April - May 2025
Annual General Meeting for the year ending March 31, 2025	July 2025
• <b>Listing on Stock Exchanges</b>	<b>Scrip Symbol/Code</b>
National Stock Exchange of India Limited (NSE) w.e.f. December 19, 2002 #Exchange Plaza, Bandra-Kurla Complex Bandra (E), Mumbai-400051.	NUCLEUS
BSE Ltd. (BSE) w.e.f. November 6, 1995 Phiroze Jeejeebhoy Towers, 25th Floor, Dalal Street, Mumbai-400001	531209
• <b>International Securities Identification Number</b>	INE096B01018
• <b>Registrars of Company &amp; Share Transfer Agents</b>	<b>KFin Technologies Ltd.</b> Selenium Tower B, Plot number 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500032, India Tel: 040-67162222/18003094001 E-mail: <a href="mailto:einward.ris@kfitech.com">einward.ris@kfitech.com</a>
• <b>Dividend Payment Date</b>	Within 30 days from date of Annual General meeting

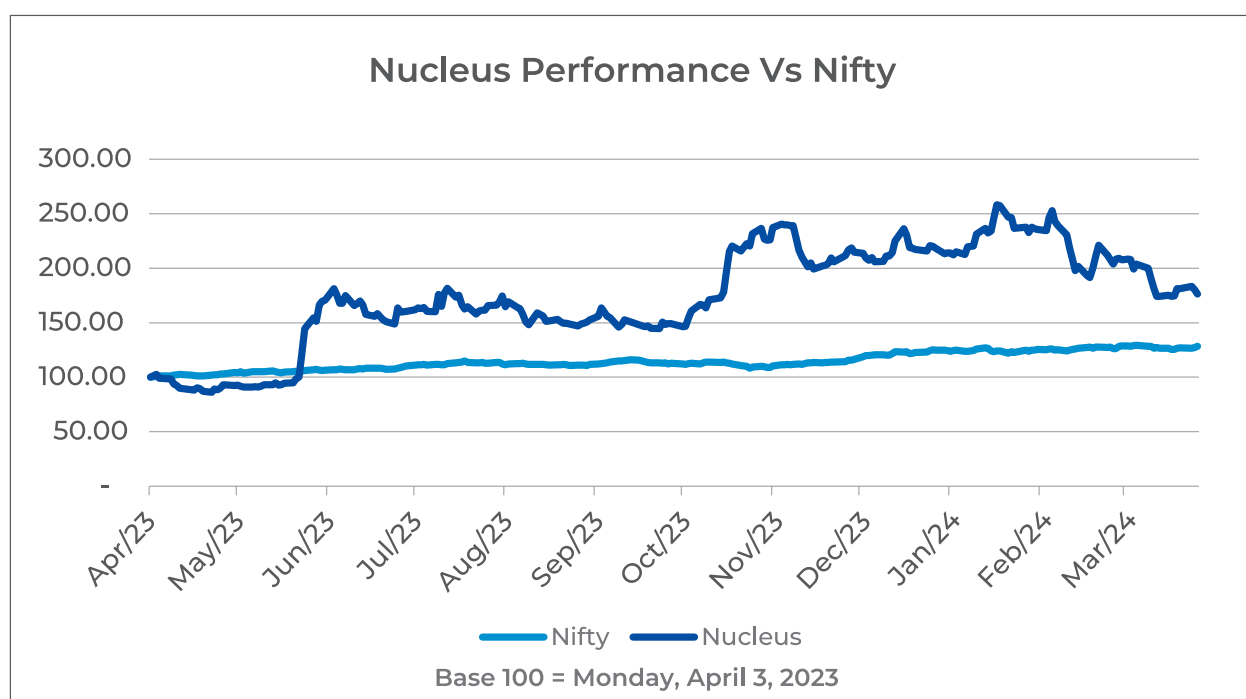
The annual listing fees for 2023-24 have been paid to both the Stock Exchanges.

**a) Market Price Data on NSE & BSE for the financial year 2023-24**

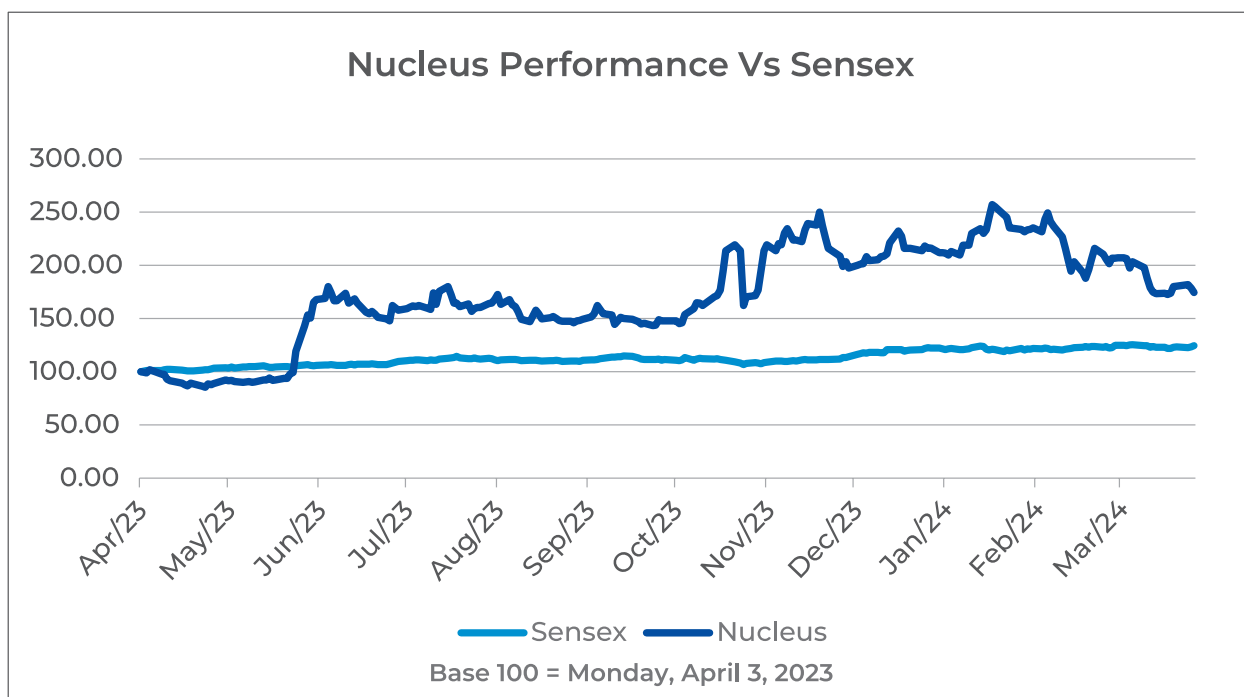
Month	NSE					BSE				
	Open (₹)	High (₹)	Low (₹)	Close (₹)	Total Volume	Open (₹)	High (₹)	Low (₹)	Close (₹)	Total Volume
Apr-23	645.00	699.60	574.65	604.95	25,52,729	648.50	699.00	574.90	603.55	3,32,111
May-23	600.05	1,068.25	593.50	1,017.45	85,53,376	606.00	1,068.10	592.95	1,019.25	6,27,237
Jun-23	1,019.00	1,260.00	991.50	1,073.40	52,76,607	1,010.05	1,256.30	993.25	1,070.40	6,12,916
Jul-23	1,084.40	1,253.00	1,005.00	1,114.40	27,52,930	1,104.95	1,253.00	1,000.00	1,112.95	2,91,344
Aug-23	1,118.05	1,264.85	945.00	1,006.05	24,57,573	1,120.00	1,265.50	960.85	1,004.70	2,38,919
Sep-23	1,006.95	1,120.00	962.00	1,002.15	11,54,530	991.10	1,120.10	966.00	1,003.60	1,40,211
Oct-23	1,000.00	1,623.30	974.65	1,523.85	23,30,538	1,002.95	1,640.00	974.20	1,516.95	2,96,551
Nov-23	1,523.90	1,777.50	1,309.65	1,469.65	6,51,163	1,573.90	1,777.50	1,310.10	1,459.20	75,022
Dec-23	1,460.00	1,640.00	1,367.00	1,468.25	4,50,458	1,469.50	1,649.20	1,375.00	1,466.90	93,256
Jan-24	1,493.00	1,822.95	1,405.00	1,597.95	4,86,727	1,488.00	1,830.00	1,410.00	1,582.35	79,282
Feb-24	1,605.00	1,729.90	1,262.80	1,401.40	6,40,848	1,614.00	1,717.70	1,253.15	1,403.05	1,02,216
Mar-24	1,418.95	1,430.00	1,155.15	1,184.90	5,05,646	1,420.70	1,432.30	1,152.00	1,182.45	65,109
<b>Total Shares traded during the year</b>					<b>2,78,13,125</b>					<b>29,54,174</b>

Table 16

Equity shares of the Company are traded in "Group B" category and are a constituent of the Small Cap Index on BSE Ltd.



## Report on Corporate Governance



### b) 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 Company obtains from a Company Secretary in practice, yearly certificate of compliance with the share transfer formalities as required under Regulation 7(3) of SEBI (LODR) Regulations, 2015 and files a copy of the certificate with the Stock Exchanges.

### c) Reconciliation of share capital

The Company obtains from a Company Secretary in practice, a quarterly certificate of reconciliation of share capital audit with regard to the total admitted equity share capital with the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL") and the total issued and listed equity share capital under Regulation 55A of The Securities and Exchange Board of India (Depositories and Participants) Regulation, 1996. The audit report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

### d) Dematerialization of Shares

The Equity shares of the Company are under compulsory dematerialization ("Demat") category and can be traded only in electronic form. The Company's total shares in Dematerialised form are 2,67,27,257 shares (99.83% of the paid up share capital) as at March 31, 2024.

The procedure for converting the shares in dematerialized mode is as under:

- Share certificate(s) along with Demat Requisition Form (DRF) is to be submitted by the shareholder to his Depository Participant (DP)
- DP processes the DRF and generates a unique number viz. DRN.
- DP forwards the DRF and share certificates to the Company's Registrar & Shares Transfer Agent.
- The Company's Registrar & Shares Transfer Agent after processing the DRF confirm or reject the request to the Depositories.
- Upon confirmation, the Depository gives the credit



- Upon confirmation, the Depository gives the credit to shareholder in his/her depository account maintained with DP.

The process of dematerialization takes around 15 days from the date of receipt of DRF by the Registrar & Shares Transfer Agent of the Company.

Since the trading in the shares of the Company can be done only in electronic form, it is advisable that the shareholders who have the shares in physical form get their shares dematerialized.

#### e) **Electronic Clearing Services (ECS)/National Electronic Clearing Services (NECS) facility**

The divided remittances to shareholders happen predominantly through ECS / NECS as per the locations approved by RBI from time to time. If the shareholders are located at any of the ECS/NECS centers and have not registered their ECS/NECS, they may forward their ECS/NECS mandate to their depository participant if the shares are held in demat form, or to the Company/Registrars, if the shares are held in physical form, immediately.

#### f) **Shareholding Pattern of the Company as at March 31, 2024**

Category	As on March 31, 2024		
	Share Holders	Share olding	Share Holding (%)
<b>Promoter and Promoter Group</b>	10	1,96,15,866	73.27
<b>Public Share Holding</b>			
Individuals/ Clearing Members/ Trusts/Director or Director's Relatives/HUF	28,846	46,19,193	17.25
Bodies Corporate/NBFC Registered with RBI/ IEPF	176	2,58,344	0.97
NRI's and Foreign Nationals	859	17,70,659	6.61
Banks and Financial Institutions	9	5,09,262	1.90
<b>Total</b>	<b>29,900</b>	<b>2,67,73,324</b>	<b>100.00</b>

#### g) **Depository Receipts / Global Depository Receipts / Warrants**

As on March 31, 2024, the Company has no American Depository Receipts / Global Depository Receipts / Warrants or any such convertible instruments outstanding and there is no likely impact on the Company's Equity Shares in the financial year 2023-24.

#### h) **Employee Stock Option Plans (ESOP)**

The ESOP 2015 has been formulated in accordance with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. ESOP 2015 contemplates dealing in/ acquisition of secondary shares through an Employee Welfare Trust (Trust) route.

The Company has got shareholders' approval vide postal ballot in Jan 2015, in respect of ESOP 2015 and grant of Stock Options to the eligible employees/ Directors of the Company and that of its Subsidiary Company(ies) as decided by the Nomination and Remuneration/ Compensation Committee from time to time. No Options have been granted under ESOP (2015) during the year.

#### i) **Investor Education and Protection Fund ("IEPF")**

As per Section 124(5) and 124(6) of the Act read with the IEPF Rules as amended, any dividend which remains unpaid or unclaimed for a period of seven years, shall be transferred by the Company to the IEPF fund.

Also all shares in respect of which dividend has remained unpaid/unclaimed for seven consecutive years or more are required to be transferred to an IEPF Demat Account. In the interest of the shareholders, the Company sends periodical reminders to the shareholders to claim their dividends in order to avoid transfer of dividends / shares to IEPF Authority. Notices in this regard are also published in the newspapers and the details of unclaimed dividends and shareholders whose shares are liable to be transferred to the IEPF Authority, are uploaded on the Company's website.

Members are requested to claim the same on or before the respective dates as mentioned in the reminder letters. In case the dividends are not claimed by the said date, necessary steps will be initiated by the Company to transfer

## Report on Corporate Governance

such dividend and/or shares without further notice. No claim shall lie against the Company in respect of the shares so transferred to IEPF Demat Account. In the event of transfer of shares and the unclaimed dividends to IEPF, members are entitled to claim the same from IEPF Authority by submitting an online application in the prescribed Form IEPF-5 available on the website [www.iepf.gov.in](http://www.iepf.gov.in) and sending a physical copy of the same duly signed to the Company along with the requisite documents enumerated in the Form IEPF-5.

Unclaimed dividends for the financial years, 2001-2002, 2002-03, 2003-04, 2004-05, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13, 2013-14, 2014-15 and 2015-16 have been transferred to the IEPF.

### j) Equity shares in the suspense account:

In accordance with the requirement of Regulation 34(3) and Part F of Schedule V to the SEBI Listing Regulations, details of equity shares in the suspense account are as follows:

Particulars	Number of Shareholders	No. of Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on April 1, 2023	Nil	Nil
Shareholders who approached the Company for transfer of shares from suspense account during the year	Nil	Nil
Shareholders to whom shares were transferred from the suspense account during the year	Nil	Nil
Shareholders whose shares are transferred to the demat account of the IEPF Authority as per Section 124 of the Act	17	871
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2024	Nil	Nil

The voting rights on the shares outstanding in the suspense account as on March 31, 2024 shall remain frozen till the rightful owner of such shares claims the shares

### k) Details of total fees paid to Statutory Auditors

ASA & Associates LLP, Chartered Accountants have been appointed as the Statutory Auditors of the Company at the Annual General meeting held on July 8, 2022. The particulars of payment of Statutory Auditors' fees, on consolidated basis to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part is given below:

(₹ in Lacs)

Particulars	Amount
Services as statutory auditors (including quarterly audits)	33.00
For other Services	6.00
Re-imbursement of out-of-pocket expenses	6.00
<b>Total</b>	<b>45.00</b>

### Particulars of Senior Management

The particulars of senior management as per Regulation 16(1) (d) of the Listing Regulations including the changes are as follows:

Name of Senior Management Personnel	Category
Vishnu R Dusad	Managing Director
Parag Bhise	Chief Executive Officer & Executive Director
Anurag Mantri	Chief Operating Officer & Executive Director
Ritika Dusad	Chief Innovative Officer & Executive Director
Surya Prakash Kanodia	Chief Financial Officer
Ashish Khanna	Chief Marketing Officer and Chief of Staff to Managing Director
Swati Patwardhan	Chief Human Resources Officer
Ashwani Arora	P&L Head - Global Customer Success Team
Abhishek Pallav	Vice President - Engineering
Mukesh Bangia	Lead -Strategy and Operations
Pradeep Malik	P&L Head - Digital Services
Poonam Bhasin	Company Secretary & Compliance Officer

## Changes in Senior Management Personnel

Name	Designation	Details of Change	Effective Date
Surya Prakash Kanodia	Chief Financial Officer	Appointment	8 May 2024
Swati Patwardhan	Chief Human Resources Officer	Appointment	20 May 2024
Pradeep Pahal	Chief Human Resources Officer	Appointment	4 August 2023
Anurag Mantri	Chief Financial Officer	Relieved from the additional responsibility of Chief Financial Officer	7 May 2024
Pradeep Pahal	Chief Human Resources Officer	Resignation	27 December 2023

### I) Locations

Nucleus services its clients through a network of domestic and international offices. At the year-end, Nucleus had wholly-owned subsidiaries in India, Japan, Netherlands, Singapore, South-Africa, U.S.A, Australia and branch offices in Mumbai, Pune and Chennai in India and Dubai (UAE) London (UK) and Overseas.

Nucleus operates state-of-the-art Software Development Centers at Noida (U.P.). The Noida Centre is under the Software Technology Park Scheme of the Government of India.

Nucleus Software Limited (NSL), wholly owned subsidiary operates from a Special Economic Zone, Mahindra World City, Jaipur Ltd. (MWCJL).

PARENT COMPANY	
<b>Nucleus Software Exports Ltd.</b>	
<b>Registered Office</b> 33-35, Thyagraj Nagar New Delhi-110003 India	<b>Corporate Office</b> A-39 Sector 62 Noida-201307 India

### SUBSIDIARIES

#### **Nucleus Software Solutions Pte. Ltd.**

300, Tampines Avenue-5#04-06,  
Tampines Junction  
**Singapore-529653**

#### **Nucleus Software Japan Kabushiki Kaisha**

Mitsubishi Building  
11F, 5-2 Marunouchi, 2 Chome  
Chiyoda Ku  
Tokyo 100-0005  
**Japan**

#### **Nucleus Software Inc.**

505, Thornall State, Suite 401,  
Edison, NJ 08837-2260  
**USA**

#### **Nucleus Software Netherlands B.V.**

Cuserstaat 93, Floor 2<sup>nd</sup> & 3<sup>rd</sup>  
Amsterdam 1081CN  
**Netherland**

#### **Nucleus Software Ltd.**

Plot No. IT- A - 017,  
Mahindra World City (Jaipur) Ltd.  
IT/ITES Special Economic Zone  
Jaipur 302 037

#### **India**

#### **Nucleus Software Australia Pty. Ltd.**

Suite 4, 96-98 Wigram Street  
Harris Park  
NSW 2150

#### **Australia**

#### **Nucleus Software South Africa (Pty) Ltd.**

28 Front Street, Brinam, Gauteng  
2196

#### **South Africa**

### Branch Offices in India

#### **A. Mumbai**

10<sup>th</sup> Floor, 1016,  
Lodha Codename No 1,  
One Lodha Place,  
Senapati Bapat Marg,  
Lower Parel, Mumbai, 400018

#### **B. Chennai**

SKCL Triton Square, 5<sup>th</sup> floor,  
unit#C3-C7, CIPET Road,  
Thiru-Vi-Ka Industrial Estate,  
Guindy, Chennai - 600032

#### **C. Pune**

Kumar Business Court,  
7<sup>th</sup> Floor, K B C, S. No. 362/3,  
Bund Garden Road,  
Pune - 411001

### Branch Offices in Overseas Locations

#### **A. London (UK) Nucleus Software Exports Ltd.**

Slough Spaces, The Porter Building  
1 Burnel Way, Berkshire  
SL1 1FQ, **UK**

#### **B. Dubai (U.A.E) Nucleus Software Exports Ltd**

Office #305, EIB Building # 05, Dubai  
Internet City (DIC),  
**Dubai, U.A.E.**

# Report on Corporate Governance

## **m) Investor Correspondence may be addressed to:**

Ms. Poonam Bhasin, Company Secretary and Compliance Officer

Nucleus Software Exports Ltd.,  
A-39 Sector 62  
Noida-201307  
Tel: +91-(120)-4031400  
Fax: +91-(120)-4031672  
Email: [investorrelations@nucleussoftware.com](mailto:investorrelations@nucleussoftware.com)

## **n) Other General Shareholder Information**

The other mandatory and additional information of interest to investors is voluntarily furnished in a separate chapter "Shareholders' Referencer" of this Annual Report.

## **o) Auditors' Certificate on Corporate Governance**

As required by Schedule V of the SEBI (LODR) Regulations 2015, the Auditors' certificate on Corporate Governance is annexed to Director's Report as Annexure A.

## **p) CEO/CFO Certification**

As required by SEBI (LODR) Regulations, 2015, the CEO/CFO certification is provided as Annexure B to the report on Corporate Governance, in this Annual Report.

## **q) Secretarial Audit**

As per the Companies Act 2013, Secretarial Audit by a practicing Company Secretary has become mandatory for prescribed companies, and they are required to annex the Secretarial Audit report with their Board Report in the Annual Report.

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company appointed PI & Associates, Company Secretaries to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit Report in the prescribed Form MR 3, is provided as Annexure F to the Directors' Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

The Secretarial Auditor has made certain recommendations for adopting additional Best Practices, which are now being implemented.

## **r) Compliance with the Code of Conduct**

All Directors and Senior Management personnel of the Company have affirmed compliance with the code for the financial year ended March 31, 2024. A declaration to this effect signed by the Managing Director has been published as Annexure C to this report on Corporate Governance.

## **s) Green Initiatives by the Ministry of Corporate Affairs, Government of India**

The Company whole-heartedly supported the 'Green Initiative' of the Ministry of Corporate Affairs, Government of India enabling electronic delivery of documents to the shareholders at their e-mail addresses registered with the Depository participants/ Registrar & Share Transfer Agent. This year also the Company is actively pursuing this initiative by sending Annual Reports in a soft copy form.

## **t) Commodity price risk or foreign exchange risk and hedging activities:**

The Company does not deal in commodities and hence the disclosure pursuant to SEBI Circular dated November 15, 2018 is not required to be given. For a detailed discussion on foreign exchange risk and hedging activities, Please refer to Management Discussion and Analysis Report for the same.

## **u) List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad.**

No such credit rating taken by Company during the Financial year under review.

## **F. Compliance with Non-Mandatory Requirements of Regulation 27 (1) of SEBI (LODR) Regulations, 2015**

Regulation 27 (1) of SEBI of the Listing Agreement mandates us to obtain a certificate from either the statutory auditors or practicing Company secretaries regarding compliance of conditions of Corporate Governance as stipulated in the Clause and annex the certificate with the Directors' report, which is sent annually to all our shareholders. We have obtained a certificate to this effect and the same is given as Annexure C to the Directors' report.

**Annexure A**
**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
**The Members of**  
**Nucleus Software Exports Limited**  
 33-35, Thyagraj Nagar Market  
 New Delhi -110003

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Nucleus Software Exports Limited** having **CIN: L74899DL1989PLC034594** and having registered office at 33-35, Thyagraj Nagar Market , New Delhi -110003 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with the Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company and the respective Directors, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on March 31, 2024 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S. No.	DIN	Name of Director	Initial Date of Appointment	Date of Appointment in Current Term (incl. date of re-appointment)
1.	00001220	Mr. Prithvi Pal Singh Haldea	22/06/2001	26/07/2019
2.	00008350	Mr. Ravi Pratap Singh	26/07/2014	26/07/2019
3.	00008412	Mr. Vishnu Rampratap Dusad	09/01/1989	01/01/2022
4.	00545141	Mr. Siddhartha Mahavir Acharya	19/03/2016	19/03/2021
5.	02762510	Prof Trilochan Sastry	27/04/2013	26/07/2019
6.	06976868	Ms. Elaine Mathias	20/09/2014	20/09/2019
7.	07022867	Dr. Ritika Dusad	20/07/2016	07/08/2020
8.	08719754	Mr. Parag Bhise	16/03/2020	31/07/2020
9.	08801422	Mrs. Yasmin Javeri Krishan	30/07/2020	30/07/2020
10.	09002894	Mr. Anurag Mantri	19/12/2020	19/12/2020
11.	01202587	Mr. Shekar Viswanathan	12/02/2024	12/02/2024
12.	06452437	Mr. Prakash Chandra Kandpal	12/02/2024	12/02/2024

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For PI & Associates,  
 Company Secretaries**

Sd/-  
**Nitesh Latwal**  
 Partner

ACS No.: A32109

C P No.: 16276

UDIN: A032109F000395428

Date: May 23, 2024

Place: New Delhi



# Report on Corporate Governance

## Annexure B

### **CERTIFICATION BY CHIEF EXECUTIVE OFFICER & CHIEF FINANCIAL OFFICER OF THE COMPANY PURSUANT TO REGULATION 17(8) OF SEBI (LODR) REGULATIONS, 2015**

We, Parag Bhise, Chief Executive Officer (CEO) and Surya Prakash Kanodia, Chief Financial Officer (CFO), of Nucleus Software Exports Limited ("the Company"), to the best of our knowledge and belief, certify that:

1. We have reviewed the financial statements for the Quarter & Financial Year ended March 31, 2024 along with its schedules and notes on accounts, as well as the cash flow statements;
2. These statements do not contain any untrue statements of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, misleading with respect to the statements made;
3. These financial statements, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report, and are in compliance with the existing accounting standards and applicable laws and regulations;
4. Based on our knowledge and information, no transactions entered into by the Company during the period, are fraudulent, illegal or violative of the Company's code of conduct.
5. We are responsible for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee of the Company's Board of Directors, deficiencies in the design or operation of internal controls and steps proposed to be taken to rectify these deficiencies.
6. We have disclosed, based on our most recent evaluation, to the Company's Auditors and the Audit Committee of the Company's Board of Directors:
  - a. Significant changes in internal control over financial reporting during the period, if any;
  - b. There are no significant changes in accounting policies during the period; and
  - c. There are no instances of fraud of which we have become aware and the involvement, therein, of the management or an employee having significant role in the Company's internal control system over financial reporting.

**Date: May 23, 2024**  
**Place : Noida**

**Sd/-**  
**Parag Bhise**  
**CEO**

**Sd/-**  
**Surya Prakash Kanodia**  
**CFO**

## Annexure C

**DECLARATION BY CEO REGARDING COMPLIANCE WITH THE COMPANY'S  
CODE OF CONDUCT**

I, Parag Bhise, Chief Executive Officer (CEO) of Nucleus Software Exports Limited ("the Company") confirm that the Company has adopted a Code of Conduct ("Code") for its Board Members and senior management personnel and the Code is available on the Company's Website.

I, further confirm that the Company has in respect of the financial year ended March 31, 2024, received from its Board members as well as senior management personnel affirmation as to compliance with the Code of Conduct.

**Date: May 23, 2024**  
**Place : Noida**

**Sd/-**  
**Parag Bhise**  
**CEO**

# Management's

# Discussion and Analysis

## of the Financial Condition and Results of Standalone Operations

Forming Part of the Financial Statements for the year ended March 31, 2024

*Management's discussion and analysis of the standalone 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 Management perceptions.*

### A. INDUSTRY STRUCTURE AND DEVELOPMENT

#### Global Industry Overview

The software industry, particularly in the domain of financial technology (FinTech), is experiencing rapid expansion and transformation on a global scale. Technological advancements, demographic shifts, and regulatory changes are driving significant shifts in the industry landscape, presenting both challenges and opportunities for market participants.

#### Key Market Trends

Across global markets, several trends are reshaping the software industry. These include the increasing adoption of artificial intelligence (AI) and machine learning (ML) technologies, the rise of digital banking and mobile payments, and the growing emphasis on cybersecurity and data privacy. Moreover, there is a noticeable trend towards open banking and interoperability, driven by regulatory reforms and consumer demand for enhanced financial services.

#### Competitive Dynamics

In the global arena, Nucleus Software competes with a diverse array of players, ranging from multinational corporations to agile startups. Our competitive advantage lies in our deep domain expertise, innovative product offerings, and customer-centric approach. By leveraging our global presence and strategic partnerships, we aim to carve out a distinctive position in the competitive landscape and capture emerging market opportunities.

#### Regulatory Environment

Regulatory frameworks vary significantly across different regions, posing challenges for

multinational software providers like Nucleus Software. We remain vigilant in ensuring compliance with local regulations and standards in each market we operate in, thereby mitigating regulatory risks and maintaining the trust and confidence of our clients and stakeholders.

#### Market Expansion Strategies

To capitalize on global market opportunities, Nucleus Software adopts a targeted approach to market expansion, focusing on regions with high growth potential and favourable regulatory environments. Through strategic investments in research and development, talent acquisition, and market localization, we seek to strengthen our presence in key markets and cultivate long-term relationships with clients and partners worldwide.

### B. FUTURE OUTLOOK

Gartner estimates that the software market will surpass \$1 trillion in sales for the first time ever in 2024, thanks to a 9 percent sales growth compared to 2023. Looking ahead, Nucleus Software is poised to capitalize on the evolving global landscape, driven by our commitment to innovation, customer-centricity, and operational excellence. We will continue to adapt to emerging trends, navigate regulatory complexities, and seize new opportunities for growth and expansion in diverse markets across the globe.

In conclusion, the industry structure and development section offer valuable insights into the global dynamics shaping the software industry and Nucleus Software's strategic positioning within this landscape. As we embark on our journey towards sustainable growth and success, we remain steadfast in our mission to empower financial institutions worldwide with cutting-edge software solutions that drive efficiency, innovation, and value creation.

#### Some highlights from the 2024 Banking and Capital Markets Outlook by Deloitte

- A slowing global economy, coupled with a divergent economic landscape, will challenge the banking industry in 2024. Banks' ability to generate income and manage costs will be tested in new ways.

- Multiple disruptive forces are reshaping the foundational architecture of the banking industry. Higher interest rates, reduced money supply, more assertive regulations, climate change, and geopolitical tensions are key drivers behind this transformation.
- The exponential pace of new technologies, and the confluence of multiple trends, are influencing how banks operate and serve customer needs. The impact of generative AI, industry convergence, embedded finance, open data, digitization of money, decarbonization, digital identity, and fraud will continue to grow even after 2024.
- Banks, in general, are on sound footing, but revenue models will be tested. Organic growth will be modest, forcing institutions to pursue new sources of value in a capital-scarce environment.

Not only are competitive dynamics shifting, but the pace and intensity with which rivals are challenging banks is unprecedented. Banks are now more intensely pitted against traditional and new rivals as more customers become open to having their needs met by non-financial institutions.

### C. COMPANY BACKGROUND

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, India. Subsequently in October 1994, it was converted into a Public Limited Company. In August 1995, Nucleus made an Initial Public Offer and is currently listed at National Stock Exchange of India Ltd. and BSE Ltd.

Nucleus Software delivers disruptive Fintech Solutions to 200+ Banks and Financial Institutions across 50 countries supporting Retail, Corporate & SME Finance, Islamic Finance, Automotive Finance, Captive Automotive Finance, Cash Management, Mobile & Internet Banking, Transaction Banking and more. We facilitate over 26 million transactions each day through our globally integrated transaction banking platform. Our lending platform manages US \$500 billion of loans in India alone, and over US \$700 billion of loans globally other than India, while enabling 500,000+ users to log in daily.

Our Flagship Products FinnOne Neo® and FinnAxia® are backed by three decades of BFSI domain expertise and an inbuilt AI powered platform to realize the digital transformation goals of Financial Institutions worldwide.

1. FinnOne Neo®: The next-generation digital lending platform, designed to revolutionize the lending process. FinnOne Neo® is built on an advanced technology platform, empowering financial institutions to streamline their lending operations, enhance customer experiences, and drive business growth.
2. FinnAxia®: An integrated global transaction banking suite, trusted by banks worldwide to optimize their transaction banking processes. With FinnAxia®, financial institutions can efficiently manage their cash management, trade finance, liquidity management, and other transaction banking activities on a single platform, thereby improving operational efficiency, visibility, and enhancing client relationships.
3. PaySe™: The world's first online and offline digital payment solution, created with the vision to democratize money. This innovative payment solution offers users a seamless and convenient way to conduct digital transactions, both online and offline, facilitating financial inclusion and empowering individuals and businesses.
4. Nucleus Software Services: Our comprehensive suite of services is tailored to assist banks and financial institutions in their digital transformation journey and maintain an optimal technology infrastructure. Through Nucleus Software Services, we offer a holistic approach to digital transformation, enabling organizations to deliver seamless customer experiences, achieve operational and cost efficiencies, and gain actionable insights to drive strategic decision-making.

Nucleus operates through integrated and well networked subsidiaries in India, Japan, Netherlands, Singapore, USA, Australia and South Africa. 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.

## Management’s Discussion and Analysis

Over the years we have gained deep experience working closely with Global leaders in the Banking and Financial Services industry. Headquartered in Delhi, India, the Company has seven subsidiaries, as described in table 1 below.

**Table 1**

Date of Incorporation	Name of Subsidiary Company	Location	Percentage of Shareholding
February 25, 1994	Nucleus Software Solutions Pte. Ltd.,	Singapore	100%
August 5, 1997	Nucleus Software Inc.	USA	100%
November 2, 2001	Nucleus Software Japan Kabushiki Kaisha	Japan	100%
February 3, 2006	Nucleus Software Netherlands B.V.	Netherlands	100%
April 21, 2008	Nucleus Software Ltd.	India	100%
February 3, 2014	Nucleus Software Australia Pty. Ltd.	Australia	100%
February 10, 2015	Nucleus Software South Africa (Pty) Ltd.	South Africa	100%

The Company has branch offices in Chennai, Pune and Mumbai in India and in London and Dubai.

The Singapore subsidiary has a representative office in Jakarta in Indonesia and in Manila in the Philippines. These subsidiaries/branch offices help the Company in providing front-end support to customers and explore new opportunities.

### Some notable accolades won over the years are as follows:

- Annual Report for the Year ended March 31, 2023, won the Silver Award for Excellence within the Technology-Software industry and Technical Achievement Award from League of American Communication Professionals (LACP). The Annual Report was also ranked 99th amongst the top 100 Annual Reports worldwide by League of American Communications Professionals LLC (LACP).
- Dr. Ritika Dusad, Executive Director and Chief Innovation Officer (CIO) was honored with the prestigious “DE&I in Tech Leadership Award” at “The Rising 2024”. Emerging victorious from a pool of over 100 nominees, Dr. Dusad’s outstanding contributions have transformed the tech industry, instigating impactful change at every juncture
- Nucleus Software was honored with another prestigious award from IBS Intelligence (IBSi) for the “Best Digital Lending Implementation - Most Impactful Project” category. This recognition is a testament to our dedication to innovation and excellence in the realm of digital lending. Our collaborative efforts with Poonawalla Fincorp not only transformed digital lending but also left a lasting impact on the industry. The award acknowledges the effectiveness and significance of our project in reshaping the digital lending landscape.
- FinnOne Neo® has won the Banking Frontiers Technoviti Award 2023. FinnOne Neo® is the next-generation digital lending solution built on an advanced technology platform designed to shape the future of lending across Retail and Corporate finance. The multi-channel solution helps digitize the complete loan lifecycle end-to-end and supports both cloud and on-premise deployments.
- Nucleus Software received IBSi Global Fintech Innovation Awards 2023 for Most Effective Digitization/Paperless Initiative – Best Project Implementation for Mirae Asset Financial Services.
- Nucleus Software earned the IBSi Global Fintech Innovation Awards 2023 under category Best Transaction Banking implementation for BRAC Bank Ltd.
- Nucleus Software along with Mirae Asset Financial Services India Pvt Ltd showcased ground-breaking achievement by winning the IBS Intelligence Global Fintech Innovation Awards 2022, in the innovative category “Implementation of the Most Effective Paperless Digitization Project.
- Nucleus Software received an award for Annual Report for the Year ended March 31, 2022 from League of American Communication Professionals (LACP). We won the Platinum Award for Excellence within the Technology-Software industry and Technical Achievement Award. The Annual Report was also ranked 49th amongst the World’s Top 100 Annual Reports within the Technology-Software industry by LACP.
- Nucleus Software received first position at the “Corporate Governance and Sustainability Vision Awards 2021”, held by Indian Chamber of Commerce



- Nucleus Software was awarded the “Best Technological Innovation in Payments (B2B)” award at the Seamless Middle East 2020 conference in Dubai.
- Nucleus Software received an award for the Annual Report (for FY 20-21) from League of American Communication Professionals (LACP). We also won the Platinum Award for excellence within the Industry for FY 2020-21 - Technology-Software and the Technical Achievement Award for overall excellence in the art and method of Annual Report communications.
- FinnOne Neo® has been recognized as the “#1 Leader in the Lending Solutions Category in the Indian Domestic Sales League Table 2019” and recognized as “#2 Leader in the Lending Solutions Category in the Global Sales League Table 2019” by IBS Intelligence.
- FinnOne Neo® also wins the “Best Lending Implementation” award for the project at Roha Housing Finance in the IBS Intelligence FinTech Innovation Awards 2019”. Powered by our solution, RattanIndia Finance wins the Celent Model Bank Award 2020 for Retail Lending powered by FinnOne Neo®.
- Our Annual Report FY19-20 won the Platinum Award for excellence within the Industry - Technology-Software and a ranked amongst the top 100 Annual Reports worldwide by League of American Communications Professionals LLC (LACP).
- We received an award in Mid Corporate Segment-for Excellence in IT & IT Enabled Services, at SME Business Excellence Awards, 2019, organized by Dun & Bradstreet Information Services India Pvt. Ltd (D&B).
- “Best Lending Technology Implementation of the Year” award at the BFSI Innovative Technology Awards 2018 for project Lending on cloud for Sai Point Finance with FinnOne Neo®.
- Received an award in Mid Corporate Segment-for Excellence in IT/ITES Sector, at SME Business Excellence Awards, 2017 organized by Dun & Bradstreet Information Services India Pvt. Ltd (D&B).
- Annual Report for the Year Ended March 31, 2017 won the Platinum Award for Excellence within the Technology Software industry and ranked 7th amongst the World’s Top 100 Annual Reports within the Technology-Software industry and by the League of American Communications Professional (LACP).
- Bob Finance and FinnOne® win The Banking Technology Award 2016, bob Finance AG, a financial service company in Switzerland deployed Nucleus Software’s FinnOne® for offering an innovative and completely digitized loan service. This implementation won The Banking Technology Award 2016 - Highly Commended for Best Use of IT in Lending.

#### D. THE WAY FORWARD

The outlook for the global fintech industry remains highly promising, underpinned by ongoing technological innovation, changing consumer behaviors, and increasing demand for digital financial services. The fintech industry is constantly innovating, fueled by technological advancements, and shifting consumer preferences. There will be significant developments in key areas such as artificial intelligence, machine learning, blockchain technology, digital banking, mobile payments, cybersecurity, fraud prevention, open banking and API integration. These trends have the potential to revolutionize the financial sector and offer customers more personalized, convenient, and secure services. This year is a pivotal year that will transform the trajectory of digital banking and finance, not only in India but also around the globe.

Looking ahead, Nucleus Software is well-positioned to capitalize on the growing demand for digital transformation of the financial sector. There is an immediate rush for financial institutions across developed and developing markets to transform and incorporate the latest technologies to stay relevant and competitive. The increasing adoption of digital banking and mobile payments is driving the need for advanced software platforms that can support these services while ensuring highest level of security and compliance.

In addition, the Company is poised to benefit from the growing trend towards open banking and API integration, which is unfolding new opportunities for innovation and collaboration within the industry. Nucleus Software’s expertise in this area will enable it to help its clients navigate this complex landscape and seize the new opportunities it presents.

Furthermore, Nucleus Software’s focus on leveraging emerging technologies such as block chain, artificial intelligence and machine learning will enable it to deliver more personalized and efficient services to its clients, further strengthening its competitive position in the market.

Overall, Nucleus Software’s strong reputation, deep domain expertise, and commitment to innovation make it a compelling choice for businesses looking to stay ahead of the curve in the fast-changing

## Management's Discussion and Analysis

financial services industry. With a solid business outlook, the Company is well positioned for growth and success in the years to come.

The Nucleus Company future plans include leveraging its robust product innovation and research and development capabilities. It has strategic initiatives to create new products, expand sales and market development, and recruit talented individuals to facilitate transformation and sustain growth momentum. The focus remains on the Banking and Financial Services (BFS) sector, employing the latest architecture and technology stack, incorporating advanced features and functionalities that cater to the ever-evolving needs of the BFS sector. Additionally, Nucleus Software is modernizing data pipelines to drive analytics and decision-making, researching applications of emerging technologies like digital currencies and quantum computing to ensure its solutions are future ready.

As appraised, Nucleus Software's is looking to grow organically and is not looking actively for any acquisitions in the medium term. We are focused on product innovation and future capex, which would be targeted towards new product development and investment in new technology. Nucleus Software plans to tie-up with system integrators to improve their growth rate in Australia, Canada, MEA, Southeast Asia, and USA.

### E. COMPANY MANAGEMENT

An active and well-informed Board is necessary to ensure the highest standards of corporate governance. At Nucleus, a well-qualified Board consisting of Twelve members manages the Company. The Board at Nucleus comprises twelve members; Seven Board members are Non-Executive Independent Directors including two women Directors, and the other five are Executive Directors, including one woman director. All Independent Directors, with their diverse knowledge and expertise, provide valuable contribution in the deliberations and decisions of the Board, maintaining the requisite independence. It develops and promotes the vision, culture and values of the Company and provides entrepreneurial leadership to the Company within a framework of prudent and effective controls. Only a strong global team can drive excellent performance especially in a challenging business environment.

Your Company lays high emphasis on continuous learning and growth for every individual. Your Company offers a comprehensive package of learning and development opportunities in

technology, processes, functional domain, our products, and leadership training. Focus on leadership development for young leaders and mid-level managers continues through our flagship programs – LEAD (Leadership Engagement Action & Development) and YLP (Young Leaders Program). These programs are based on our Core Values and have contributed immensely towards building the organizational culture, individual effectiveness, and leadership competencies.

### F. OPPORTUNITIES ASND THREATS

As more consumers and banks shift towards digital banking and lending solutions, there will be significant opportunities for financial institutions that can provide innovative and user-friendly software solutions that were previously impossible. For example, Gen AI, predictive analytics could enable more accurate and efficient credit risk assessments.

The banking and lending software industry is becoming increasingly crowded, and there will be more competition for gaining customers in 2024. Traditional banks and financial institutions are also starting to offer their own digital solutions, which could pose a threat to financial institutions.

With more financial transactions taking place online, there will also be increased risk of cybersecurity breaches. Financial institutions will need to invest in robust security measures to protect their customers' data. As financial institutions continue to disrupt the traditional financial industry, there will be increased scrutiny from regulators. Companies will need to navigate complex regulatory frameworks to operate legally.

In the event of an economic downturn, financial institutions could also face challenges as consumers and businesses become more cautious with their spending. This could lead to a decrease in demand for financial services.

Overall, the Fintech industry is poised for continued growth in 2024. Those that can navigate the challenges and continue to innovate will be well-positioned for success in the years ahead.

### G. OUTLOOK

In an era marked by rapid technological advancements and evolving customer expectations, the fintech landscape is undergoing a paradigm shift. Despite facing challenges such as economic downturns, regulatory complexities, and unpredictable global events, the fintech industry remains resilient, poised for growth and expansion. This resilience stems from the industry's inherent ability to innovate and adapt to change, leveraging

emerging technologies to drive transformation across various sectors of the economy.

At the forefront of this transformation is Nucleus Software, a leading provider of lending and transaction banking solutions. With a strong foothold in the global market, Nucleus Software has established itself as a trusted partner for financial institutions seeking to embrace digital transformation and stay ahead of the curve in an increasingly competitive landscape.

Looking ahead, Nucleus Software's strategic outlook is guided by a commitment to innovation, customer-centricity, and sustainable growth. The company recognizes the immense potential of emerging technologies such as artificial intelligence (AI), machine learning (ML), blockchain, and digital banking in reshaping the future of finance. By harnessing these technologies, Nucleus Software aims to deliver cutting-edge solutions that not only meet the current needs of its clients but also anticipate future trends and requirements.

One of the key drivers of Nucleus Software's growth strategy is its relentless focus on product innovation and research and development (R&D). The Company invests significantly in R&D initiatives to stay at the forefront of technological innovation, continually enhancing its product offerings to address the evolving needs of the banking and financial services (BFS) sector. This emphasis on innovation ensures that Nucleus Software remains agile and adaptable in a rapidly changing environment, enabling it to deliver value-added solutions that drive operational efficiency, improve customer experience, and drive business growth.

Moreover, Nucleus Software is actively expanding its market reach and customer base through strategic partnerships and collaborations. By forging alliances with leading financial institutions, technology providers, and industry stakeholders, the Company seeks to leverage synergies and unlock new opportunities for growth and innovation. These partnerships enable Nucleus Software to access new markets, penetrate existing ones more deeply, and co-create solutions that address specific market needs and challenges.

In addition to expanding its product portfolio and market presence, Nucleus Software is also focused on talent acquisition and development. The Company recognizes that its success hinges on the expertise, creativity, and dedication of its employees. Therefore, it invests in recruiting top talent from diverse backgrounds and fostering a culture of innovation, collaboration, and continuous learning. By nurturing a talented and

motivated workforce, Nucleus Software ensures that it remains at the forefront of technological innovation and maintains its competitive edge in the global marketplace.

Furthermore, Nucleus Software is proactively exploring opportunities in emerging markets and industry segments. With a keen eye on global trends and market dynamics, the Company identifies high-growth areas and tailors its solutions to meet the unique needs and preferences of customers in these markets. By staying agile and responsive to changing market conditions, Nucleus Software is able to seize opportunities for expansion and diversification, driving sustainable growth and creating long-term value for its stakeholders.

In summary, Nucleus Software's global strategy and outlook are characterized by a relentless focus on innovation, customer-centricity, and sustainable growth. By leveraging emerging technologies, forging strategic partnerships, nurturing talent, and exploring new market opportunities, the Company is well-positioned to capitalize on the evolving needs of the BFS sector and drive transformational change in the global fintech landscape. As it continues to execute its strategic initiatives and pursue its vision of empowering financial institutions with cutting-edge solutions, Nucleus Software remains committed to delivering value to its customers, driving growth and innovation, and creating lasting impact in the years to come.

## **H. RISKS AND CONCERNS**

These are discussed in detail in the Risk Management chapter provided later in this Annual Report.

## **I. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

Internal control systems are a set of policies, processes and procedures put in place to help achieve the strategic objectives of an organization. Good controls encourage operational efficiency and compliance with laws and regulations, as well as minimizing the chance of errors, theft and fraud. At the same time internal controls also enhance the reliability and accuracy of accounting data. The Company has an Internal Control System commensurate with the size, scale and complexity of its operations. This has been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorised use, executing transactions with proper authorisation and ensuring compliance of corporate policies. The

## Management's Discussion and Analysis

management assessed the effectiveness of the Company's internal control over financial reporting (as defined in Regulation 17 of SEBI Regulations 2015) as of March 31, 2024.

ASA & Associates LLP, the statutory auditors of the Company, have audited the financial statements included in this annual report and have issued an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting. The Board of Directors has also appointed Internal Auditors as recommended by the Audit Committee with a well-defined internal audit scope. The Internal Auditor reports to the Chairperson of the Audit Committee and presents significant audit observations to the Audit Committee. Based on the report of the Internal Auditor, process owners undertake corrective action in their respective areas and thereby strengthen the controls. The CEO/CFO certification provided elsewhere in this report also places responsibility on the CEO and CFO to continuously ensure adequacy of our internal control systems and procedures.

### J. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES

Nucleus HR function focuses on creating a conducive work environment that fosters collaboration and promotes individual growth. Our vision is "To be a culturally strong organization". With a strong culture, all our associates understand what is required of them and act in accordance with the core values. Culture is the underlying fabric that holds our organization together. Since the fabric is strong, we endure even major challenges. The rapidly evolving landscape of the IT industry calls for continuous adaptation, and your Company is committed to keeping pace with technological advancements and evolving employee needs.

As part of broader efforts to address high rate of attrition in the industry, the Company made significant strides in providing a satisfying work environment for its customers and employees alike.

Nucleus Software is also focused on talent acquisition and development. The Company recognizes that its success hinges on the expertise, creativity, and dedication of its employees. Therefore, it invests in recruiting top talent from

diverse backgrounds and fostering a culture of innovation collaboration, and continuous learning.

Nucleus Software continuously review and improvise the policies for attracting and retaining talent. The policies are aligned to the implicit and explicit needs of Company employees.

### K. FINANCIAL PERFORMANCE

The Company has adopted Indian Accounting Standards (IndAS) with effect from April 1, 2017 (transition date being April 1, 2016) pursuant to notification issued by Ministry of Corporate Affairs dated February 16, 2015 notifying the Companies (Indian Accounting Standards) Rules, 2015. Accordingly, the financial results have been prepared in accordance with Indian Accounting Standards (Ind-AS) as prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder. Consequently the results for the year ended March 31, 2017 have been restated to comply with Ind AS to make them comparable.

The financial statements are prepared in accordance with the Companies (Accounting Standards) Rules, 2015, notified under section 133 of the Act and other relevant provisions of the Act. Accounting policies have been consistently applied except where a newly issued accounting standard, if 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.

The Company has seven subsidiary companies, all of which are wholly-owned subsidiaries. The Company discloses stand-alone audited financial results on a quarterly and annual basis, consolidated un-audited financial results on a quarterly basis and consolidated audited financial results on an annual basis. The financial results of the Company have been discussed in this report in two parts:

- i) Nucleus Software Exports Limited (Standalone) which excludes the performance of subsidiaries of the Company, discussed in this chapter and
- ii) Nucleus Software Exports Limited (Consolidated) including performance of subsidiaries of Nucleus Software, and has been discussed in the later chapters of this report.

Standalone financial results are as below:

(₹ in crore)

For the Year Ended Mar 31,	2024	% of Revenue	2023	% of Revenue	Growth (%)
<b>Revenue from Operations</b>	<b>766.12</b>	<b>100.00</b>	<b>584.73</b>	<b>100.00</b>	<b>31.02</b>
<b>Expenses</b>					
a) Employee benefit expense	427.22	55.76	338.37	57.87	26.26
b) Operating and other expenses	125.37	16.36	89.30	15.27	40.40
c) Finance costs	0.72	0.09	0.77	0.13	(6.89)
<b>Total Expenses</b>	<b>553.31</b>	<b>72.22</b>	<b>428.44</b>	<b>73.27</b>	<b>29.14</b>
<b>Operating Profit (EBITDA)</b>	<b>212.81</b>	<b>27.78</b>	<b>156.29</b>	<b>26.73</b>	<b>36.17</b>
Depreciation	13.16	1.72	17.06	2.92	(22.85)
<b>Operating Profit after Interest and Depreciation</b>	<b>199.65</b>	<b>26.06</b>	<b>139.23</b>	<b>23.81</b>	<b>43.40</b>
Other Income	49.47	6.46	34.16	5.84	44.81
<b>Profit Before Tax</b>	<b>249.12</b>	<b>32.52</b>	<b>173.39</b>	<b>29.65</b>	<b>43.68</b>
Taxation	63.17	8.25	43.02	7.36	46.83
<b>Profit After Tax</b>	<b>185.95</b>	<b>24.27</b>	<b>130.37</b>	<b>22.29</b>	<b>42.64</b>
Other Comprehensive Income	1.99	0.26	6.94	1.19	(71.32)
<b>Total Comprehensive Income for the year</b>	<b>187.94</b>	<b>24.53</b>	<b>137.31</b>	<b>23.48</b>	<b>36.87</b>

### Revenue from Operations

Our revenues from software development comprise of income from time and material and fixed price contracts. Revenue from time and material contracts is recognised as the services are rendered and revenue from fixed price contracts comprising of license, related customization and implementation is recognised in accordance with the output method based on percentage completion. Revenue from annual technical service contracts is recognized on a pro rata basis over the period in which such services are rendered.

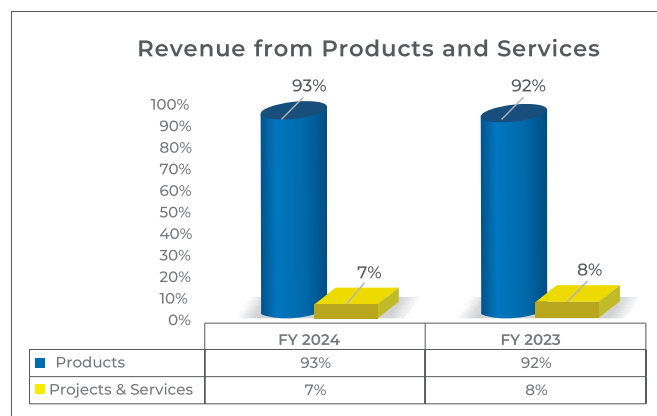
During the year, the revenue from operations is ₹ 766.12 crore, against ₹ 584.73 crore for the previous year.

### Revenue from Products

We are a Product Company and derive most of our revenues from Products and related services. Categorized under revenue from "Products", it comprises of license fee, revenue from customization and implementation of products and postproduction maintenance support. Product revenue for the year is ₹ 710.35 crore, 93% of the total revenue, against ₹ 537.68 crore, 92% of total revenue, in the previous year.

### Revenue from Projects and Services

Software services rendered by the Company, classified under this segment, typically consist of the development of software to meet specific customer requirements. These services consist of application development & maintenance, testing, consulting and infrastructure management services with a strong banking domain focus. Software projects and services revenue for the year is ₹ 55.77 crore, 7% of the total revenue, against ₹ 47.05 crore, 8% of the total revenue, in the previous year.

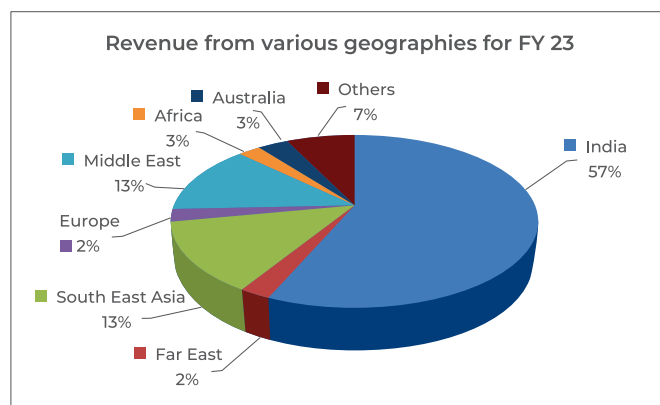
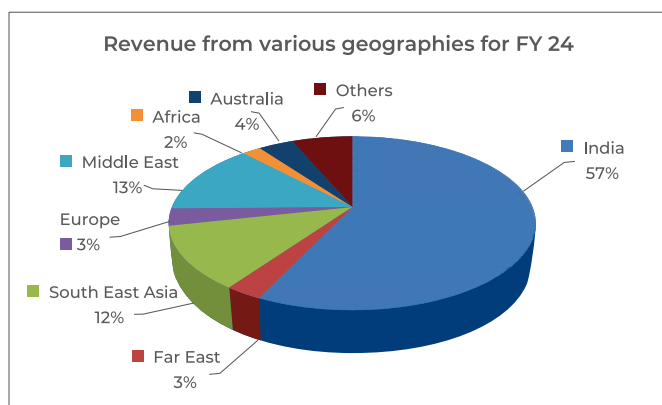




# Management's Discussion and Analysis

## Revenue from Various Geographies

Your Company is incorporated in India and caters to customers situated all across the globe and hence significant part of the revenue is derived from international sales. For the year 43% revenue was derived from overseas. The graph below presents a geography-wise distribution for the year as well as the previous year.



## EXPENSES

### Employee Benefit Expense

Employee benefit expense includes salaries paid to employees in India, with fixed, variable and incentives components; provision for gratuity and compensated absence, contribution to provident fund and expense on staff welfare activities. The employee benefit expenses have increased by 26.26 % to ₹ 427.22 crore, 55.76% of revenue against ₹ 338.37 crore, 57.87% of revenue in the previous year. The increase is primarily due to increase in employee compensation.

(₹ in crore)

For the Year Ended March 31,	2024	% of Revenue	2023	% of Revenue	Growth
Salaries	390.60	50.98	307.78	52.64	26.91
Contribution to provident and other funds	23.78	3.10	19.36	3.31	22.83
Gratuity	6.24	0.81	5.96	1.02	4.74
Staff welfare	6.60	0.86	5.27	0.90	25.23
<b>Total Employee Benefit Expenses</b>	<b>427.22</b>	<b>55.76</b>	<b>338.37</b>	<b>57.87</b>	<b>26.26</b>
<b>Revenue</b>	<b>766.12</b>	<b>100</b>	<b>584.73</b>	<b>100.00</b>	<b>31.02</b>

### Operating and Other Expenses

Operating and other expense primarily consist of expenses on travel to execute work at client site and for other related activities, IT expenses, Outsourced Technical Service Expense, Power and fuel, bandwidth and communication expense, infrastructure charges, expenses on account of brand building activities, training and recruitment costs, legal and professional charges, repairs and maintenance charges, insurance, provision for doubtful debts, contribution to CSR activities and others.

Operating and other expenses at ₹ 126.09 crore, 16.46% of revenue for the year, an increase of 39.99% against ₹ 90.07 crore, 15.40% of revenue in the previous year.

For the Year Ended March 31	2024	% of Revenue	2023	% of Revenue	Growth
Outsourced Technical Service Expense	15.69	2.05	12.41	2.12	26.47
Cost of software purchased for delivery to clients	0.38	0.05	0.63	0.11	(39.29)
Travelling	14.99	1.96	7.77	1.33	92.92
Power and fuel	3.27	0.43	2.86	0.49	14.22
Rent	0.95	0.12	0.55	0.09	71.64
Rates & Taxes	0.32	0.04	0.18	0.03	81.27
Repair and maintenance	4.15	0.54	4.06	0.69	2.22

For the Year Ended March 31	2024	% of Revenue	2023	% of Revenue	Growth
Legal and professional	4.42	0.58	5.15	0.88	(14.17)
Directors remuneration	3.18	0.42	2.41	0.41	32.22
Conveyance	0.61	0.08	0.45	0.08	36.71
Communication	1.15	0.15	1.17	0.20	(1.62)
Information technology expenses	33.64	4.39	25.33	4.33	32.79
Provision for doubtful debts/advances/other current assets	1.65	0.22	1.99	0.34	(1.62)
Commission to channel partners	0.90	0.12	0.70	0.12	27.61
Training and recruitment	4.10	0.54	4.11	0.70	(0.33)
Conference, exhibition and seminar	6.03	0.79	2.41	0.41	150.04
Advertisement ,business development and promotion	2.69	0.35	1.30	0.22	107.08
Insurance	1.16	0.15	1.23	0.21	(5.96)
Finance Cost	0.72	0.09	0.77	0.13	(6.89)
Sales & marketing fee	7.20	0.94	7.59	1.30	(5.13)
Withholding tax charged off	4.03	0.53	2.43	0.42	65.75
Business Management & Consultancy Expenses	10.80	1.41	1.71	0.29	532.85
Miscellaneous expenses	1.94	0.25	1.11	0.19	73.83
Contribution to CSR activities	2.13	0.28	1.75	0.30	21.74
<b>Total Operating and Other Expenses</b>	<b>126.09</b>	<b>16.46</b>	<b>90.07</b>	<b>15.40</b>	<b>39.99</b>
<b>Revenue</b>	<b>766.12</b>	<b>100.00</b>	<b>584.73</b>	<b>100.00</b>	<b>31.02</b>

Finance cost includes bank charges and fee for issuance of bank guarantees. It is ₹ 0.72 crore against ₹ 0.77 crore in the previous financial year.

The Company has setup Nucleus Software Foundation, a trust for the purpose of undertaking CSR activities of the Company. During the year, the Company contributed ₹ 2.13 crore towards CSR activities of the Foundation. The details of CSR initiatives undertaken by the Foundation has been provided in a separate section in the Annual Report.

### Operating Profit (EBITDA)

Operating Profit is ₹ 212.81 crore, 27.78 % of revenue against ₹ 156.29 crore, 26.73 % of revenue in the previous year.

### Depreciation

Depreciation on fixed assets is ₹ 13.16 crore, 1.72% of revenue for the year against ₹ 17.06 crore, 2.92% of revenue in the previous year.

### Other Income

Other Income represents MTM gain on mutual investment, interest on fixed deposits and bonds and capital gains on the sale of investment.

For the Year Ended March 31,	2024	2023
Dividend on investment	0.44	0.50
Interest income on financial assets- carried at amortized cost	15.50	7.31
Net Gain / (Loss) on foreign currency	0.46	3.96
Profit on sale of investments	0.74	1.00
MTM gain on mutual fund investment	31.61	19.88
Others	0.72	1.51
<b>Total</b>	<b>49.47</b>	<b>34.16</b>

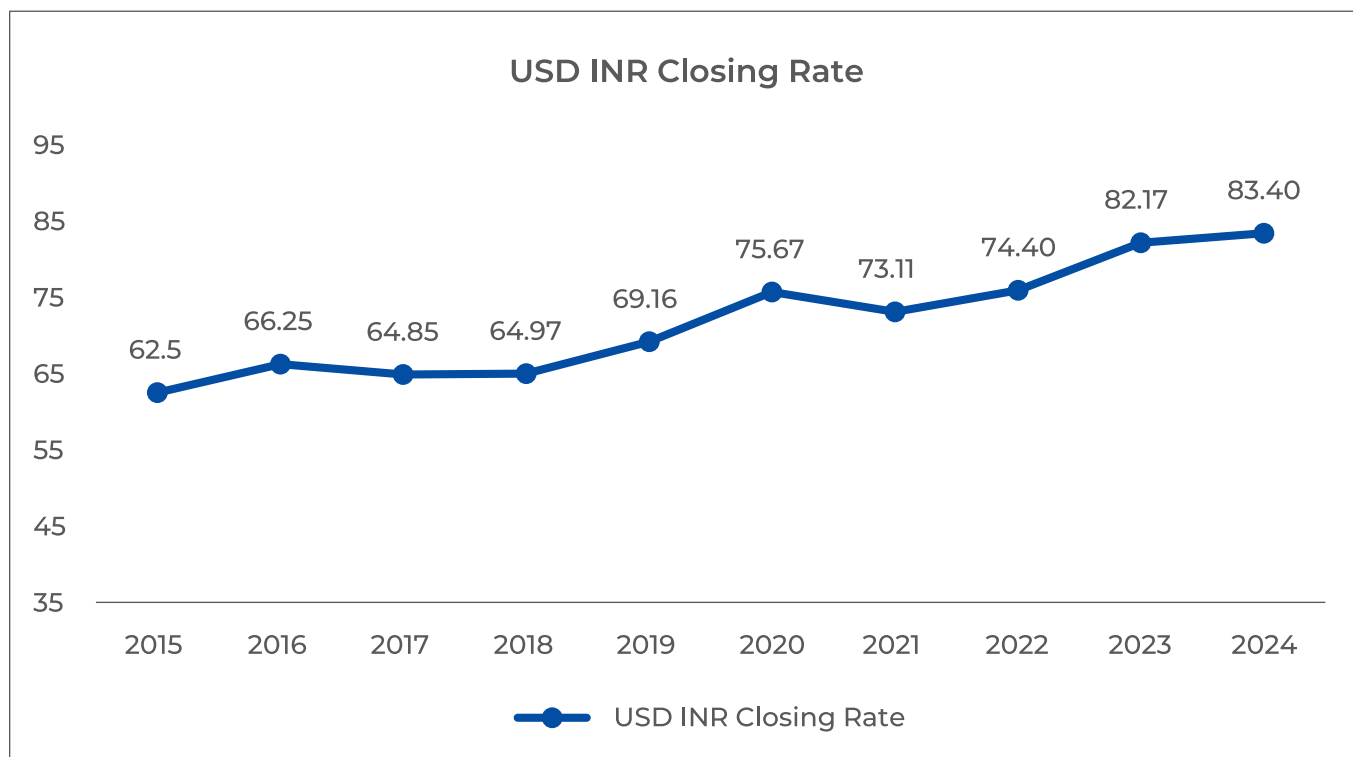
(₹ in crore)

Other income for the year is ₹ 49.47 crore against ₹ 34.16 crore for the previous year.

## Management's Discussion and Analysis

### Foreign Exchange Gain/ (Loss)

Foreign Exchange Gain (Loss) includes gain (loss) from translation of current assets and liabilities at year end rates, those arising from realization/payments of receivables/payables. During the year, the Company had a foreign exchange gain of ₹ 0.46 crore against ₹ 3.96 crore for the previous year. We conduct our business transactions in Indian Rupee as well as foreign currencies. Nearly Forty three percent of our revenue is denominated in foreign currency, predominantly the US Dollar, while majority of our expenses are in the Indian Rupee and therefore the Company is exposed to continuing risk of foreign exchange fluctuation. The exchange rate between the rupee and the U.S. dollar has changed substantially in recent years and may fluctuate substantially in the future. The exchange rate fluctuation at the year end closing rate is depicted in the below mentioned chart.



### Taxation

Current tax represents the provision for Indian income tax on the profits of the Company as calculated in accordance with the provisions of the Income Tax Act 1961.

Deferred tax is recognized on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods, accordance with accounting standards. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date.

	(₹ in crore)	
For the Year Ended March 31,	2024	2023
- Current Tax Expense	56.58	41.90
- Deferred Tax Credit (net)	6.59	1.12
<b>Total</b>	<b>63.17</b>	<b>43.02</b>

Total effective tax for the year is 25.36% of Profit Before Tax, in comparison to 24.81% of Profit Before Tax for the previous year.

### Profit After Tax

Our profit after tax for the year is ₹ 185.95 crore, 24.27% of revenue against ₹ 130.37 crore, 22.29% of revenue, during the previous year.

## Other Comprehensive Income (OCI)

Other comprehensive income represents

- Equity instruments through OCI – this is primarily on account of fair valuation of investment for which the company has made an irrevocable option to present the same in the OCI. For the year it is ₹ 5.51 crore, against ₹ 3.85 crore in the previous year.
- Remeasurements of the defined benefit plans – consist mainly of remeasurements gain/losses on our defined benefit plans. For the year it is ₹ (3.43) crore Net after Tax, against ₹ 3.04 crore Net after Tax in the previous year.
- Effective portion of gain (loss) on hedging instruments of effective cash flow hedges, net – when a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of derivative is recognised in OCI. For the year it is ₹ (0.09) crore net after Tax, against ₹ 0.05 crore in the previous year.

Total other comprehensive income for the year is ₹ 1.99 crore, against ₹ 6.94 crore in the previous year.

## Share Capital

Share Capital of the Company consists of Equity Share Capital. The paid-up share capital as on March 31, 2024 is 26,773,324 equity shares of ₹ 10 each.

### Retained Earnings

(₹ in crore)

For the Year Ended March 31,	2024	2023
<b>Opening balance</b>	<b>548.34</b>	<b>433.67</b>
Add: Profit for the year	185.95	130.37
Less : Appropriations		
Interim dividend / Final dividend paid	(26.77)	(18.74)
Remeasurement of the defined benefit plans, net	(3.43)	3.04
<b>Closing balance</b>	<b>704.09</b>	<b>548.34</b>

## Reserves and Surplus

Movement in the components of reserves and surplus is as below:

(₹ in crore)

Particulars	Closing Balance as on March 31, 2024	Opening Balance as on March 31, 2023
Capital Reserve	0.89	0.89
Retained Earnings	704.09	548.34
General reserve	-	-
Capital redemption reserve	5.61	5.61
<b>Other Comprehensive Income</b>		
<i>Hedging Reserve</i>	0.04	0.13
<i>Equity instrument through other comprehensive income</i>	11.66	6.15
<b>Total</b>	<b>722.29</b>	<b>561.12</b>

## Management's Discussion and Analysis

### Property, plant and equipment and Intangible assets

As at March 31, 2024, Net carrying Amount of Property, Plant and Equipment and Intangible assets is ₹ 35.90 crore against ₹ 25.52 crore as on March 31, 2023.

(₹ in crore)

As at March 31,	2024	2023
<b>Gross Carrying Amount</b>		
Freehold land	0.34	0.34
Plant and equipment	6.41	5.18
Building	24.23	16.58
Office and other equipment	2.91	1.65
Computers	42.69	38.05
Vehicles	2.67	3.64
Furniture and fixtures	2.53	2.09
Software	21.63	20.93
<b>Total</b>	<b>103.40</b>	<b>88.46</b>
Less; accumulated depreciation	67.50	62.94
<b>Net Carrying Amount</b>	<b>35.90</b>	<b>25.52</b>

### Changes in the carrying value of Right of use Assets

(₹ in crore)

Particulars	As at 31 March 2024				As at 31 March 2023			
	Building	Lease hold land	Cars	Total	Building	Lease hold land	Cars	Total
Opening balance	5.14	5.05	0.72	10.91	0.71	5.13	-	5.84
Additions	-	-	0.13	0.13	6.77	-	0.77	7.54
Amortisation	1.96	0.07	0.27	2.30	2.34	.08	0.05	2.47
<b>Closing balance</b>	<b>3.18</b>	<b>4.98</b>	<b>0.58</b>	<b>8.74</b>	<b>5.14</b>	<b>5.05</b>	<b>0.72</b>	<b>10.91</b>

The following is the movement in lease liabilities during the year ended 31 March 2024

(₹ in crore)

Particulars	As at 31 March 2024	As at 31 March 2023
Opening balance	5.85	0.77
Additions	0.13	7.19
Finance cost accrued during the Year	0.47	0.50
Payment of lease liabilities	(2.47)	(2.58)
Rent concession on lease liability	-	(0.03)
<b>Closing balance</b>	<b>3.98</b>	<b>5.85</b>

The Company has applied expedient to one of its lease contracts and accordingly Nil amount (previous year ended 31 March 2023 ₹ 0.03 Crore) for rent concession has been recorded in the Interim Standalone Statement of profit and loss.

### Investments

Investments of the Company can be categorized as per the following:

- Non-current investments** totaling ₹ 341.03 crore as on March 31, 2024 against ₹ 313.79 crore as on March 31, 2023.



- a. **Investment In subsidiaries** -The investment of the Company in the Equity Share capital of its subsidiaries stood at ₹19.85 crore .

(₹ in crore)

Particulars	2024	2023
Nucleus Software Solutions Pte. Ltd., Singapore	1.63	1.63
Nucleus Software Inc., USA	1.63	1.63
Less: Provision for diminution in value of investment in Nucleus Software Inc., USA	(1.63)	(1.63)
Nucleus Software Japan Kabushiki Kaisha, Japan	0.41	0.41
Nucleus Software Netherlands B.V., Netherlands	4.89	4.89
Less: Provision for diminution in value of investment in Nucleus Software Netherlands B.V., Netherlands	(4.89)	(4.89)
Nucleus Software Limited, India	16.94	11.94
Nucleus Software Australia Pty. Ltd., Australia	0.55	0.55
Nucleus Software South Africa (Pty.) Limited, South Africa	0.32	0.32
<b>Total</b>	<b>19.85</b>	<b>14.85</b>

- b. **Investment in equity shares of a listed company at FVOCI** - ₹11.91 crore  
c. **Investment in bonds (quoted)**- ₹34.00 crore  
d. **Investment in mutual funds (quoted)**) – ₹132.89 crore  
e. **Investment in mutual funds (unquoted)** – ₹142.38 crore

ii) **Current Investments and Bank Balances**

Current Investments of ₹322.58 crore as on 31<sup>st</sup> March 2024, as per below table.

**Investment in Mutual Funds (Unquoted)**

(₹ in crore)

Particulars	As on March 31, 2024
<b>Mutual Funds at Fair Value through Profit or Loss(FVTPL)</b>	
Aditya Birla Sun Life Arbitrage Fund -Direct Plan – Growth	7.57
Aditya Birla Sun Life Money Manager Fund - Direct Plan - Growth	34.77
Axis Liquid Fund- Direct Plan- Growth	27.82
DSP Low Duration Fund - Direct Plan – Growth	34.20
HDFC Money Market Fund - Direct Plan – Growth	25.59
HDFC Ultra Short term Fund - Direct Plan – Growth	18.89
HSBC Liquid Fund- Direct Plan- Growth	23.57
ICICI Prudential Money Market Fund - Direct Plan - Growth	30.58
Nippon India Arbitrage Fund - Direct Plan – Growth	15.48
Nippon India Liquid Fund-Direct Plan -Growth	15.17
SBI Arbitrage Opportunities Fund- Direct Paln -Growth	30.38
Tata Arbitrage Fund- Direct Plan – Growth	3.69
Tata Liquid Fund - Direct Plan - Growth	15.32
Tata Treasury Advantage Fund - Direct Plan - Growth	6.97
UTI Arbitrage Fund - Direct Plan – Growth	6.25
UTI Liquid Fund - Direct Plan - Growth	9.48
UTI Money Market Fund - Direct Plan – Growth	16.85
	<b>322.58</b>

## Management's Discussion and Analysis

(₹ in crore)

Particulars	As on March 31, 2024
<b>Investment in Preference Shares (quoted)</b>	
<i>Preference shares at Amortised cost</i>	
17.38% IL&FS Financial Services Ltd. ( Preference Shares - 2021)	1.00
Less: Expected Credit Loss on investment	(1.00)
16.46% Infrastructure Leasing & Financial Services Ltd. (Preference Shares - 2022)	5.01
Less: Expected Credit Loss on investment	(5.01)
<b>Aggregate amount of investment</b>	<b>322.58</b>

As of March 31, 2024 Bank Balances stood at ₹ 46.43 crore as against ₹ 33.41 crore as on March 31, 2023.

(₹ in crore)

As at March 31,	2024	2023
<b>Balances with Bank</b>		
Balances with scheduled banks	8.44	16.49
Remittance in transit	2.12	-
Balance with non scheduled banks in current accounts	0.58	0.39
Balances with scheduled banks in deposit accounts with original maturity of less than 3 months	7.15	15.92
Balances with scheduled banks in earmarked accounts	0.27	0.32
Balances with scheduled banks in deposit accounts	27.87	0.29
<b>Total</b>	<b>46.43</b>	<b>33.41</b>

### Operating Cash Flow

Our net cash flow from operating activities before working capital changes is ₹ 219.17 crore for the financial year, against ₹ 166.31 crore in the previous year. After considering working capital changes, operating cash flow is ₹ 211.50 crore against ₹ 51.92 crore in the previous year. To summarize the Company's liquidity position, given below are a few ratios:

As at March 31,	2024	2023
Operating cash flow as % of revenue	28%	9%
Cash and Equivalents as % of assets	34%	31%
Cash and Equivalents as % of revenue	48%	44%
Current investments as % of assets	30%	27%
Current investments as % of revenue	42%	39%

### Trade Receivables

Our trade receivables (net of provision) as on March 31, 2024 are ₹ 157.42 crore against ₹ 164.73 crore on March 31, 2023. The age profile of the debtors (net of provision) is given below:

As at March 31,	2024	2023
Less than six months	96.16%	92.91%
Between 6 months and 1 Year	3.65%	6.92%
More than 1 Year	0.18%	0.17%

## Loans and Other Financial Assets

Loans and Other Financial assets have been classified into Non Current and Current based on their period of realization.

		(₹ In Crore)	
As at March 31,		2024	2023
<b>Non – Current</b>			
Staff Loans		0.39	0.25
Loan to subsidiary credit impaired		4.23	3.82
Less: loss allowance on loan to subsidiary		(4.22)	(3.82)
Security deposits		1.94	1.88
Long-term deposits		97.44	25.66
<b>Total</b>		<b>99.78</b>	<b>27.79</b>
<b>Current</b>			
Staff Loans		0.46	0.50
Security deposits		0.06	0.28
Mark-to-market gain on forward contracts		0.06	0.17
Expenses recoverable from customers		0.17	0.14
<b>Total</b>		<b>0.75</b>	<b>1.09</b>
<b>Total Loans and Other Financial Assets</b>		<b>100.53</b>	<b>28.88</b>

Security Deposits, utilised primarily for hiring of office premises and staff accommodation, amounts to ₹ 1.94 crore as on March 31, 2024 against ₹ 1.88 crore as on March 31, 2023. Long term deposits amounting to ₹ 97.44 crore as on March 31, 2024 include deposits held with bank/financial Institutions for maturity more than 12 months from balance sheet date.

## Other Assets

Other Assets represents Employee advances, Service income accrued but not due, Balances with Government authorities, Supplier and capital advances, prepaid and deferred expenses. Other assets have been classified into Non Current and Current based on their period of realization.

		(₹ in crore)	
As at March 31,		2024	2023
<b>Non – Current</b>			
Capital advances		7.98	0.38
Prepaid expenses		0.90	1.41
<b>Total</b>		<b>8.88</b>	<b>1.79</b>
<b>Current</b>			
Service income accrued but not due		17.56	8.15
Employee Advances		0.45	0.22
Prepaid Expenses		10.66	9.20
Contract Cost		0.34	0.17
Balances with Government authorities		0.32	0.35
Supplier advances		7.29	5.81
Deferred Expenses		0.11	0.09
Due from Subsidiaries (Income accrued but not due)		0.03	-
<b>Total</b>		<b>36.76</b>	<b>23.99</b>
<b>Total Other Assets</b>		<b>45.65</b>	<b>25.78</b>

# Management's Discussion and Analysis

## Current Liabilities

		(₹ in crore)	
As at March 31,	2024	2023	
<b>Financial liabilities</b>			
Lease Liabilities	2.25	1.98	
Trade Payables	18.36	11.22	
Unpaid dividends	0.27	0.32	
Payable for purchase of fixed assets	0.25	-	
Employee payable	37.58	26.51	
<b>Other current liabilities</b>			
Advances from customers/Advance Billing	84.72	83.59	
Deferred Revenue	118.15	60.16	
Statutory dues	16.83	23.29	
<b>Short term provisions</b>			
Compensated absences	3.74	3.66	
Provision for Tax	0.03	12.15	
<b>Total</b>	<b>282.19</b>	<b>222.88</b>	

Current liabilities represent trade payables, short-term provisions, other financial liabilities and other current liabilities. As on March 31, 2024 the Current liabilities are ₹ 282.19 crore (₹ 222.88 crore as on March 31, 2023).

Trade payables represent the amount payable for providing goods and services and are ₹ 18.36 crore as on March 31, 2024 against ₹ 11.22 crore as on March 31, 2023.

Statutory dues are the amounts accrued for taxes deducted at source by the Company, staff provident fund, employee state insurance liabilities, GST, etc. As on March 31, 2024 it is ₹ 16.83 crore against ₹ 23.29 crore as on March 31, 2023.

Short term provisions for leave encashment and taxes are those for which liability is expected to arise in near future. A sum total of all these short-term provisions as on March 31, 2024 are ₹ 3.77 crore against ₹ 15.80 crore as on March 31, 2023.

## Non-Current Liabilities

Non-Current Liabilities as on March 31, 2024 are at ₹ 40.38 crore against ₹ 29.48 crore as on March 31, 2023. The break-up of non-current liabilities at the year-end is given below:

		(₹ in crore)	
As at March 31,	2024	2023	
<b>Financial liabilities</b>			
Lease liabilities	1.73	3.87	
Non-current provisions	30.18	23.08	
Deferred tax liabilities	8.47	2.53	
<b>Total</b>	<b>40.38</b>	<b>29.48</b>	

A liability or provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provision for Leave encashment represents provisions made by the Company based on actuarial valuation.

# Risk Management Report



At Nucleus Software (The Company), Enterprise Risk Management is an extremely important discipline, managed by a robust governance and supported by Executive sponsorship, to keep identifying the possible risks related to our business strategy, business model, the ever evolving risks, the qualitative assessment exposures from these risks, effective prioritization of the risks and lay down the Mitigation processes and procedures to manage the emerging risks and ensure minimal impact to the Company. We strive to achieve an appropriate balance between business growth and

risk management, and continue to build, enhance, and evolve the risk management framework which enables us to achieve our business strategies with minimal risk exposures and impact.

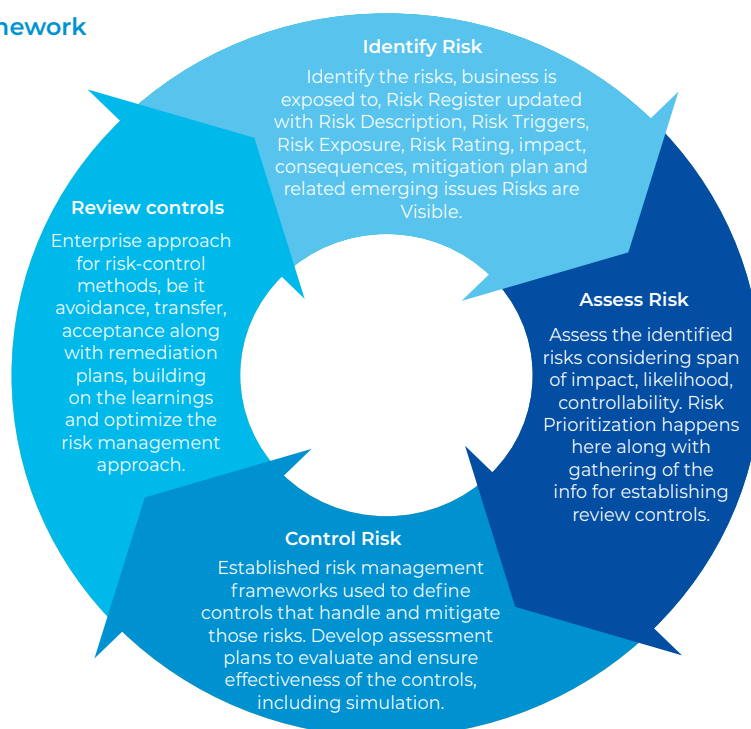
## Risk Management Objectives

The main objectives of Risk Management at Nucleus are:

1. Identify the possible risks as early as possible, along with assessment of likelihood and impact.
2. Enable the Company to reduce the impact of risk events if they occur
3. Empower the Management to take informed decisions, under the guidance of our Board of Directors, to maximize value, reduce costs and balance risk with returns.
4. Promote confidence amongst the Company's stakeholders in the effectiveness of the Company's business management process and our ability to plan and meet strategic objectives.

We adopt a comprehensive approach to risk management that is conducted across the organisation at various levels.

## Risk Management Framework at Nucleus:





# Risk Management Report

## A. Risk Management Group Structure at Nucleus:

1. The Board
2. The Audit Committee
3. The Risk Management Committee
4. Chief Risk Officer/Manager
5. The Risk Task Forces
6. Nucleites

At strategic level, the Risk Management committee:

1. Provides executive oversight to Company's Enterprise Risk Management Framework (ERMF), process, procedures, and controls.
2. Formulates a detailed risk management policy including the framework for identification of risks with a special focus to compliance, regulatory, cyber and info security, financial, operational, business continuity, and reputational risk; measures for risk mitigation; systems of internal control and business contingency plans.
3. Oversee Company's process and policies for determining risk threshold / tolerance and review management's measurement and comparison of overall risk tolerance to established levels.
4. Reviews the Risk Management at the required frequency, considering the changing dynamics.
5. Coordinate its activities with the Audit Committee in the instances of overlap with audit activities (e.g., internal, or external audit issue relating to risk management policy or practice)
6. Keep the Board informed about nature and content of discussions, recommendations, and actions to be taken.
7. Assist in selecting, appointing, removing, and finalizing the remuneration of the Chief Risk Officer (CRO), if any, subject to joint review with the Nomination and Remuneration/ Compensation Committee.
8. Nurture the culture of Proactive Risk Identification and Management as well environment of learnings and referred learnings.
9. Reward the professionals and teams, which are proactive in risk identification and exhibit

creativity and innovation in managing the risks and related risk exposures effectively.

10. Develops creative thoughts and plans to shape the organizational maturity and behaviour towards the risk management.

## B. Risk Categorization

The Company believes that all Risks can be categorized as follows:

1. Business environment related Risk
2. Regulatory and Compliance Risk
3. Technology related Risk
4. Operational Risk

The Risk Management Committee (RMC) continuously monitors, and reviews various risks as identified for categorizing them under the above categories and finalize their mitigation plans.

As the Company continues its growth journey, we are continuously relooking to enhance our risk management program to evaluate emerging risks, risks emanating from changing economic landscape, rapidly evolving technological disruptions with the guidance from the RMC of the Board.

While Company keeps monitoring multiple risks in the ongoing basis along with their associated mitigation plans, few of the risks are mentioned below:

### a. Cyber Security Risks

The risks of cyber-attacks are emerging as complex, high impact and high probability risks due to fast-evolving nature of the threat. This risk has potential to bring multi-dimensional impacts, including but not limited to Business continuity and growth, Reputational, and Legal Impact.

Nucleus has established a mature and robust cybersecurity strategy to ensure that the organization's business-critical data and assets' CIA value are protected and continuously support the organization's business objectives. During this continuous improvement and evolution journey, Nucleus has covered a considerable distance to ensure we remain proactive and protected from emerging cybersecurity threats.

From a cybersecurity architecture standpoint, Nucleus upholds the following key principles:

1. Défense in depth
2. Segregation of duty
3. Principle of least privilege
4. Security by default, security by design, and security by deployment.

During this Journey, Nucleus has onboarded all the key essential cyber security solutions, including tools and technology, to ensure we stay ahead of adversaries. Some of the examples are outlined below.

- o Security Operations Centre (SOC)- 24\*7 monitoring of digital assets to detect and respond to actionable incidents within defined SLAs.
- o Zero Trust (Private access)
- o Cyber Threat Intelligence (CTI)- Attack surface, Deep and dark web monitoring along other key aliment of Cyber threat Intelligence services.
- o M365 E5 Security (comprehensive security bundle)
- o Endpoint and Server Security (world's best EDR solution)
- o Perimeter and Internal Network Defence (including next-generation firewall)
- o Privileged Access Management (PAM)
- o Internal and external Audit and Risk assessment
- o Vulnerability Management Program (VM)
- o Backup and Restoration Strategy Implementation.
- o Data Leakage Prevention and web security
- o Adoption on Encryption technology to protect data in Transit, data in motion and data at Rest.
- o Comprehensive RED Teaming/ Penetration Testing
- o Digital Forensic Response Retainer services.

We have now shifted on a hybrid work model. Your Company continued to remain vigilant on the potential threats and have taken additional steps to ensure that there are enough safeguards to maintain security and confidentiality of our data. Connectivity to the employees to enable work from home has been allowed via highly secured Zero Trust Network Access (ZTNA).

Comprehensive background verification is conducted for our associates. Continuous awareness sessions are arranged for our associates advising them about the fast-evolving challenges and risks related to Cyber and Info Security. This is also backed by comprehensive and continuously enhanced processes and practices, tools, and platforms.

**b. Data Privacy Risk**

The protection of personal information is of utmost significance and is becoming a primary concern for our clients and other stakeholders. Governments across the globe are enacting stringent privacy laws, since organizations are exposed to the risk of privacy breaches, penalties and lawsuits as the nature of the organizations' operations largely involves handling and processing of personal information.

The Company is continuously working to fine tune its internal controls for the protection of personal data as may be shared by any customer with limited rights, during any project implementation to ensure the data governance including limited acquisition and use, as well as appropriate retention and disposition. The effectiveness and efficiency of the data privacy measures and controls are periodically self-assessed to understand the weaknesses, if any.

**c. Risk - Legal Compliance worldwide/ less than adequate protection of our Intellectual Property (IP) rights.**

As an incorporated legal entity, the Company can be impacted by changes in various laws, rules, and regulations such as Companies Act, Accounting Standards, Labor laws, SEBI Regulations, etc. Our operations world-wide may be affected by changes in the political scenario, trade protection laws, policies and measures, and other regulatory requirements affecting trade and investment

The Company has an IP-led business model and globally licenses IP in the form of products for the Banking and Financial Services Industry. IP is one of the factors that can act as a multiplier in a company's valuation, provides competitive edge, create efficiencies through innovation and increases profitability. We rely on patent, copyright, trade secret and trademark laws, trade secret protection, and confidentiality or license agreements with our employees, customers, partners, and others to protect our intellectual property rights. Protecting our global intellectual property rights and combating unlicensed copying and use of software and other intellectual property is challenging.

Any inaction to prevent violation of any regulations or misuse of intellectual property could cause significant damage to our reputation and adversely affect our revenue and results of operations.

Various departments within the Company, are taking care of compliances of applicable laws/rules etc., are manned by qualified personnel. The Company has systems and processes in place to ensure the protection of our intellectual property rights.

As a policy, the Company develops own IP at its own cost using its own resources and is actively engaged in seeking maximum legal protection for the Intellectual Property through a combination of trademarks, confidentiality procedures and contractual provisions. There are also restrictions and controls put in our network to detect and report misuse of source code.

**d. Risk - Evolving Financial Technology Sector**

The IT sector is characterized by technological changes at a rapid rate, evolution of existing products and introduction of new products. Over the past decade, new digital financial technologies – 'fintech' – have begun to transform and disrupt the financial services sector.

Fintech spans digital innovations in the financial sector. These innovations can disrupt the financial services sector by intensifying the competition and blurring industry boundaries.

Nucleus Software delivers disruptive Fintech Solutions to 200+ Banks and Financial Institutions across 50 countries. The Company is making focused investments in R&D with continuous evaluations of its product endurance across segments/geographies and to keep these products competitive in market place. Also for the Company, the customer experience always comes first. In these past years, our domain experts and thought leaders are working with the Customer organizations to create new efficiencies, improve productivity and drive growth.

**e. Risk - Attracting the right talent and retain the talent and ensuring no impact to business continuity and growth.**

Nucleus being a product/IP-Led Company, our knowledgeable associates are our most important assets, the talent domain knowledge and technical skills of our associates play a critical role in shaping our world class products and solutions. Increased focus on Digitalization across the Globe, has put tremendous stress on talent availability across Industries and has impacted Nucleus as well and continues to be a business risk for the Company.

High Attrition can happen due to many factors including continuously increasing compensation expectations, growth aspirations of the associates, peer pressure and emergence of new IT/FinTech Players in the industry bringing unprecedented career opportunities.

Right since the inception, Nucleus has been investing significantly in our assets, our associates, in terms of providing excellent career opportunities, knowledge upskilling, great employee engagement and great work life balance and compensation and benefits.

We are sticking to our basics and strengthening above mentioned measures. We have taken C&B of our associates to very high levels, launching intense employee engagements, enhancing the career opportunities available for the associates so associates can have crystalized career progression. As a step towards phased return to office post COVID,

your Company is now operating on a hybrid model . This shift has enabled us to be more responsive to customer demands, more productive in our work, characterized by empathy and flexibility. Focused employee engagement to reduce attrition, increase sense of belonging and build/enhance capability.

Executive leadership of Nucleus have been continuously connecting with all the associates

to ensure the perfect alignment between our vision and our associates

Succession planning for the top leadership positions in each business unit is planned / driven and reviewed by senior management. Extending the same, heads of business units carry out succession planning for key functions within their business units, so Nucleus has strong teams and right talent across all the levels from top to junior most levels.

# Business Responsibility & Sustainability Report

## SECTION A: GENERAL DISCLOSURES

### I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L74899DL1989PLC034594
2.	Name of the Listed Entity	Nucleus Software Exports Limited
3.	Year of incorporation	1989
4.	Registered office address	33-35, Thyagraj Nagar Market, New Delhi-110003
5.	Corporate address	A-39, Sector 62, Noida- 201301, Uttar Pradesh
6.	E-mail	<a href="mailto:investorrelations@nucleussoftware.com">investorrelations@nucleussoftware.com</a>
7.	Telephone	0120-4031-400
8.	Website	<a href="http://www.nucleussoftware.com">www.nucleussoftware.com</a>
9.	Financial year for which reporting is being done	FY 2023-24
10.	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange of India Limited and Bombay Stock Exchange
11.	Paid-up Capital	₹ 26.77 Crore
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Ms. Poonam Bhasin, Company Secretary and Compliance Officer 0120-4031-400 <a href="mailto:poonam@nucleussoftware.com">poonam@nucleussoftware.com</a>
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	The disclosures under this report made on a standalone basis.
14.	Name of assurance provider	NA
15.	Type of assurance provider	NA

### II. Products/services

#### 16. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Information and communication (J6 and J8)	Computer programming, consultancy, and related activities & other information & communication service activities, IT software, services, and related activities	100%

#### 17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total contributed Turnover
1.	IT and IT-enabled services including IT consulting, application	620	100%



### III. Operations

#### 18. Number of locations where plants and/or operations/offices of the entity are situated:

Locations	Number of plants	Number of offices	Total
National	NA	5	5
International	NA	2	2

#### 19. Markets served by the entity:

##### a. Number of locations

Locations	Number
National (No. of States)	PAN India
International (No. of Countries)	50+

##### b. What is the contribution of exports as a percentage of the total turnover of the entity?

42.85%

##### c. A brief on types of customers

Nucleus Software delivers disruptive Fintech Solutions to 200+ Banks and Financial Institutions across 50 countries supporting Retail & Corporate Finance, Islamic Finance, Cash Management, Mobile & Internet Banking, Automotive Finance, Transaction Banking and more.

Nucleus Flagship Products FinnOne Neo® and FinnAxia® are backed by 3 decades of Banking Financial Services and Insurance (BFSI) domain expertise and an inbuilt AI powered platform to realize the digital transformation goals of Financial Institutes worldwide.

### IV. Employees

#### 20. Details as at the end of Financial Year:

##### a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>EMPLOYEES</b>						
1.	Permanent (D)	1,827	1,376	75%	451	25%
2.	Other than Permanent (E)	22	13	59%	9	41%
3.	<b>Total employees (D + E)</b>	<b>1,849</b>	<b>1,389</b>	<b>75%</b>	<b>460</b>	<b>25%</b>
<b>WORKERS</b>						
4.	Permanent (F)	-	-	-	-	-
5.	Other than Permanent (G)	-	-	-	-	-
6.	<b>Total workers (F + G)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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## b. Differently abled Employees and workers:

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>DIFFERENTLY ABLED EMPLOYEES</b>						
1.	Permanent (D)	6	2	33%	4	67%
2.	Other than Permanent (E)	NIL	NIL	NIL	NIL	NIL
3.	<b>Total differently abled employees (D + E)</b>	6	2	33%	4	67%
<b>DIFFERENTLY ABLED WORKERS</b>						
4.	Permanent (F)	-	-	-	-	-
5.	Other than permanent (G)	-	-	-	-	-
6.	<b>Total differently abled workers (F + G)</b>	-	-	-	-	-

## 21. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors (BOD)	12	3	25%
Key Management Personnel (KMP)*	4	1	25%

- Key Management Personnel (KMP) includes Chief Executive Officer and Executive Director (CEO & ED), Chief Operating Officer, Chief Financial Officer and Executive Director (COO, CFO & ED), Managing Director (MD) and Company Secretary (CS).

## 22. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

	FY 2024 (Turnover rate in current FY)			FY 2023 (Turnover rate in previous FY)			FY 2022 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	10%	13%	11%	15%	17%	16%	35%	37%	36%
Permanent Workers	-	-	-	-	-	-	-	-	-

## V. Holding, Subsidiary and Associate Companies (including joint ventures)

### 23. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding/ subsidiary/ associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Nucleus Software Solutions Pte. Ltd.	Subsidiary	100%	Yes
2.	Nucleus Software Inc.	Subsidiary	100%	Yes
3.	Nucleus Software Japan Kabushiki Kaisha	Subsidiary	100%	Yes
4.	Nucleus Software Netherlands B.V.	Subsidiary	100%	Yes
5.	Nucleus Software Ltd.	Subsidiary	100%	Yes
6.	Nucleus Software Australia Pty. Ltd.	Subsidiary	100%	Yes
7.	Nucleus Software South Africa Pty. Ltd.	Subsidiary	100%	Yes

## VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: **Yes**
- (ii) Turnover (in Crores) – ₹ 766.12 Crores
- (iii) Net worth (in Crores) – ₹ 749.06 Crores

## VII. Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2024 Current Financial Year			FY 2023 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes. Nucleus Software Foundation, a trust for undertaking CSR activities, makes frequent field visits, discusses any issues directly with the beneficiaries and NGO partners, and takes corrective and preventive actions. <a href="https://investor.nucleussoftware.com/files/CSRPolicyNucleus.zip">https://investor.nucleussoftware.com/files/CSRPolicyNucleus.zip</a>	Nil	Nil	Nil	Nil	Nil	Nil
Investors (other than shareholders)	NA	NA	NA	NA	NA	NA	NA
Shareholders	Yes, Shareholder can register their grievances at designated email Id i.e. <a href="mailto:investorrelations@nucleussoftware.com">investorrelations@nucleussoftware.com</a>	30	Nil	Nil	32	Nil	Nil
Employees and workers	The Company has following policies to address grievance of employees i.e. -Employees Grievance Redressal Policy -Whistle Blower policy -Policy on Prevention of Sexual Harassment. The link to above Blower Policies is <a href="http://www.nucleussoftware.com">www.nucleussoftware.com</a>	Nil	Nil	Nil	Nil	Nil	Nil
Customers	The " Voice of Customer " survey enables us to understand the client's expectations, needs, satisfaction levels and overall experience of working with the Company. The feedback is collected through a survey, which includes a structured questionnaire. The respective teams engage with the customer to implement the improvement actions and can reach us at <a href="mailto:voc@nucleussoftware.com">voc@nucleussoftware.com</a>	Nil	Nil	Nil	Nil	Nil	Nil
Value Chain Partners	Yes mechanism is in place for vendors as mentioned in our Whistle Blower Policy. The link to Whistle Blower Policy at <a href="http://www.nucleussoftware.com">www.nucleussoftware.com</a>	Nil	Nil	Nil	Nil	Nil	Nil
Other (please specify)	-	-	-	-	-	-	-

26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format :

*Please refer Risk Management Report forming part of this Annual Report*

# Business Responsibility & Sustainability Report

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions		P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9									
<b>Policy and management processes</b>																			
1.	a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y									
	b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y									
	c. Web Link of the Policies, if available	<a href="https://investor.nucleussoftware.com/CorporateGovernance.aspx">https://investor.nucleussoftware.com/CorporateGovernance.aspx</a>																	
2.	Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y									
3.	Do the enlisted policies extend to your value chain partners? (Yes/No)	N	N	N	N	N	N	N	N	N									
4.	Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	-ISO/IEC: 27001: 2022																	
5.	Specific commitments, goals and targets set by the entity with defined timelines, if any.	Y	Y	Y	Y	Y	Y	Y	Y	Y									
6.	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Department wise specific commitments, goals and targets have been identified at the time of finalization of annual business plan. Performance against this specific goal and targets are being monitored continuously.																	
<b>Governance, leadership and oversight</b>																			
7.	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements	Please refer ESG Section at Company website <a href="http://www.nucleussoftware.com">www.nucleussoftware.com</a>																	
8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Board of Directors of the Company along with Executive Management.																	
9.	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes, the Company has committees of Board of Directors responsible for risk management, making decisions on sustainability issues etc.																	
10.	Details of Review of NGRBCs by the Company:																		
	<b>Subject for Review</b>	<b>Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee</b>									<b>Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)</b>								
		P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
	Performance against above policies and follow up action	The annual evaluation of policies is conducted by key stakeholders. The policies, along with any revisions, are subsequently uploaded at Company's Intranet or website for wider accessibility. The relevant policies are being reviewed by Board of Directors/ Committees of the Board.									Annually								

	Compliance with statutory requirements of relevance to the principles and, rectification of any non-compliances	The Compliance management framework is in place to oversee regulatory compliances as applicable to the Company. Regular Audits are being conducted to check any non compliance and taking corrective actions.  The Compliance update is placed before Board on quarterly basis.	Quarterly								
11.	Has the entity carried out independent assessment/evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.		P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
			No, the Company has evaluated the working of its policies internally. However, these policies are reviewed during Internal and Secretarial audit.								

**12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:**

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles material to its business (Yes/No)	NA								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

**SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE**

**PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.**

**Essential Indicators**

**1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:**

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% age of persons in respective category covered by awareness programmes
Board of Directors	10	Company' Products&projects,Financial Inclusion awareness, Risk Monitoring and mitigation plan, Business plan and strategy.	100%
Key Managerial Personnel* (KMP)	12	Risk Monitoring and mitigation plan, Code of Conduct (business), Business ethics, , Diversity and inclusion, POSH, Cyber security, Goal Setting, Leadership, Team Building	100%
Employees other than BoD and KMPs	50	Information Security Awareness Programs, Diversity and inclusion POSH, Product Trainings, Banking and Lending, Project management, Quality Trainings, Technology Trainings, Lean Management, Leadership Programs, Team Building Programs etc.	100%
Workers	-	-	-

\*KMP includes Board of Directors of the Company.



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2. Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format

(Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

*There are no monetary or non-monetary actions on the Company or its directors / KMPs with regulators / law enforcement agencies / judicial institutions, in the financial year having material impact on the financials.*

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

*Not Applicable*

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

*Yes, the Policy is available at Company' website [www.nucleussoftware.com](http://www.nucleussoftware.com).*

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

*No such disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption.*

6. Details of complaints with regard to conflict of interest:

	FY 2024 (Current Financial Year)		FY 2023 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	NA	Nil	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMP	Nil	NA	Nil	NA

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

*Not Applicable*

8. Number of days of accounts payables (Accounts payable \*365) / Cost of goods/services procured) in the following format:

	2023-24	2022-23
Number of days of accounts payables	12	9

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers and related parties along-with loans and advances & investments, with related parties in the following format:

Parameter	Metrics	2023-24	2022-23
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	Not Applicable	Not Applicable
	b. Number of trading houses where purchases are made from	Not Applicable	Not Applicable
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	Not Applicable	Not Applicable
Concentration of Sales	a. Sales to dealers/ distributors as % of total sales	Not Applicable	Not Applicable
	b. Number of dealers/ distributors to whom sales are made	Not Applicable	Not Applicable
	c. Sales to top 10 dealers/ distributors as % of total sales to dealers/ distributors	Not Applicable	Not Applicable

Parameter	Metrics	2023-24	2022-23
Share of RPTs in	a. Purchases (Purchases with related parties/ Total Purchases)*	6%	6%
	b. Sales (Sales related parties/ Total Sales)*	4%	4%
	c. Loans & advances (Loans & advances given to related parties/ Total loans & advances)	83%	84%
	d. Investments (Investments in related parties/ Total Investments made)	3%	3%

### Leadership Indicators

- Awareness programmes conducted for value chain partners on any of the Principles during the financial year:**

*Our agreement with the suppliers consists of supplier code of conduct which includes clauses related to ethical business, labour laws, EHS etc*

- Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.**

*Yes, the Board of Directors, of the Company adheres to a Code of "Conduct for Directors & Senior Management" which expressly outline provisions addressing conflicts of interest.*

### PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe

#### Essential Indicators

- Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

	Current Year Financial	Previous Year Financial	Details improvements of in environmental social impacts and social impacts
R&D	-	-	We at present do not separately track R&D spend on ESG. However, our IP and new solution offerings encompass a range of sustainability offerings across sectors.
Capex	0.11%	0.11%	In September 2023 we have installed new STP plant 100KLD capacity Membrane Bioreactor (MBR) based, which is innovative wastewater treatment method that help treat water from the sewer discharge, sludge & the storm drainage and diverted to horticultural land for irrigation and toilet flushing system.

- Does the entity have procedures in place for sustainable sourcing? If yes, what percentage of inputs were sourced sustainably?**

*Yes, The Company works towards sustainable sourcing and ensure that the social and environmental performance extends to our supply chain by sharing the expectations with our vendors from time to time. We also promote localization of business by giving preferences to local vendors. The Company is a strong believer in local sourcing when it comes to talent and materials. Procurement of materials from local sources is a smart strategy, we have been following for years, since it reduces time, cost and efforts in procurement, apart from being responsible to the growth of supply base around our locations. Nucleus is committed to do business with environmentally responsible vendors with an objective to safeguard the community, the environment and natural resources.*

- If yes, what percentage of inputs were sourced sustainably?**

*We don't track this separately.*

- Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

*Not Applicable as per the nature of the business.*

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4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

*Extended Producer Responsibility (EPR) is not applicable to the Company's activities.*

## Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

*Life Cycle Perspective / Assessments is not applicable to Nucleus, since we are not in the product manufacturing segment.*

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

*Not Applicable*

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

*Not Applicable*

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

*Not Applicable*

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

*Not Applicable*

## PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

### Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
<b>Permanent employees</b>											
Male	1,376	1,376	100%	1,376	100%	-	-	1,376	100%	1,289	94%
Female	451	451	100%	451	100%	451	100%	-	-	422	94%
<b>Total</b>	<b>1,827</b>	<b>1,827</b>	<b>100%</b>	<b>1,827</b>	<b>100%</b>	<b>451</b>	<b>33%</b>	<b>1,376</b>	<b>45%</b>	<b>1,711</b>	<b>94%</b>
<b>Other than Permanent employees</b>											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

- b. Details of measures for the well-being of workers:

*NA*

- c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –

	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Cost incurred on wellbeing measures as a % of total revenue of the company	0.56%	0.66%

- All expenditures related to staff welfare including Employee Insurance, Benefits, Rewards, Reimbursement and other staff related expenditures excluding salary/wages

## 2. Details of retirement benefits, for Current FY and Previous Financial Year

Benefits	FY 2024 Current Financial Year			FY 2023 Previous Financial Year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	NA	Y	100%	NA	Y
Gratuity	100%	NA	Y	100%	NA	Y
ESI	-	-	-	-	-	-
Others – please specify	-	-	-	-	-	-

## 3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, our offices have accessible infrastructure: accessibility principles are integrated into the building and campus infrastructure as part of the design. It is treated as an essential aspect along with other key principles such as productivity, health and wellness, and sustainability. From parking spaces to campus entrances and building-level interventions, accessibility in our infrastructure goes beyond regulatory requirements to ensure our buildings cater to the needs of all users and society.

## 4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, Nucleus has an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016 available on Company's website [www.nucleussoftware.com](http://www.nucleussoftware.com).

## 5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	100%	NA	NA
Female	100%	100%	NA	NA
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>NA</b>	<b>NA</b>

# Business Responsibility & Sustainability Report

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	NA
Other than Permanent Workers	NA
Permanent Employees	Yes*
Other than Permanent Employees	Yes*

\* Nucleus has refer Employee Grievance Redressal Policy as a mechanism for the above.

7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:

The Company does not have any employee association(s) or Unions

8. Details of training given to employees and workers:

Category	FY 2024 Current Financial Year					FY 2023 Previous Financial Year				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
<b>Employees</b>										
Male	1,376	1,376	100%	1,374	99.8%	1,284	1,284	100%	1,284	100%
Female	451	451	100%	450	99.8%	433	433	100%	427	98.6%
<b>Total</b>	<b>1,827</b>	<b>1,827</b>	<b>100%</b>	<b>1,824</b>	<b>99.8%</b>	<b>1,717</b>	<b>1,717</b>	<b>100%</b>	<b>1,711</b>	<b>99.6%</b>
<b>Workers</b>										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

9. Details of performance and career development reviews of employees and worker:

Category	FY 2024 Current Financial Year			FY 2023 Previous Financial Year		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
<b>Employees</b>						
Male	1,020	1,020	100%	931	931	100%
Female	351	351	100%	329	329	100%
<b>Total *</b>	<b>1,371</b>	<b>1,371</b>	<b>100%</b>	<b>1,260</b>	<b>1,260</b>	<b>100%</b>
<b>Workers</b>						
Male	-	-	-	-	-	-
Female	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

\* This is for eligible employee upto certain grade and excludes contracted, consultant, trainees and Overseas employees

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes. Occupational Health and Safety Management System has been implemented. Occupational Health and Safety protection is an integral component of the business. The Company herewith :



- a) conducts Health Awareness Programmes for its employees and also arranges re-creational activities for Employees well being in office premises.
- b) complies with all applicable legal, statutory & regulatory and other required related to Health and Safety;
- c) ensures proper disposal of waste/ pollutant/ to minimize impact on environment and risk to employees;

**b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

We identify occupational health and safety risks proactively, for all existing / new / modified activities, processes, products or services and regulatory changes including routine such as Fire Detection Protection System Management, Hazard Identification, Risk Assessment and Risk Management, People Competency Behaviours etc. As an IT / ITES Company, there are no product risks, but there are those related to the provision of services like ergonomics in work and those associated with the operation of utilities and employee commute. Participation and consultation with relevant personnel involved in the activities is ensured during the risk assessments.

**c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks.**

NA

**d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services?**

Yes

**11. Details of safety related incidents, in the following format:**

Safety Incident/Number	Category	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	Nil	Nil
	Workers	NA	NA
	Employees	Nil	Nil
Total recordable work-related injuries	Employees	Nil	Nil
	Workers	NA	NA
No. of fatalities	Employees	Nil	Nil
	Workers	NA	NA
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil	Nil
	Workers	NA	NA

**12. Describe the measures taken by the entity to ensure a safe and healthy work place.**

Our offices are designed with ergonomic workstations and furniture, provision of breakout, recreational and collaboration space as we strive to provide a stress-free work environment to our employees. In our office location, we have provision and maintenance of fire detection, alarm, and suppression systems. We also conduct regular mock drills for fire evacuation as well as medical emergencies.

**13. Number of Complaints on the following made by employees and workers:**

Category	FY 2024 (Current Financial Year)			FY 2023 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Nil	Nil	Nil	Nil	Nil	Nil
Health & Safety	Nil	Nil	Nil	Nil	Nil	Nil

## Business Responsibility & Sustainability Report

### 14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

### 15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

*No such incident took place during the year.*

### Leadership Indicators

#### 1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

*Yes, we provide support to our employees in the event of death.*

#### 2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

*We require our suppliers/partners to adhere to our code of conduct, business responsibility principles, and values. When the Company places an order, the vendor receives the cost along with GST, which the vendor is responsible for depositing with the government. The Finance Team monitors this process, as the Company cannot claim the GST amount from the government until it has been deposited by the vendor. Additionally, the suppliers/ partners are responsible to ensure adherence to the law of land.*

#### 3. Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

Category	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23
Male	Nil	Nil	Nil	Nil
Female	Nil	Nil	Nil	Nil
Total	Nil	Nil	Nil	Nil

#### 4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

*We do not offer a dedicated transition assistance program for retired or terminated employees, as our workforce primarily comprises highly skilled individuals who typically do not require such support.*

#### 5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety conditions	We emphasize the importance of adherence to regulations, including those concerning health, safety, and working conditions, for all its value chain partners. While suppliers are obligated under contractual agreements to comply with our policies. These policies prioritize healthy working conditions and uphold a zero-tolerance stance towards human rights violations, ensuring responsible business conduct across the entire value chain.
Working conditions	

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

*No such cases reported.*

#### PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

##### Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

*The Company has identified all the individuals, organizations and Institutions who are associated with the Company as its Stakeholders*

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Investors	Quarterly publication of results, Newspaper advertisements, Email, Website, Analysts/Investor Calls, Annual General Meetings, Stock Exchange intimations, Social media platforms like Twitter, LinkedIn and Instagram etc.	Annually/Half yearly/ Quarterly/ Event basis	<ul style="list-style-type: none"> <li>Compliance, Governance practices</li> <li>Helping investors voice their concerns regarding company policies, reporting, strategy, etc.</li> <li>Understanding shareholder expectations</li> </ul>
Employees	Open house, one-on-one counselling, Conference Calls, Team meetings, Phone calls, Meetings, Operations and Assessments reviews, Notice Board, Vivo Edge	Regularly	<ul style="list-style-type: none"> <li>Learning opportunities</li> <li>Compensation structure</li> <li>Building a safety culture and inculcating safe work practices among employees</li> <li>Improving Diversity, Equity and Inclusion</li> </ul>
Customers	Email, Meetings, Project-related calls and meetings; Project management reviews; Relationship meetings and reviews; Executive meetings and briefings; Customer visits; Responses to RFIs/RFPs; Sponsored events; Mailers; Newsletters; Brochures, Voice of Customer visits and calls	Regularly	<ul style="list-style-type: none"> <li>Business/Project Related</li> <li>Deciding on investments and capabilities required to fulfil demand</li> <li>Understanding client's data privacy and security requirements</li> </ul>
Suppliers, Service Providers	Email, Meetings, Phone calls, Websites empanelment process etc.	As and when required	Adaptation of procurement processes to environmental, economic and ethical requirements
Regulatory Bodies	Emails, Meetings, Advertisements, Submission forms / returns / intimations/ letters etc.	Annually/Half yearly/ Quarterly/ Event basis	In relation to Compliances with applicable laws

##### Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

*Meeting Environment, Social and Governance criteria has been an important goal. With this belief in mind, the Company has set up Nucleus Software Foundation(NSF), a Trust. This Trust works along*

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with CSR Committee of the Board of Directors on economic environment and social topics. The CSR Committee then places the feedback to the Board.

- Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes, The Company takes inputs from stakeholder consultation and continuous improvement of the policies are made accordingly.

- Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

Nil

## PRINCIPLE 5 Businesses should respect and promote human rights

### Essential Indicators

- Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2024 Current Financial Year			FY 2023 Previous Financial Year		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees workers covered (D)	% (D / C)
<b>Employees</b>						
Permanent	1,827	1,827	100%	1,717	1,717	100%
Other than permanent	22	22	100%	25	25	100%
<b>Total Employees</b>	<b>1,849</b>	<b>1,849</b>	<b>100%</b>	<b>1,742</b>	<b>1,742</b>	<b>100%</b>
<b>Workers</b>						
Permanent	-	-	-	-	-	-
Other than permanent	-	-	-	-	-	-
<b>Total Workers</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

- Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2024 Current Financial Year					FY 2023 Previous Financial Year				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
<b>Employees</b>										
Permanent	1,827	-	-	1,827	100%	1,717	-	-	1,717	100%
Male	1,376	-	-	1,376	100%	1,284	-	-	1,284	100%
Female	451	-	-	451	100%	433	-	-	433	100%
<b>Other than Permanent</b>										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
<b>Workers</b>										
<b>Permanent</b>										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
<b>Other than Permanent</b>										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-

3. a. Details of remuneration/salary/wages, in the following format:

	Number	Male	Number	Female
		Median remuneration/ salary/ wages of respective category		Median remuneration/ salary/ wages of respective category
Board of Directors* (BoD)	3	1,27,48,800	1	1,51,17,446
Key Managerial Personnel* (KMP)	2	2,09,15,969	1	56,17,210
Employees other than BoD and KMP	1,373	15,11,567	449	11,87,828
Workers	-	-	-	-

\*Remuneration to Chief Executive Officer and Managing Director (CEO and MD) has been included in BOD

\*Executive Director and CFO is excluded from above two categories as he is reimbursed from our Wholly Owned Subsidiary Company i.e. Nucleus Software Solutions Pte. Ltd.

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

Safety Incident/Number	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Gross wages paid to females as % of total wages	20.17	20.74

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business?

Yes

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

This is covered in our "Equal Opportunity Policy" and "Grievance Redressal policy".

6. Number of Complaints on the following made by employees and workers:

	FY 2024 Current Financial Year			FY 2023 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	Nil	Nil	Nil	Nil	Nil	Nil
Discrimination at workplace	Nil	Nil	Nil	Nil	Nil	Nil
Child Labour	Nil	Nil	Nil	Nil	Nil	Nil
Forced Labour / Involuntary Labour	Nil	Nil	Nil	Nil	Nil	Nil
Wages	Nil	Nil	Nil	Nil	Nil	Nil
Other human rights related issues	Nil	Nil	Nil	Nil	Nil	Nil

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2024 Current Financial Year	FY 2023 Previous Financial Year
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	-	-
Complaints on POSH as a % of female employees/ workers	-	-
Complaints on POSH upheld	-	-



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**8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

The following policies govern the mechanism of redressing complaints:

- a. Policy on Prevention of Sexual Harassment
- b. Equal Opportunity Policy
- c. Grievance redressal Policy

**9. Do human rights requirements form part of your business agreements and contracts?**

Yes

**10. Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

**11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.**

No concern/risk was identified during these assessment.

**Leadership Indicators**

**1. Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints**

At Nucleus, our commitment to a values-based ethos is embodied in our Code of “Conduct and Ethics”. The Code can be accessed at Nucleus Intranet. We want to continue to build a culture of compliance, where everyone feels they are doing the right thing and prioritizing legal and ethical choices.

**2. Details of the scope and coverage of any Human rights due-diligence conducted.**

We adopt a zero-tolerance approach to issues related to human rights. We follow all government regulations and regulatory policies and comply to local laws through its policies and standards.

**3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

Yes, premise/office of the entity accessible to differently abled visitors

**4. Details on assessment of value chain partners:**

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	100% of value chain partners were assessed.
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Others – please specify	Not Applicable

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

*No risks / concerns arising have been identified.*

#### PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

##### Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2024 (Current Financial Year)	FY 2023 (Previous Financial Year)
Total electricity consumption (A)	EB 2,159,512 Kwh	EB 1,621,824 Kwh
Total fuel consumption (B)	DG 97,800 Kwh	DG 121,420 Kwh
Energy consumption through other sources (C)	169,191 Kwh Solar Generation	174,013 Kwh Solar Generation
<b>Total energy consumption (A+B+C)</b>	<b>2,426,503 Kwh</b>	<b>1,917,257 Kwh</b>
<i>Energy intensity per rupee of turnover (Total energy consumption/turnover in rupees)</i>	0.32 wh/Rs	0.33 wh/ Rs
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

No

3. Provide details of the following disclosures related to water, in the following format:

*Being the technology solutions Company, we do not fall under the PAT scheme as DCs*

Parameter	FY 2024 (Current Financial Year)	FY 2023 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	27,571 KL	20,588 KL
(iii) Third party water	-	-
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
<b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>	<b>27,571 KL</b>	<b>20,588 KL</b>
<b>Total volume of water consumption (in kilolitres)</b>	<b>27,571 KL</b>	<b>20,588 KL</b>
<b>Water intensity per rupee of turnover (Water consumed / turnover)</b>	<b>0.0036 Ltr/Rs</b>	<b>0.0035 Ltr/Rs</b>
<b>Water intensity (optional) – the relevant metric may be selected by the entity</b>		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

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**4. Provided the following details related to water discharged:**

Parameter	FY 2024 (Current Financial Year)	FY 2023 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) To Surface water	-	-
- No Treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) To Ground water	-	-
- No Treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) To Sea water	-	-
- No Treatment	-	-
- With treatment – please specify level of treatment	-	-
(iv) Sent to third parties	-	-
- No Treatment	-	-
- With treatment – please specify level of treatment	-	-
(v) Others	-	-
- No Treatment	-	-
- With treatment – please specify level of treatment	-	-
<b>Total water discharged (in kilolitres)</b>	<b>-</b>	<b>-</b>

**5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

Wastewater from the RO plant is being recycled to conserve water and utilizing internally for horticulture irrigation. Installation of new sewage treatment plant of 100KLD capacity, MBR based. The plant is operational from September 2023, which treat water from the sewer discharge, sludge, and the storm drainage. It's diverted to the horticultural land for irrigation and toilet flushing system.

**6. Please provide details of air emissions (other than GHG emissions) by the entity, in the given format:**

We being an IT consulting services and business solutions company does not have significant air emissions.

**7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity:**

Since Nucleus is an IT Company, our production process involves the release only of a trace amount of GHGs which we are not tracking at present.

**8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.**

Yes, we are taking following measures to ensure the reduction in Gas emissions

- Strong measures are being observed to ensure that no equipment is left in a switch on mode during non-working hours unnecessarily.
- Use of AAC blocks in construction for keeping the load and pressure on air-conditioning minimal.
- Installation of chillers graded with VFD in HVAC plant to reduce energy consumption immensely has been and is being done.
- Usage of Solar energy as a power source.
- We maintain a good tree to land ration of 30 percent in Noida Campus where trees are planted to ensure greenery and maintain balance.

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2024 (Current Financial Year)	FY 2023 (Previous Financial Year)
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste <b>(A)</b>	NA	NA
E-waste <b>(B)</b>	NA	5.274
Bio-medical waste <b>(C)</b>	NA	NA
Construction and demolition waste <b>(D)</b>	NA	NA
Battery waste <b>(E)</b>	NA	NA
Radioactive waste <b>(F)</b>	NA	NA
Other Hazardous waste. Please specify, if any. <b>(G)</b>	NA	NA
Other Non-hazardous waste generated <b>(H)</b> . Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	NA	NA
<b>Total (A + B + C + D + E + F + G + H)</b>	Nil	5.274

For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)

Category of waste		
(i) Recycled	Nil	5.274
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
<b>Total</b>	-	5.274

For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)

Category of waste		
(i) Incineration	-	-
(ii) Landfilling	-	-
(iii) Other disposal operations	-	-
<b>Total</b>	-	-

Note: No independent assessment/ evaluation/assurance has been carried out by an external agency.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

*Being a financial software products and services company, we do not produce any hazardous and toxic chemicals in our product and processes. Only E-waste is generated, for which we have a policy with our vendor to buy back the waste and recycle it at their end.*

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details:

No

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Not Applicable

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13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances,

Yes

## Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

(i) Name of the area: *Noida*

(ii) Nature of operations: *IT and IT enabled services*

(iii) Water withdrawal, consumption and discharge in the following format:

*According to the Central Groundwater classification, our sites are not located in areas classified as "Critical" or "Over-exploited" with regards to groundwater. Hence, the question isn't applicable*

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: *No***

2. Please provide details of total Scope 3 emissions & its intensity.

*Since Nucleus is an IT Company, our production process involves the release only of a trace amount of GHGs which we are not tracking at present*

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

*Not Applicable*

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No	Initiative undertaken	Outcome of the initiative
1.	Installation of Sewage treatment plant 100KLD, MBR based operational since September 2023.	It treats water from the sewer discharge, sludge and the storm drainage and diverted to horticultural land for irrigation and toilet flushing system.

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

*Business continuity risk is a key risk for organizations like ours for successfully running our operations. We are working on putting in an effective Business Continuity Plan (BCP) to ensure the maintenance or recovery of operations, including service delivery to our customer, when confronted with adverse events such as a disruption or failure of our systems or operations in the event of a Fire, major earthquake, weather event, cyber-attack, terrorist attack, or other catastrophic event which could cause delays in completing sales, providing services, or performing other mission-critical functions. A significant portion of our research and development activities, and certain other critical business operations are located in Noida, India (our corporate headquarters) which is adjacent to the national capital of India, Delhi. Here it may be worthwhile to mention that, according to a seismic zoning map issued by the Bureau of Indian Standards and quoted in the National Disaster Management (NDM) report, Delhi belongs to Zone IV, a severe intensity seismic zone. Any catastrophic event that results in the destruction or disruption of any of our critical business or information technology systems could harm our ability to conduct normal business operations.*

*To counter this risk, we have setup an Online disaster recovery site to replicate our IPR (Source code) in different seismic zone and backup copy on tape. In addition to this we are also having Disaster Recovery setup for few customers in different seismic zone who has agreement with Nucleus for business continuity and uninterrupted support though this facility is not in place for all the customers. The Company is continuously investing in security of its operations & processes and evaluating the risks on periodic basis. We are an ISO/IEC*



27001:2022 (ISMS) certified organization, which reflects our focus and commitment to increase adherence to secure practices. More so for business continuity, the growth of any product business is directly linked to the install base and the feedback of existing customers. These two factors are key for the purchase decisions of prospective customers.

Hence a large negative impact on Company's reputation can be a big setback. The Company enjoys is well recognized to offer great business values to our customers enabled by our business platforms.

On the security front, strict procedures are in place to control the level of access to Data centers and other sensitive areas. Access to the premises is controlled through Biometric access control systems and proximity cards. The Company has invested significantly in a state-of-the-art network infrastructure for managing its operations and for establishing high-speed redundant links to overseas destinations. Additionally, the Internet filtering tools prevent any type of non-business usage over Internet within office and outside office.

We have implemented Data loss prevention on mail gateway and laptops to safeguard the company IPR.

**6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.**

As the Company is an IT/ITES company, there are no significant adverse impact as a result of our business activities.

**7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

Presently, we are not assessing the value chain partners for environmental impacts.

**PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**

**Essential Indicators**

**1. a. The Company is affiliated with trade and industry chambers/associations.**

*Detailed as below*

**b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.**

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Software Technology Park of India.	National
2	Electronics and Computer Software, Export Promotion Council	National
3	Confederation of Indian Industry	National
4	NASSCOM (National Association of Software and Services Companies)	National

**2. Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.**

*No adverse orders were received from regulatory authorities.*

**Leadership Indicators**

**1. Details of public policy positions advocated by the entity:**

*Nil*

**PRINCIPLE 8 Businesses should promote inclusive growth and equitable development**

**Essential Indicators**

**1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

*Not Applicable to the Company, however the Company along with Nucleus Software Foundation has been conducting internal assessments on voluntary basis to monitor and evaluate its strategic CSR programs.*

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The Company has set up the Nucleus Software Foundation (NSF), a Trust for the purposes of undertaking CSR activities of the Company. This Foundation, established in 2014 works towards its stated mission: "Empowering underprivileged with essence of education and thereby better livelihood and better life".

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity.

Kindly refer Annexure- G, CSR of Directors' Report printed elsewhere in the Report

3. Describe the mechanisms to receive and redress grievances of the community.

The objective of Corporate Social Responsibility (CSR) Policy at Nucleus is to support our constant endeavour to bring about positive difference to communities where we exist. We constantly assess, monitor and capture feedback both in formal and informal ways. This provides ample opportunity to receive and redress grievances of the intended beneficiaries.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Name of authority	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Directly sourced from MSMEs/ small producers	5.71%	7.41%
Sourced directly from within the district and neighbouring districts	We do not track this. Also this metric is not material for our sector	We do not track this. Also this metric is not material for our sector

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/ on contract basis) in the following locations, as % of total wage cost

Name of authority	FY 2023-24 Current Financial Year (%)	FY 2022-23 Previous Financial Year (%)
Rural	-	-
Semi- Urban	-	-
Urban	-	-
Metropolitan	100%	100%

## Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Not Applicable

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

Kindly refer CSR section of Directors' Report printed elsewhere in the Report

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups?

Our commitment to fairness, equality, and transparency shines through in our Procurement Policy, which staunchly opposes discrimination of any kind. Regardless of gender, nationality, ethnicity, religion, or disability, we uphold the principles of inclusivity and respect in our vendor relationships.

Adhering to both local legislations and global best practices, our procurement process stands as a beacon of objectivity and transparency. We ensure that each vendor is selected based solely on merit, competence, and suitability for the task at hand, without bias or prejudice.

While our approach prioritizes fairness and impartiality, we recognize the importance of supporting marginalized and vulnerable groups. Although we currently do not have a preferential policy in place for purchasing from such suppliers, we remain open to exploring opportunities to empower and uplift these communities in our supply chain.

*As we continue to evolve and refine our practices, we remain committed to fostering a procurement environment that not only upholds the highest ethical standards but also promotes social responsibility and inclusivity. Together, we can create a marketplace where diversity is celebrated, and every voice is heard and valued.*

**(b) From which marginalized /vulnerable groups do you procure?**

*Not Applicable*

**(c) What percentage of total procurement (by value) does it constitute?**

*Not Applicable*

**4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:**

*Not Applicable*

**5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

*Not Applicable*

**6. Details of beneficiaries of CSR Projects:**

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Remedial Education of underprivileged (school for underprivileged) – Vaishali Ghaziabad, UP	80	100%
2	Remedial Education of underprivileged children- 27 learning centers in Dehradun	800	100%
3	Remedial Education for tribal children- 7 districts of Madhya Pradesh	25,000	100%
4	Remedial Studies- 14 Government Schools at Noida	800	100%
5	Women empowerment- Tailoring and Embroidery courses – Tamilnadu	250	100%
6	Scholarships for kids of CRPF Martyrs	23	100%

**PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner**

**1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

*We prioritize customer satisfaction and feedback by offering multiple channels for them to raise complaints and share their valuable input. At the forefront of this effort is our dedicated “Voice of Customer” channel, designed specifically to capture and address customer feedback promptly and effectively.*

*In addition to the Voice of Customer channel, customers have direct access to account managers and client engagement managers who serve as their primary points of contact. These professionals are equipped to address customer concerns promptly and ensure a seamless resolution process.*

*Furthermore, we facilitate regular communication through scheduled connect meetings, providing customers with ongoing opportunities to discuss their needs, concerns, and feedback. Through email communication and an escalation matrix, customers can reach out to us at any time, knowing that their voices will be heard and their issues addressed in a timely manner.*

*Every project within our organization has a clearly defined escalation path, ensuring that any issues or concerns raised by customers are escalated to the appropriate level of management for swift resolution. Additionally, our senior management team regularly engages with customers to understand their feedback and address any emerging concerns, demonstrating our commitment to fostering strong, mutually beneficial relationships.*

By offering multiple channels for feedback and maintaining transparent communication channels, we demonstrate our dedication to listening to our customers, continuously improving our services, and ensuring their satisfaction at every touchpoint.

**2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:**

CSR Project	As a percentage to total turnover
Environmental and social parameters relevant to the product	Not tracked, as it is not relevant to the nature of our business operations and the services we offer.
Safe and responsible usage	
Recycling and/or safe disposal	

**3. Number of consumer complaints in respect of the following:**

	FY 2024			FY 2023		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data Privacy	-	-	NA	-	-	NA
Advertising	-	-				
Cyber Security	-	-				
Delivery of essential services	-	-				
Restrictive Trade practices	-	-				
Unfair Trade Practices	-	-				
Others	-	-				

**4. Details of instances of product recalls on account of safety issues:**

	Number	Reasons for recall
Voluntary recalls	Not Applicable, due to the nature of operations the Company	
Forced recalls		

**5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

Yes, we have a robust framework and policy in place regarding cybersecurity and data privacy risks. Our organization takes the protection of sensitive information seriously, and we have implemented comprehensive measures to safeguard data against potential threats. Our framework includes proactive measures such as regular security audits, encryption protocols, access controls, employee training programs, and compliance with relevant regulations. We continually review and update our policies to adapt to emerging threats and ensure the highest standards of cybersecurity and data privacy are maintained. We are ISMS certified.

The principles regarding data privacy are available on our website at <https://www.nucleussoftware.com/privacy-policy/>.

**6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

Nil

**7. Provide the following information relating to data breaches:**

**a. Number of instances of data breaches along-with impact**

Nil

**b. Percentage of data breaches involving personally identifiable information of customers**

*Nil*

**c. Impact, if any, of the data breaches**

*Not Applicable*

**Leadership Indicators**

**1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

*The information on our product & services offerings is available on our company's website: <https://www.nucleussoftware.com>*

**2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

*The Product team uses policy shared with customer during any new release. Support documents like product-write-ups, product usage manual is also shared with the customers during the implementation stage.*

**3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

*We have a dedicated Cyber Information Security (CIS) and Information Security Management System (ISMS) team who work on major incidents or disruption of services. CIS team inform the customer as per our internal incident management policy and process for any risk/disruption of service*

**4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole?**

*Not Applicable, being a technology solutions Company, displaying product information on the product over and above what is mandated as per local laws is not applicable to us.*

*Yes, the "Voice of Customer" survey enables us to understand the client's expectations, needs, satisfaction levels and overall experience of working with the Company. The feedback is collected through a survey, which includes a structured questionnaire. The respective teams engage with the customer to implement the improvement action.*



# Independent Auditors Report

## To the members of Nucleus Software Exports Limited

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the accompanying Standalone Financial Statements of **Nucleus Software Exports Limited** ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2024, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity, the Standalone Statement of Cash Flows for the year then ended, and a summary of material accounting policies and other explanatory information (herein after referred to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013, as amended (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Description of Key Audit Matter

Revenue recognition- Significant Judgment required in estimating percentage of work completed in fixed price contracts See note 1.2.ii and note 2.24 to the standalone financial statements	
The key audit matter	How the matter was addressed in our audit
For the year ended March 31, 2024, revenue amounting to ₹ 76,612 Lakh has been recognized from the sale of software products and sale of services to customers. This revenue includes revenue from fixed price contracts which is recognized based on the percentage of work completed. The percentage of work completed is estimated by the Company on the basis of the completion of milestones and activities as agreed with the customers. Due to the number and complexity of activities performed, significant judgments are required to estimate this percentage of completion. Therefore, the audit risk is that if there is an error in estimation of percentage of completion, this will have an impact on the accuracy of revenue recognized for the year ended March 31, 2024.	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient and appropriate audit evidence:</p> <ul style="list-style-type: none"> <li>Obtained an understanding of key internal controls over recording of activities completed and of general IT controls for the project management tool. Performed walkthrough of the underlying process and documented the controls and assessed the effectiveness of their design and implementation. Also performed tests to assess whether the controls were operating as designed.</li> <li>Involved IT specialists to assess whether the project management tool captured activities completed in the correct period and whether the related percentage completion was derived from a system that is operating effectively.</li> </ul>

	<ul style="list-style-type: none"> <li>• Selected a sample of contracts, using a mix of quantitative and qualitative criteria, and performed the following procedures for each contract selected: <ul style="list-style-type: none"> <li>o inspected key terms, including transaction price, deliverables, performance obligations, timetable, and milestones, set out in the contract.</li> <li>o inquired of the relevant project managers about key aspects and the progress of the contracts, including the estimated total contract costs, key project risks, amendments, contingencies, and billing schedules.</li> <li>o tested project management tool for budgeted efforts and related percentage completion milestones and verified accuracy of milestones based on actualization of efforts for delivered projects and past data.</li> <li>o verified the details of activities completed with those stated in the customer contract and confirmed by the project manager including agreeing the respective activities performed according to project management tool with customer report/confirmations which form the basis of percentage of completion; and</li> <li>o verified the ageing analysis and performed analytical procedures, based on revenue trends, to assess the movements in accruals.</li> </ul> </li> </ul>
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**Information other than the Standalone Financial Statements and Auditors' Report thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements**

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation

## Independent Auditors' Report

of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, the management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditors' Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has an adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management and Board of Directors.

- Conclude on the appropriateness of management's and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss including Standalone Other Comprehensive Income, the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with the Companies (Accounting Standards) Rules, 2015 as amended.
  - (e) On the basis of the written representations received from the directors as on March 31, 2024, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024, from being appointed as a director in terms of Section 164(2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Standalone Financial Statements.
  - (g) In our opinion, the managerial remuneration for the year ended March 31, 2024, has been paid / provided by the Company to its directors is in accordance with the provisions of Section 197 read with Schedule V to the Act.
  - (h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer Note 2.31 to the Standalone Financial Statements.
    - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- (iii) There has been no delay in transferring the amounts required to be transferred to the Investor Education and Protection Fund by the Company.
  - (iv) (a) The management has represented that, to the best of its knowledge and belief, as disclosed in note 2.42 to the Standalone Financial Statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (b) The management has represented that, to the best of its knowledge and belief, as disclosed in note 2.42 to the Standalone Financial Statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement; and
  - (v) The final dividend proposed in the previous year, declared, and paid by the Company during the year, is in accordance with Section 123 of the Act, as applicable.

## Independent Auditors' Report

(vi) Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account for the financial year ended March 31, 2024, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting

under clause (g) of Rule 11 of Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

**For ASA & Associates LLP**

Chartered Accountants  
Firm Registration No. 009571N/N500006

**Nitin Gupta**

Partner

Place: New Delhi  
Date: May 23, 2024

Membership No. 122499  
UDIN: 24122499BKJRRF2657



## Annexure A to the Independent Auditors' Report

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

- (i) (a) (A) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant, and equipment.
- (B) According to the information and explanations given to us, the Company has maintained proper records showing full particulars of intangible assets.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified every year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties comprising freehold land and buildings (other than immovable properties where the Company is the lessee, and the lease agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.
- (d) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) (a) The Company is a service company, primarily rendering development and marketing of software products and support services. Accordingly, it does not hold any physical inventories. Accordingly, clause 3(ii)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable.
- (iii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided guarantee or security, or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnership or any other parties during the year. The Company has granted loans to its subsidiary and other parties during the year, in respect of which the requisite information is as below.
- Based on the audit procedures carried out by us and as per the information and explanations given to us, the Company has provided loans to parties as under:

Particulars	Amount (₹ Lakh)
<b>Aggregate amount during the year:</b>	
Subsidiary	40
Others (loan to employees)	86
<b>Balance outstanding as at balance sheet date:</b>	
Subsidiary	422
Others (loan to employees)	85

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion, the terms and conditions of the grant of loans provided and

## Independent Auditors' Report

investment made in its subsidiary during the year are, prima facie, not prejudicial to the interest of the Company.

- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal has been stipulated and the repayments or receipts have been regular except for the loan of ₹ 422 Lakh given to Nucleus Software Limited (wholly owned subsidiary) which is repayable on demand. As informed to us, the Company has not received any amount during the year and provision for doubtful advance has been made by full amount. The loans to employees are interest free as per the policy of the Company. Further, the Company has not given any advance in the nature of a loan to any party during the year.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given except for the loan of ₹ 422 Lakh given to Nucleus Software Limited (wholly owned subsidiary), the schedule for repayment of principal has not been stipulated and accordingly we are unable to comment on the amount overdue for more than ninety days. Further, the Company has not given any advances in the nature of loans to any party during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment except for the following loan to its related party as defined in Clause (76) of Section 2 of the Companies Act, 2013 ("the Act"):

	All Parties	Promoters	Related Parties (₹ Lakh)
Aggregate of loans/ advances in nature of loan	-	-	422
- Repayable on demand* (A)	-	-	-
- Agreement does not specify any terms or period of Repayment (B)			
<b>Total (A+B)</b>	-	-	<b>422</b>
Percentage of loans/ advances in nature of loan to the total loans			83%

\* Loan given to Nucleus Software Limited, a wholly owned subsidiary.

- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has not given any loans, or provided guarantees or securities, as specified under section 185 of the Companies Act, 2013. Further, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in relation to investments made and loans given. The Company has not provided security and guarantees as specified under section 186 of the Companies Act, 2013.
- (v) According to information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for services provided by the Company. Accordingly, clause 3(vi) of the Order is not applicable.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have generally been regularly deposited with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no statutory dues of Goods and Service Tax, Provident Fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Value added tax, Cess or other statutory dues which have not been deposited by the Company on account of any dispute except for the following:

Name of the statute	Nature of dues	Forum where the dispute is pending	Amount involved in ₹ Lakh	Amount paid under protest in ₹ Lakh	Year to which the amount relates
Income Tax Act, 1961	Income tax	National Faceless Appeal Centre	138	138	AY 2020-21
Income Tax Act, 1961	Income tax	National Faceless Appeal Centre	104	104	AY 2018-19
Income Tax Act, 1961	Income tax	National Faceless Appeal Centre	62	62	AY 2017-18
Income Tax Act, 1961	Income tax	Centralised Processing Centre	47	47	AY 2019-20
Income Tax Act, 1961	Income tax	National Faceless Appeal Centre	19	Nil	AY 2021-22
Income Tax Act, 1961	Income tax	National Faceless Appeal Centre	34	7	AY 2020-21
Income Tax Act, 1961	Income tax	National Faceless Appeal Centre	23	5	AY 2019-20
Income Tax Act, 1961	Income tax	National Faceless Appeal Centre	38	8	AY 2018-19
Income Tax Act, 1961	Income tax	National Faceless Appeal Centre	174	Nil	AY 2018-19
Central Goods and Services Tax Act, 2017	Goods and Service tax	Deputy Commissioner of State tax	47	Nil	FY 2018-19

(viii) According to the information provided and explanations given to us, and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessment under the Income Tax Act, 1961 as income during the year and accordingly reporting under clause 3(viii) of the Order is not applicable.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable.

(b) According to the information and explanations given to us, the Company has not been declared a willful defaulter by any bank or financial institution or any other lender till the date of our audit report.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company

has not raised money by way of term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on a short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the Financial Statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under Companies Act, 2013.

(f) According to the information and explanations given to us and based on the audit procedures performed by us, we report that the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries. Accordingly, the reporting under Clause 3(ix)(f) of the Order is not applicable.

## Independent Auditors' Report

- (x) (a) According to the information and explanations given to us, the Company has not raised any money by way of an initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.
- (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, report under section 143(12) of the Act, in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable.
- (c) As represented to us by the management, there are no whistle -blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Sections 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) (a) In our opinion and according to the information and explanations given to us and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the Internal Audit reports of the Company issued till date for the period under audit.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable.
- (xvi) (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable.
- (b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable.
- (c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) of the Order is not applicable.
- (d) As represented by the management, the Group does not have any Core Investment Company as part of the Group as per the definition of Group contained in the Core Investment Companies (Reserve Bank) Directions, 2016 and hence the reporting under Clause 3 (xvi) (d) of the Order is not applicable.
- (xvii) In our opinion and according to the information and explanations given to us, the Company has not incurred cash losses in the current financial year as well as in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) According to the information and explanations given to us and on the basis of the financial

ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date,

will get discharged by the Company as and when they fall due.

- (xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there is no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act, 2013 or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under Clause (xx) of the Order is not applicable.

**For ASA & Associates LLP**

Chartered Accountants  
Firm Registration No. 009571N/N500006

**Nitin Gupta**

Partner

Place: New Delhi  
Date: May 23, 2023

Membership No. 122499  
UDIN: 24122499BKJRRF2657



## Annexure B to the Independent Auditors' Report

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

### **Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to financial statements of **Nucleus Software Exports Limited** ("the Company") as of March 31, 2024, in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The Company's management and Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to the Standalone Financial Statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Standalone Financial Statements included obtaining an understanding of internal financial controls with reference to Standalone Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to Standalone Financial Statements.

### **Meaning of Internal Financial Controls with reference to Standalone Financial Statements**

A company's internal financial control with reference to Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements**

Because of the inherent limitations of internal financial controls with reference to Standalone Financial

Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Standalone Financial Statements to future periods are subject to the risk that the internal financial control with reference to Standalone Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to Standalone Financial Statements and such internal financial

controls with reference to Standalone Financial Statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to Standalone Financial Statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For ASA & Associates LLP**

Chartered Accountants

Firm Registration No. 009571N/N500006

**Nitin Gupta**

Partner

Membership No. 122499

UDIN: 24122499BKJRRF2657

Place: New Delhi

Date: May 23, 2024

# Standalone Balance Sheet as at 31 March 2024

(Amount in ₹ Lacs unless otherwise stated)

Particulars	Note	As at 31 March 2024	As at 31 March 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2.1(a)	3,450	2,308
Capital work in progress	2.1(b)	6	43
Other intangible assets	2.1(a)	140	244
Intangible assets under development	2.1(c)	59	38
Right of use assets	2.2	874	1,091
Financial assets			
Investments	2.3	34,103	31,379
Loans	2.4	40	25
Other financial assets	2.5	9,938	2,754
Income tax asset (net)	2.6	1,271	1,036
Other non-current assets	2.7	888	179
<b>Total non-current assets</b>		<b>50,769</b>	<b>39,097</b>
<b>Current assets</b>			
Financial assets			
Investments	2.8	32,258	22,606
Trade receivables	2.9	15,742	16,473
Cash and cash equivalents	2.10	1,829	3,280
Other bank balances	2.11	2,814	61
Loans	2.12	46	50
Other financial assets	2.13	29	59
Other current assets	2.14	3,676	2,399
<b>Total current assets</b>		<b>56,394</b>	<b>44,928</b>
<b>Total assets</b>		<b>107,163</b>	<b>84,025</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	2.15	2,677	2,677
Other equity	2.16	72,229	56,112
<b>Total equity</b>		<b>74,906</b>	<b>58,789</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Lease liabilities	2.2	173	387
Provisions	2.17	3,018	2,308
Deferred tax liabilities (net)	2.18	847	253
<b>Total non-current liabilities</b>		<b>4,038</b>	<b>2,948</b>
<b>Current liabilities</b>			
Financial liabilities			
Lease liabilities	2.2	225	198
Trade payables			
(i) Total outstanding dues of micro enterprises and small enterprises	2.19	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	2.19	1,836	1,122
Other financial liabilities	2.20	3,810	2,683
Provisions	2.21	374	366
Current tax liabilities (net)	2.22	3	1,215
Other current liabilities	2.23	21,971	16,704
<b>Total current liabilities</b>		<b>28,219</b>	<b>22,288</b>
<b>Total equity and liabilities</b>		<b>107,163</b>	<b>84,025</b>
See accompanying notes forming part of the standalone financial statements	1 & 2		

As per our report of even date attached

For **ASA & Associates LLP**  
Chartered Accountants  
Firm Registration Number : 009571N/N500006

Sd/-  
**NITIN GUPTA**  
Partner  
Membership number : 122499

Place: New Delhi  
Date: 23 May 2024

For and on behalf of the Board of Directors  
**NUCLEUS SOFTWARE EXPORTS LIMITED**  
CIN : L74899DL1989PLC034594

Sd/-  
**VISHNU R DUSAD**  
Managing Director  
DIN : 00008412  
Sd/-  
**SURYA PRAKASH KANODIA**  
Chief Financial Officer

Place: Noida  
Date: 23 May 2024

Sd/-  
**PARAG BHISE**  
CEO & Whole-time Director  
DIN 08719754  
Sd/-  
**POONAM BHASIN**  
AVP (Secretarial) & Company Secretary  
Membership number : 10865

## Standalone Statement of Profit & Loss for the year ended 31 March 2024

(Amount in ₹ Lacs unless otherwise stated)

	Note	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>1. REVENUE FROM OPERATIONS</b>			
Income from software product and services	2.24	76,612	58,473
<b>2. OTHER INCOME</b>	2.25	4,947	3,416
<b>3. TOTAL INCOME (1+2)</b>		<b>81,559</b>	<b>61,889</b>
<b>4. EXPENSES</b>			
a. Employee benefits expense	2.26	42,722	33,837
b. Operating and other expenses	2.27	12,537	8,930
c. Finance cost	2.28	72	77
d. Depreciation, amortisation and impairment expenses	2.1(a) and 2.2	1,316	1,706
<b>TOTAL EXPENSES</b>		<b>56,647</b>	<b>44,550</b>
<b>5. PROFIT BEFORE TAX (3-4)</b>		<b>24,912</b>	<b>17,339</b>
<b>6. INCOME TAX EXPENSE</b>			
a. Net current tax expense		5,658	4,190
b. Deferred tax credit /charge	2.18	659	112
<b>NET TAX EXPENSE</b>		<b>6,317</b>	<b>4,302</b>
<b>7. PROFIT FOR THE YEAR (5-6)</b>		<b>18,595</b>	<b>13,037</b>
<b>8. OTHER COMPREHENSIVE INCOME / (LOSS)</b>			
(A) (i) Items that will not be reclassified to profit or loss			
a) Remeasurements of the defined benefit plans		(406)	406
b) Equity instruments through other comprehensive income		551	385
(ii) Tax (expense)/ income relating to Items that will not be reclassified to profit or loss		63	(102)
(B) (i) Items that will be reclassified subsequently to profit or loss			
a) Effective portion of gains and loss on hedging instruments in a cash flow hedge		(12)	6
(ii) Tax (expense) / income relating to Items that will be reclassified subsequently to profit or loss		3	(1)
<b>TOTAL OTHER COMPREHENSIVE INCOME / (LOSS) NET OF TAX</b>		<b>199</b>	<b>694</b>
<b>9. TOTAL COMPREHENSIVE INCOME (7+8)</b>		<b>18,794</b>	<b>13,731</b>
<b>Profit attributable to:</b>			
Owners of the Company		18,595	13,037
<b>Other comprehensive income attributable to:</b>			
Owners of the Company		199	694
<b>Total comprehensive income attributable to:</b>			
Owners of the Company		18,794	13,731
<b>10. EARNINGS PER EQUITY SHARE</b>	2.33		
Equity shares of ₹ 10 each (Not annualised)			
a. Basic (₹)		69.45	48.69
b. Diluted (₹)		69.45	48.69
Number of shares used in computing earnings per share			
a. Basic		26,773,324	26,773,324
b. Diluted		26,773,324	26,773,324

See accompanying notes forming part of the standalone financial statements 1 & 2

As per our report of even date attached

For **ASA & Associates LLP**  
Chartered Accountants  
Firm Registration Number : 009571N/N500006

Sd/-  
**NITIN GUPTA**  
Partner  
Membership number : 122499

For and on behalf of the Board of Directors  
**NUCLEUS SOFTWARE EXPORTS LIMITED**  
CIN : L74899DL1989PLC034594

Sd/-  
**VISHNU R DUSAD**  
Managing Director  
DIN : 00008412

Sd/-  
**SURYA PRAKASH KANODIA**  
Chief Financial Officer

Sd/-  
**PARAG BHISE**  
CEO & Whole-time Director  
DIN 08719754

Sd/-  
**POONAM BHASIN**  
AVP (Secretarial) & Company Secretary  
Membership number : 10865

Place: New Delhi  
Date: 23 May 2024

Place: Noida  
Date: 23 May 2024

# Standalone Statement Of Changes in Equity for the year ended 31 March 2024

## A. Equity share Capital

(Amount in ₹ Lacs unless otherwise stated)				
Balance as of 1 April 2023	Changes in Equity Share Capital due to prior period change	Restated balance as of 1 April 2023	Changes in equity share capital during the year	Balance as on 31 March 2024
2,677	-	2,677	-	2,677
Balance as of 1 April 2022	Changes in Equity Share Capital due to prior period change	Restated balance as of 1 April 2022	Changes in equity share capital during the year	Balance as on 31 March 2023
2,677	-	2,677	-	2,677

## B. Other Equity

	Reserves and Surplus					Items of Other Comprehensive Income (OCI)			Total
	Capital reserve	Securities premium	Capital Redemption reserve	General reserve	Retained earnings	Hedging reserve	Equity instrument through other comprehensive income		
Opening balance 1 April 2023	89	-	561	-	54,834	13	615	56,112	
Profit for the year	-	-	-	-	18,595	-	-	18,595	
Effective gain/(loss) on hedging instruments (net of tax)	-	-	-	-	-	(9)	-	(9)	
Equity Instruments through Other Comprehensive Income	-	-	-	-	-	-	551	551	
Final dividend on equity shares	-	-	-	-	(2,677)	-	-	(2,677)	
Remeasurement of the defined benefit plans, net	-	-	-	-	(343)	-	-	(343)	
<b>Balance as of 31 March 2024</b>	<b>89</b>	<b>-</b>	<b>561</b>	<b>-</b>	<b>70,409</b>	<b>4</b>	<b>1,166</b>	<b>72,229</b>	



# Standalone Statement Of Changes in Equity

for the year ended 31 March 2024

(Amount in ₹ Lacs unless otherwise stated)

	Reserves and Surplus					Items of Other Comprehensive Income (OCI)			Total
	Capital reserve	Securities premium	Capital Redemption reserve	General reserve	Retained earnings	Hedging reserve	Equity instrument through other comprehensive income		
<b>Opening balance 1 April 2022</b>	89	-	561	-	43,367	8	230	44,255	
Profit for the year	-	-	-	-	13,037	-	-	13,037	
Effective gain/(loss) on hedging instruments (net of tax)	-	-	-	-	-	5	-	5	
Equity Instruments through Other Comprehensive Income	-	-	-	-	-	-	385	385	
Final dividend on equity shares	-	-	-	-	(1,874)	-	-	(1,874)	
Remeasurement of the defined benefit plans, net	-	-	-	-	304	-	-	304	
<b>Balance as of 31 March 2023</b>	89	-	561	-	54,834	13	615	56,112	

See accompanying notes forming part of the standalone financial statements

As per our report of even date attached

For **ASA & Associates LLP**

Chartered Accountants

Firm Registration Number : 009571N/N500006

Sd/-

**NITIN GUPTA**

Partner

Membership number : 122499

For and on behalf of the Board of Directors

**NUCLEUS SOFTWARE EXPORTS LIMITED**

CIN : L74899DL1989PLC034594

Sd/-

**VISHNU R DUSAD**

Managing Director

DIN : 00008412

Sd/-

**PARAG BHISE**

CEO & Whole-time Director

DIN - 08719754

Sd/-

**SURYA PRAKASH KANODIA**

Chief Financial Officer

Sd/-

**POONAM BHASIN**

AVP (Secretarial) & Company Secretary

Membership number : 10865

Place: New Delhi

Date: 23 May 2024

# Standalone Cash Flow Statement for the year ended 31 March 2024

(Amount in ₹ Lacs unless otherwise stated)

	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>A. Cash flow from operating activities</b>		
Net profit before tax	24,912	17,339
<b>Adjustment for:</b>		
Depreciation, amortisation and impairment expenses	1,316	1,706
Unrealised exchange (gain) / loss on translation of foreign currency accounts (net)	(30)	(41)
Dividend received from non-current investment	(44)	(50)
Interest income on financial assets- carried at amortised cost	(1,529)	(669)
Discounting of staff loan and security deposit	(20)	(19)
MTM (gain) on investments	(3,161)	(1,988)
Net (gain)/loss on sale of investments	(75)	(100)
Rent concession on lease liability	-	(3)
Profit on sale of property, plant and equipment (net)	(67)	(36)
Interest expense on lease liability	47	50
Bad debts and allowance / provision for doubtful trade receivables / advances / other current assets	165	199
Withholding tax charged off	403	243
<b>Operating profit before working capital changes</b>	<b>21,917</b>	<b>16,631</b>
<b>Adjustment for (increase) / decrease in operating assets</b>		
Trade receivables	531	(8,990)
Loans	(50)	(37)
Other assets	(1,139)	(416)
<b>Adjustment for increase / (decrease) in operating liabilities</b>		
Trade payables	716	(13)
Provisions and other liabilities	6,682	678
	28,657	7,853
Income taxes paid (net)	(7,507)	(2,661)
<b>Net cash from operating activities (A)</b>	<b>21,150</b>	<b>5,192</b>
<b>B. Cash flow from investing activities</b>		
Acquisition of property, plant and equipment and intangible assets under development	(2,850)	(424)
Proceeds from sale of property, plant and equipment	72	40
Net (purchase)/sale of mutual funds, tax free bonds and preference shares	(6,497)	(2,230)
Bank deposits, FDR's (net) and other bank balances not considered as cash and cash equivalents	(9,725)	432
Interest received on fixed deposits, tax free bonds	(792)	806
Dividend received from investments	44	50
<b>Net cash used in investing activities (B)</b>	<b>(19,748)</b>	<b>(1,326)</b>
<b>C. Cash flow from financing activities</b>		
Principal repayment of lease liabilities	(168)	(208)
Interest paid on lease liabilities	(47)	(50)
Interim dividend / Final dividend paid	(2,677)	(1,874)
<b>Net cash used in financing activities (C)</b>	<b>(2,892)</b>	<b>(2,132)</b>
<b>Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(1,490)</b>	<b>1,734</b>
Opening cash and cash equivalents	3,280	1,513
Exchange difference on translation of foreign currency bank accounts	39	33
<b>Closing cash and cash equivalents [see note 2.10 ]</b>	<b>1,829</b>	<b>3,280</b>

## Standalone Cash Flow Statement for the year ended 31 March 2024

(Amount in ₹ Lacs unless otherwise stated)

	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Supplementary information</b>		
<b>1. Cash and cash equivalents represents :</b>		
Remittance in transit	212	-
Balances with scheduled banks	844	1,650
Balance with non scheduled banks in current accounts	58	38
Balances with scheduled banks in deposit accounts with original maturity of less than 3 months	715	1,592
	<b>1,829</b>	<b>3,280</b>
<b>2. Reconciliation of movements of lease liabilities to cash flows arising from financing activities :-</b>		
<b>At the beginning (current and non current)</b>	585	77
Addition in lease liabilities	13	719
Interest accrued	47	50
Net Cash outflow	(247)	(258)
Rent concession	-	(3)
<b>At the end (current and non current)</b>	<b>398</b>	<b>585</b>

### Notes:

i. Figures in brackets indicate cash outflow.

See accompanying notes forming part of the standalone financial statements

1 & 2

As per our report of even date attached

For **ASA & Associates LLP**  
Chartered Accountants  
Firm Registration Number : 009571N/N500006

Sd/-  
**NITIN GUPTA**  
Partner  
Membership number : 122499

Place: New Delhi  
Date: 23 May 2024

For and on behalf of the Board of Directors  
**NUCLEUS SOFTWARE EXPORTS LIMITED**  
CIN : L74899DL1989PLC034594

Sd/-  
**VISHNU R DUSAD**  
Managing Director  
DIN : 00008412  
Sd/-  
**SURYA PRAKASH KANODIA**  
Chief Financial Officer

Place: Noida  
Date: 23 May 2024

Sd/-  
**PARAG BHISE**  
CEO & Whole-time Director  
DIN- 08719754  
Sd/-  
**POONAM BHASIN**  
AVP (Secretarial) & Company Secretary  
Membership number : 10865

## Notes forming part of the Standalone financial statements for the year ended 31 March 2024

### 1.1 Company overview

Nucleus Software Exports Limited ('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 31 March 2024 the Company is listed on two stock exchanges in India namely National Stock Exchange and Bombay Stock Exchange.

The Company has wholly owned subsidiaries in India, Singapore, USA, Japan, Netherlands, South Africa and Australia. 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.

### 1.2. Material Accounting policies

#### i. Basis of preparation of standalone financial statements

##### a) Statement of compliance

The standalone financial statements ("standalone financial statements") of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time.

The standalone financial statements were approved for issue by the Board of Directors on 23 May 2024.

##### b) Functional and presentation currency

The standalone financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lacs unless otherwise indicated. Further, amounts below INR 50,000 have been rounded off to "-" in the standalone financial statements while rounding off to the nearest lacs unless otherwise indicated.

##### c) Current and non-current classification

All assets and liabilities are classified into current and non-current.

##### Assets

An asset is classified as current when it satisfies any of the following criteria:

- It is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is expected to be realized within 12 months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include current portion of the non-current financial assets.

All other assets are classified as non-current.

##### Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- It is expected to be settled in the company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is due to be settled within 12 months after the reporting date; or
- The company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of the non-current financial liabilities.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities (if any) are classified as non-current assets and liabilities.

##### Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Company has ascertained its operating cycle, being a period within 12 months for the purpose of classification of assets and liabilities as current and non-current.

## Notes forming part of the Standalone financial statements for the year ended 31 March 2024

### d) Basis of measurement

The standalone financial statements have been prepared on the historical basis except for the following items:

Items	Measurement Basis
Certain financial assets and liabilities (including derivative instruments)	Fair Value
Net defined benefit(asset)/ liability	Fair value of plan assets less present value of defined benefit obligations

### e) Use of estimates and judgements

In preparing these standalone financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual result may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

#### Judgements

Information about judgments made in applying accounting policies that have the most significant effect on the amounts recognised in the standalone financial statements is included in the following notes:

- Lease classification – Note 2.2
- Estimates of expected contract costs to be incurred to complete contracts- Note 2.2

#### Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a significant adjustment in the subsequent period financial statements is included in the following notes:

- Estimation of deferred tax expense and payable – Note 2.18

- Estimated useful life of property, plant and equipment and Intangible assets – Note 2.1
- Estimation of defined benefit obligations-- Note 2.38
- Impairment of trade receivables- Note 2.9
- Impairment of unbilled revenue and income accrued but not due - 2.14
- Impairment loss on preference shares carried at amortised cost- Note 2.8

### f) Measurement of fair values

The Company`s accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. This includes a treasury team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Chief Financial Officer.

The treasury team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).



## Notes forming part of the Standalone financial statements for the year ended 31 March 2024

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

### ii. Revenue recognition

The Company earns revenue primarily from software product development and providing support services mainly for corporate business entities in the banking and financial services sector.

- The Company applies Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised.
- 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. The contract cost used in computing the revenues include cost of fulfilling warranty obligations, if any.
- Revenue from sale of licenses, where no customisation is required, is recognised upon delivery of these licenses which constitute transfer of all risks and rewards.
- Revenue from time and material contracts is recognised as the services are rendered.
- Revenue from annual technical service contracts is recognised after identification of performance obligations in AMC contracts and revenue is recognized on a pro rata basis over the period in which such services are rendered.
- The solutions offered by the Company may include supply of third-party equipment or software. In such cases, revenue for

supply of such third party products are recorded at gross basis as the Company is acting as the principal.

- Out of pocket reimbursable expenses e.g.travel etc. if incurred in relation to performance obligation under the contract is recognised as revenue.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as Service income accrued but not due.

Advances from customers/ Advance billing and Deferred revenue ("contract liability") is recognised when there is billing in excess of revenues.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation a cumulative adjustment is accounted for.

Unbilled revenue is recognised when there is excess of revenue earned over billings on contracts. Unbilled revenue is classified as other financial asset (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms

### iii. Other income

Profit on sale of investments is determined as the difference between the sales price and the carrying value of the investment upon disposal of investments.

Dividend income is recognised in profit or loss on the date on which the Company`s right to receive payment is established.

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash

## Notes forming part of the Standalone financial statements for the year ended 31 March 2024

payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset ; or
- the amortised cost of the financial liability

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

#### iv. Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any. Cost of an item of property, plant and equipment includes its purchase price, any directly attributable expenditure on making the asset ready for its intended use. Property, plant and equipment under construction and cost of assets not ready to use before the year end, are disclosed as capital work-in-progress.

Depreciation on property, plant and equipment, 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 taking into account nature of the asset, the estimated usage of the asset and the operating conditions of the asset. 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 year.

If material parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the standalone statement of profit and loss account.

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

The management's estimates of the useful lives of the various property, plant and equipment are as follows:

Asset category	Management estimate of useful life (in years)	Useful life as per Schedule II (in years)
<b>Tangible asset</b>		
Building	30	30
Plant and machinery (including office equipment)*	5	15
Computers- end user devices such laptops, desktops etc.	3	3
Computers- servers and networking equipment*	4	6
Vehicles*	5	10
Furniture and fixtures*	5	10
Temporary wooden structures (included in Building)	3	3

\*Based on a technical evaluation, the useful lives as given above represent the period over which the management expects to use these assets; hence these lives are different from the useful lives prescribed under Part C of schedule II of the Companies Act, 2013.

#### v. Intangible assets

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the tax authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates.

Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the

## Notes forming part of the Standalone financial statements for the year ended 31 March 2024

asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

The management's estimates of the useful lives of the software are 3 years.

### vi. Financial instruments

#### a) Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provision of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

#### b) Classification and subsequent measurement

##### *Financial assets*

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- Fair value through other comprehensive income (FVOCI)-equity investment; or
- Fair value through profit and loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely for

payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI-equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivatives financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirement to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

##### *Investment in subsidiaries*

Investment in subsidiaries is carried at cost.

##### *Financial assets: Business model assessment*

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

## Notes forming part of the Standalone financial statements for the year ended 31 March 2024

- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

*Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest*

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired

at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

*Financial assets: Subsequent measurement and gains and losses*

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss. However, see Note 1.2(vi)(e) for derivatives designated as hedging instruments.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

In the case of target maturity funds (TMFs), the Company intends to hold its investment in open ended target maturity funds till maturity. These funds have a pre-determined maturity date, which follow a passive buy-and-hold strategy. This strategy is expected to mitigate market volatility, and the company believes it aligns with the SPPI test requirements under Ind AS 109

*Financial liabilities: Classification, subsequent measurement and gains and losses*

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held- for- trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

**c) Derecognition**

*Financial assets*

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

*Financial liabilities*

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

**d) Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

**e) Derivative financial instruments and hedge accounting**

The Company holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

The Company designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates.

At inception of designated hedging relationships, the Company documents the risk management objective and strategy for undertaking the hedge. The Company also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

*Cash flow hedges*

The Company recognizes derivative instruments and hedging activities as either assets or liabilities in its balance sheet and measures them at fair value. Gains and losses resulting from changes in fair value are accounted for depending on the use of the derivative and whether it is designated and qualifies for hedge



## Notes forming part of the Standalone financial statements for the year ended 31 March 2024

accounting. Changes in the fair values of the derivatives designated as cash flow hedges are deferred and recorded as a component of other comprehensive income (loss) reported under accumulated other comprehensive income (loss) until the hedge transaction occurs and are then recognized in the standalone statements of income along with underline hedge items and disclosed as part of total net revenues. Changes in the fair value of the derivatives not designated as hedging instruments and the ineffective portion of the derivatives designated as cash flows hedges are recognized in standalone statement of income and are included in foreign exchange gains (losses), net, and other income (expense), net, respectively.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in OCI and accumulated in the other equity under 'effective portion of cash flow hedges'. The effective portion of changes in the fair value of the derivative that is recognized in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in profit or loss.

The Company designates only the change in fair value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedging relationships. The change in fair value of the forward element of forward exchange contracts ('forward points') is separately accounted for as a cost of hedging and recognised separately within equity.

The amount accumulated in other equity is reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

If a hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in other equity remains

there until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in other equity are immediately reclassified to profit or loss.

### vii. Impairment

#### a) Impairment of financial instruments

The Company recognises loss allowances for expected credit losses on:

- financial assets measured at amortised cost;

At each reporting date, the Company assesses whether financial assets are carried at amortised cost. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

#### Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

#### Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

#### Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

### b) Impairment of non-financial assets

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets

that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the standalone statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

### viii. Provisions (other than for employee benefits)

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost. Expected future operating losses are not provided for.

#### *Onerous contracts*

A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognises any impairment loss on the assets associated with that contract.

## Notes forming part of the Standalone financial statements for the year ended 31 March 2024

### ix. Foreign currency

#### a) Foreign currency transactions

Transactions in foreign currencies are translated in to INR, the functional currency of the Company at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Foreign currency denominated monetary assets and liabilities are retranslated at the exchange rate prevailing on the balance sheet date and exchange gain and losses arising on settlement and restatement are recognised in the statement of profit and loss. Non- monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

Exchange differences are recognised in profit or loss, except exchange differences arising from the translation of the following items which are recognised in OCI:

- qualifying cash flow hedges to the extent that the hedges are effective.

The company has adopted Appendix B to Ind AS 21- Foreign Currency Transactions and Advance Consideration which clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in a foreign currency.

#### b) Foreign operations

The assets and liabilities of foreign branches are translated into INR, the functional currency of the Company, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into INR at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

### x. Earnings per share

Basic earnings per share is computed using the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed using the weighted

average number of equity and dilutive equity equivalent shares outstanding during the year-end, except where the results would be anti-dilutive.

### xi. Taxation

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

#### a) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

#### b) Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognized in respect of carried forward tax losses and tax credits. Deferred tax is not recognized for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

## Notes forming part of the Standalone financial statements for the year ended 31 March 2024

- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized. Deferred tax assets – unrecognized or recognized, are reviewed at each reporting date and are recognized/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realized.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

Minimum Alternative Tax ('MAT') expense under the provisions of the Income-tax Act, 1961 is recognised as an asset when it is probable that future economic benefit associated with it in the form of adjustment of future income tax liability, will flow to the Company and the asset can be measured reliably. MAT credit entitlement is set off to the extent allowed in the year in which the Company

becomes liable to pay income taxes at the enacted tax rates. MAT credit entitlement is reviewed at each reporting date and is written down to reflect the amount that is reasonably certain to be set off in future years against the future income tax liability. MAT Credit Entitlement has been presented as Deferred Tax in Balance Sheet.

### xii. Employee benefits

#### *Defined contribution plans*

The Company's contribution to provident fund is considered as defined contribution plans and is charged as an expense as they fall due based on the amount of contribution required to be made.

#### *Defined benefit plans*

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

The retirement benefit obligation recognized in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost, as reduced by the fair value of scheme assets.

## Notes forming part of the Standalone financial statements for the year ended 31 March 2024

### **Short-term employee benefits**

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the year in which the employee renders the related service.

The Company does not recognize liability or expense for non-accumulating short term compensated absences as these do not carry forward and lapses if the current period's entitlement is not used in full. Further, employees are not entitled to any cash payment in respect of such non accumulating short term compensated absences.

### **Long-term employee benefits**

Compensated absences which are not expected to occur within twelve months after the end of the year in which the employee renders the related service are recognized as a liability at the present value of the defined benefit obligation as at the Balance Sheet date. For the long term employee benefits, the obligation is measured on the basis of an independent actuarial valuation using the project unit credit method.

### **Employee stock option based compensation**

The grant date fair value of equity settled share-based payment awards granted to employees is recognized as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date.

For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

### **xiii. Standalone Cash Flow Statement**

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

### **xiv. Leases**

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

### **Company as a lessee**

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.



## Notes forming part of the Standalone financial statements for the year ended 31 March 2024

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any measurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the standalone statement of profit and loss.

The Company recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any

remaining amount of the re-measurement in statement of standalone profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

### xv. Research and development

Revenue expenditure pertaining to research is charged to the standalone statement of profit and loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalized. The amount capitalized comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Property, Plant and equipment utilized for research and development are capitalized and depreciated in accordance with the policies stated for property, plant and equipment.

### xvi. Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

## Notes forming part of the Standalone financial statements for the year ended 31 March 2024

### 2.1(a) Property, plant and equipment

(Amount in ₹ Lacs unless otherwise stated)

PARTICULARS	GROSS CARRYING AMOUNT		ACCUMULATED DEPRECIATION		NET CARRYING AMOUNT	
	As at 1 April 2023	As at 31 March 2024	As at 1 April 2023	Depreciation for the year	As at 31 March 2024	As at 31 March 2024
<b>Tangible assets</b>						
Freehold land ( see note below)	34 (34)	34 (34)	-	-	-	34 (34)
Buildings ( see note below)	1,658 (1,658)	2,423 (1,658)	617 (535)	92 (82)	709 (617)	1,041 (1,123)
Plant and equipment	518 (514)	641 (518)	363 (290)	76 (73)	432 (363)	155 (224)
Office equipment	165 (153)	130 (165)	133 (119)	23 (17)	152 (133)	32 (34)
Computer equipment	3,805 (3,789)	4,269 (3,805)	2,906 (2,282)	667 (657)	3,048 (2,906)	899 (1,507)
Vehicles	364 (320)	267 (364)	240 (219)	42 (56)	188 (240)	124 (101)
Furniture and fixtures	209 (209)	253 (209)	186 (154)	12 (32)	198 (186)	23 (55)
	<b>6,753</b>	<b>8,177</b>	<b>634</b>	<b>912</b>	<b>4,727</b>	<b>3,450</b>
	(6,677)	(6,753)	(75)	(917)	(4,445)	(3,078)
<b>Other intangible assets</b>						
Software	2,093 (1,982)	2,163 (2,093)	1,849 (1,307)	174 (542)	2,023 (1,849)	244 (675)
	<b>2,093</b>	<b>2,163</b>	<b>1,849</b>	<b>174</b>	<b>2,023</b>	<b>244</b>
<b>Total</b>	<b>8,846</b>	<b>10,340</b>	<b>634</b>	<b>1,086</b>	<b>6,750</b>	<b>2,552</b>
	(8,659)	(8,846)	(75)	(1,459)	(6,294)	(3,753)

Note :

Property, plant and equipment	Gross carrying amount	Title deed held in the name of	" Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Held since	Reason for not held in company name
Freehold land -1	7	Nucleus Software Exports Ltd	Title deed held in company name.	3 December 1993	-
Freehold land -2	27	Nucleus Software Exports Ltd	Title deed held in company name.	4 October 2004	-
<b>Total</b>	<b>34</b>				
Buildings -1	7	Nucleus Software Exports Ltd	Title deed held in company name.	" 3 December 1993 and 4 October 2004 "	-
Buildings -2	1,651	Nucleus Software Exports Ltd	Title deed held in company name.	17 January 2001	-
Buildings -3	765	Nucleus Software Exports Ltd	Title deed held in company name.	30 October 2023	-
<b>Total</b>	<b>2,423</b>				

## Notes forming part of the Standalone financial statements for the year ended 31 March 2024

### 2.1(b) Capital work in progress

(Amount in ₹ Lacs unless otherwise stated)

	As at 1 April 2023	Additions	Capitalisation/ adjustments	As At 31 March 2024
Capital work in progress (see note below)	43		37	6
	(4)	(39)	-	(43)

Note:

(Amount in ₹ Lacs unless otherwise stated)

Capital work in progress	Amount in capital work in progress				
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Projects in progress	2	-	-	-	2
Projects temporarily suspended (see note below)*	-	-	-	4	4
<b>Total</b>	2	-	-	4	6
	(39)	-	-	(4)	(43)

Note : \*Projects temporary suspended includes amount of ₹ 4 lacs paid for soil testing for construction work on Noida plot, which has been temporarily suspended.

### 2.1(c) Intangible assets under development

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 1 April 2023	Additions	Capitalisation/ adjustments	As At 31 March 2024
Intangible assets under development (see note below)	38	21	-	59
	(42)	(38)	(42)	(38)

Note

(Amount in ₹ Lacs unless otherwise stated)

Intangible assets under development	Amount in Intangible assets under development					
	Less than 1 year	1 to 2 years	2 to 3 years	2 to 3 years	More than 3 years	Total
Projects in progress	59	-	-	-	-	59
	(38)	-	-	-	-	(38)

Note:

(i) Figures in bracket pertains to the positions as of 31 March 2023.

### 2.2 Changes in right of use assets / lease liabilities

(a) Following are the changes in the carrying value of right of use assets:

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2024				As at 31 March 2023			
	Building	Lease hold land	Cars	Total	Building	Lease hold land	Cars	Total
Opening balance	514	505	72	1,091	71	513	-	584
Additions	-	-	13	13	677	-	77	754
Amortisation	196	7	27	230	234	8	5	247
<b>Closing balance</b>	<b>318</b>	<b>498</b>	<b>58</b>	<b>874</b>	<b>514</b>	<b>505</b>	<b>72</b>	<b>1,091</b>

The aggregate depreciation expense on right of use assets is included under depreciation and amortisation expense in the Standalone Statement of Profit and Loss Account.

## Notes forming part of the Standalone financial statements for the year ended 31 March 2024

(b) The following is the break-up of current and non-current lease liabilities :

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
Current lease liabilities	225	198
Non-current lease liabilities	173	387
<b>Total</b>	<b>398</b>	<b>585</b>

(c) The following is the movement in lease liabilities :

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
Opening balance	585	77
Additions	13	719
Finance cost accrued during the year	47	50
Payment of lease liabilities	(247)	(258)
Rent concession on lease liability ( see note below)	-	(3)
<b>Closing balance</b>	<b>398</b>	<b>585</b>

The Company has applied expedient to one of its lease contracts and accordingly an amount of ₹ NIL (previous year ended 31 March 2023 ₹ 3 lacs) for rent concession has been recorded in the Standalone Statement of profit and loss.

(d) The table below provides details regarding future lease payments on an undiscounted basis:

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
Not later than 1 year	253	244
Later than 1 year but not later than 5 years	188	428
More than 5 year	-	-
<b>Total</b>	<b>441</b>	<b>672</b>

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Rental expense recorded for short-term leases was ₹ 95 lacs (net of rent concession of ₹ NIL) for the year ended 31 March 2024 (previous year ended 31 March 2023 ₹ 55 lacs, net of rent concessions ₹ 3 lacs)

### 2.3 A. NON-CURRENT INVESTMENTS (at cost)

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Investments in equity shares of subsidiaries (unquoted)</b>		
<i>Equity shares at cost</i>		
a. 625,000 (As at 31 March 2023 - 625,000) equity shares of Singapore Dollar 1 each, fully paid up, in Nucleus Software Solutions Pte. Ltd., Singapore	163	163
b. 1,000,000 (As at 31 March 2023 -1,000,000) equity shares of US Dollar 0.35 each, fully paid up, in Nucleus Software Inc., USA	163	163
Less: Provision for diminution in value of investment in Nucleus Software Inc., USA	(163)	(163)

**Notes forming part of the Standalone financial statements** for the year ended 31 March 2024

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
c. 200 (As at 31 March 2023 - 200) equity shares of Japanese Yen 50,000 each, fully paid up, in Nucleus Software Japan Kabushiki Kaisha, Japan	41	41
d. 7,500 (As at 31 March 2023 - 7,500) equity shares of Euro 100 each, fully paid up, in Nucleus Software Netherlands B.V., Netherlands	489	489
Less: Provision for diminution in value of investment in Nucleus Software Netherlands B.V., Netherlands	(489)	(489)
e. 15,000,000 (As at 31 March 2023 - 10,000,000) equity shares of ₹10 each, fully paid up, in Nucleus Software Limited, India [Of the above, 6 (6) equity shares are held by nominees on behalf of the Company]	1,694	1,194
f. 100,000 (As at 31 March 2023 - 100,000) equity shares 1 AUD each, fully paid in Nucleus Software Australia Pty. Ltd., Australia	55	55
g. 10 (As at 31 March 2023 - 10) equity shares of ZAR 61,200 each fully paid up, in Nucleus Software South Africa (Pty.) Limited, South Africa	32	32
	<b>1,985</b>	<b>1,485</b>
<b>Investment in equity instruments (Quoted)</b>		
<i>Equity shares at FVOCI</i>		
250,000 (As at 31 March 2023- 250,000) equity shares of ₹ 10 each, fully paid up, in Ujjivan Financial Services Limited	<b>1,191</b>	<b>640</b>
<b>Investment in bonds (quoted)</b>		
<i>Bonds securities at Amortised cost</i>		
a. 7.39% Housing and Urban Development Corporation Limited (HUDCO) Tax Free Bonds 2031	142	142
b. 7.39% Housing and Urban Development Corporation Limited (HUDCO) Tax free bonds 2031	131	131
c. 7.28% Indian Railway Finance Corporation Limited (IRFC) Tax free bonds 2030	47	47
d. 7.35% Indian Railway Finance Corporation Limited (IRFC) Tax Free Bonds 2031	122	122
e. 7.49% Indian Renewable Energy Development Agency Limited (IREDA) Tax Free Bonds 2031	121	121
f. 7.35% National Bank for Agriculture and Rural Development (NABARD) Tax Free Bonds 2031	201	201
g. 8.50% National Highways Authority of India (NHAI) Tax Free Bonds 2029	105	106
h. 7.39% National Highways Authority of India (NHAI) Tax Free Bonds 2031	160	160
i. 8.63% National Housing Bank (NHB) Tax Free Bond 2029	1,181	1,210
j. 7.11% Power Finance Corporation (PFC) Tax Free Bonds 2025	53	53
k. 8.30% Power Finance Corporation (PFC) Tax Free Bonds 2027	1,137	1,170
	<b>3,400</b>	<b>3,463</b>



## Notes forming part of the Standalone financial statements for the year ended 31 March 2024

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Investment in mutual funds (Unquoted)</b>		
a. Aditya Birla Sun Life Floating Rate Fund - Direct Plan-Growth	1,326	1,228
b. Axis Banking and PSU Debt Fund - Direct Plan-Growth	1,638	1,528
c. DSP Banking & PSU Debt Fund - Direct Plan-Growth	663	614
d. HDFC Corporate Bond Fund - Direct Plan-Growth	1,137	1,051
e. ICICI Prudential Corporate Bond Fund - Direct Plan-Growth	1,526	1,411
f. Kotak Bond Short Term Fund - Direct Plan-Growth	1,312	1,215
g. Nippon India Floating Rate Fund - Direct Plan-Growth	3,477	3,409
h. SBI Corporate Bond Fund - Direct Plan-Growth	446	415
i. Tata Short Term Bond Fund - Direct Plan-Growth	2,713	2,520
	<b>14,238</b>	<b>13,391</b>
<b>Investment in mutual funds (quoted)</b>		
Target maturity Funds at Amortised cost		
a. ABSL Crisil IBX Gilt Apr 2029 Index Fund - Direct Plan-Growth	1,928	1,800
b. HDFC Nifty G-Sec Dec 2026 Index Fund -Direct Plan-Growth	2,786	2,600
c. ICICI Prudential Nifty G-Sec Dec 2030 Index Fund -Direct Plan-Growth	1,929	1,800
d. SBI Crisil IBX Gilt Index - June 2036 Index Fund -Direct Plan-Growth	1,394	1,300
e. SBI Crisil IBX Gilt Index - April 2029 Index Fund -Direct Plan-Growth	2,358	2,200
f. Tata Crisil IBX Gilt Index - April 2026 Index Fund -Direct Plan-Growth	2,894	2,700
	<b>13,289</b>	<b>12,400</b>
Aggregate amount of non-current investments	<b>34,103</b>	<b>31,379</b>
Aggregate book value of quoted investments	17,880	16,503
Aggregate market value of quoted investments	18,112	16,595
Aggregate value of unquoted investments	16,223	14,876
Aggregate amount of impairment in value of quoted investments	-	-
Aggregate amount of impairment in value of unquoted investments	652	652

### B. Equity shares designated as at fair value through other comprehensive income

As at 1 April 2016, the Company designated the investments shown below as equity shares at FVOCI because these equity shares represent investments that the Company intends to hold for a long- term for strategic purpose

(Amount in ₹ Lacs unless otherwise stated)

	Fair value as at 31 March 2024	Change in fair value during the year ended 31 March 2024	Fair value as at 31 March 2023
<b>Investment in Ujjivan Financial Services Limited</b>	1,191	551	640

No strategic investments were disposed off during the year ended 31 March 2024 as well as in the previous year ended 31 March 2023 and there were no transfers of any cumulative gain or loss within equity relating to these investments.

## Notes forming part of the Standalone financial statements for the year ended 31 March 2024

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>2.4 LONG-TERM LOANS</b>		
(Unsecured considered good unless otherwise stated)		
a. Loans and advances to employees	39	25
b. Loan to subsidiary credit impaired (refer note 1 below)		
Interest Accrued on loan	422	382
	1	-
Less: Loss allowance on loan to subsidiary	(422)	(382)
	<b>40</b>	<b>25</b>

### Note 1:

(Amount in ₹ Lacs unless otherwise stated)

Type of borrower	Amount of loan / advance in the nature of loan outstanding as at 31 March 2024	Percentage to the total Loans and Advances in the nature of loans as at 31 March 2024	Amount of loan / advance in the nature of loan outstanding as at 31 March 2023	Percentage to the total Loans and Advances in the nature of loans as at 31 March 2023
Promoter	-	-	-	-
Directors	-	-	-	-
KMP's	-	-	-	-
Related parties*	422	83%	382	84%
	<b>422</b>	<b>83%</b>	<b>382</b>	<b>84%</b>

\* This loan is for Working Capital to meet day-to-day operations. The loan is repayable on demand.

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>2.5 OTHER NON-CURRENT FINANCIAL ASSETS</b>		
(Unsecured considered good unless otherwise stated)		
a. Security deposits	194	188
b. Long-term deposits with more than 12 months maturity	9,744	2,566
	<b>9,938</b>	<b>2,754</b>

Note:

[Long term deposits include ₹ 6 lacs (31 March 2023 ₹ 6 lacs ) which are under lien]

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>2.6 INCOME TAX ASSETS (NET)</b>		
a. Advance income tax (net of provisions)	1,271	1,036
	<b>1,271</b>	<b>1,036</b>

## Notes forming part of the Standalone financial statements for the year ended 31 March 2024

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>2.7 OTHER NON- CURRENT ASSETS</b>		
(Unsecured considered good unless otherwise stated)		
a. Capital advances	798	38
b. Employee advances	39	37
Less: Allowances for doubtful trade receivables	(39)	(37)
	-	-
c. Prepaid expenses	90	141
	<b>888</b>	<b>179</b>

### 2.8 Current investments

#### Investment in mutual funds

(Amount in ₹ Lacs unless otherwise stated)

Name	As at 31 March 2024	As at 31 March 2023
<b>Investment in Mutual Funds (Unquoted)</b>		
<i>Mutual funds at Fair value through profit or loss (FVTPL)</i>		
a. Aditya Birla Sun Life Arbitrage Fund -Direct Plan - Growth	757	699
b. Aditya Birla Sun Life Money Manager Fund - Direct Plan - Growth	3,477	3,226
c. Axis Liquid Fund- Direct Plan- Growth	2,782	-
d. DSP Low Duration Fund - Direct Plan - Growth	3,420	3,400
e. HDFC Money Market Fund - Direct Plan - Growth	2,559	2,377
f. HDFC Ultra Short term Fund - Direct Plan - Growth	1,889	1,757
g. HSBC Liquid Fund- Direct Plan- Growth	2,357	-
h. ICICI Prudential Money Market Fund - Direct Plan - Growth	3,058	3,488
i. Nippon India Arbitrage Fund - Direct Plan - Growth	1,548	1,429
j. Nippon India Liquid Fund-Direct Plan -Growth	1,517	-
k. SBI Arbitrage Opportunities Fund- Direct Plan -Growth	3,038	-
l. Tata Arbitrage Fund- Direct Plan - Growth	369	340
m. Tata Liquid Fund - Direct Plan - Growth	1,532	-
n. Tata Treasury Advantage Fund - Direct Plan - Growth	697	650
o. UTI Arbitrage Fund - Direct Plan - Growth	625	577
p. UTI Liquid Fund - Direct Plan - Growth	948	-
q. UTI Money Market Fund - Direct Plan - Growth	1,685	1,566
	<b>32,258</b>	<b>19,509</b>
<b>Investment in bonds (quoted)</b>		
<i>Bonds securities at Amortised cost</i>		
a. 8.35% National Highways Authority of India (NHAI) Tax Free Bonds 2023	-	510
b. 8.01% India Infrastructure Finance Company Limited (IIFCL) Tax Free Bonds 2023	-	1,030
c. 8.23% Indian Railway Finance Corporation Limited (IRFC) Tax Free Bonds 2024	-	540
d. 8.51% Housing and Urban Development Corporation Limited (HUDCO) Tax free bonds 2024	-	517
	-	<b>2,597</b>

## Notes forming part of the Standalone financial statements for the year ended 31 March 2024

(Amount in ₹ Lacs unless otherwise stated)

Name	As at 31 March 2024	As at 31 March 2023
<b>Investment in Preference Shares (quoted)</b>		
Preference shares at Amortised cost		
a. 17.38% IL&FS Financial Services Ltd. ( Preference Shares - 2021)	100	100
Less: Expected Credit Loss on investment	<u>(100)</u>	<u>(100)</u>
	-	-
b. 16.46% Infrastructure Leasing & Financial Services Ltd. (Preference Shares - 2022)	501	501
Less: Expected Credit Loss on investment	<u>(501)</u>	<u>(501)</u>
	-	-
c. 7.50% Tata Capital Ltd. (Preference Shares - 2024)	-	<b>500</b>
	<u>-</u>	<u><b>500</b></u>
	<b>32,258</b>	<b>22,606</b>
Aggregate amount of investment	<u>32,258</u>	<u>22,606</u>
Aggregate book value of quoted investments	-	3,097
Aggregate market value of quoted investments	-	3,340
Aggregate value of unquoted investments	32,258	19,509
Aggregate amount of impairment in value of quoted investments	601	601

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>2.9 CURRENT TRADE RECEIVABLES</b>		
a. Due from subsidiaries - considered good (see note 1 below and note 2.34 )	222	339
b. Other trade receivable ( see note 1 below)		
Considered good - Unsecured	13,828	15,661
Credit impaired	<u>286</u>	<u>103</u>
	14,114	15,764
Less: Allowances for doubtful trade receivables	<u>(286)</u>	<u>(103)</u>
	13,828	15,661
	<b>14,050</b>	<b>16,000</b>
c. Trade receivable -Unbilled		
Considered good - Unsecured	1,692	473
Credit impaired	<u>175</u>	<u>64</u>
	1,867	537
Less: Allowances for doubtful trade receivables unbilled	<u>(175)</u>	<u>(64)</u>
	1,692	473
	<b>15,742</b>	<b>16,473</b>

**Notes forming part of the Standalone financial statements** for the year ended 31 March 2024

**Note 1:**

(Amount in ₹ Lacs unless otherwise stated)

	Outstanding for following periods from due date of payment (Billed)	As at 31 March 2024					Total
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i)	Undisputed Trade receivables – considered good	13,639	304	-	-	-	<b>13,943</b>
(ii)	Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii)	Undisputed Trade Receivables – credit impaired	-	-	213	-	-	<b>213</b>
(iv)	Disputed Trade Receivables– considered good	-	-	-	-	-	-
(v)	Disputed Trade Receivables – which have significant increase in credit risk	-	79	-	28	-	<b>107</b>
(vi)	Disputed Trade Receivables – credit impaired	-	61	-	12	-	<b>73</b>
		<b>13,639</b>	<b>444</b>	<b>213</b>	<b>41</b>	-	<b>14,336</b>
	<b>Less: Allowances for doubtful trade receivables</b>						<b>(286)</b>
	<b>TRADE RECEIVABLES</b>						<b>14,050</b>
	<b>TRADE RECEIVABLES-Unbilled</b>						<b>1,692</b>
							<b>15,742</b>

(Amount in ₹ Lacs unless otherwise stated)

	Outstanding for following periods from due date of payment	As at 31 March 2023					Total
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i)	Undisputed Trade receivables – considered good	14,832	1,139	-	-	-	<b>15,971</b>
(ii)	Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii)	Undisputed Trade Receivables – credit impaired	-	69	-	-	-	<b>69</b>
(iv)	Disputed Trade Receivables– considered good	-	-	-	-	-	-
(v)	Disputed Trade Receivables – which have significant increase in credit risk	-	-	29	-	-	<b>29</b>
(vi)	Disputed Trade Receivables – credit impaired	-	-	13	1	20	<b>34</b>
		<b>14,832</b>	<b>1,208</b>	<b>42</b>	<b>1</b>	<b>20</b>	<b>16,103</b>
	<b>Less: Allowances for doubtful trade receivables</b>						<b>(103)</b>
	<b>TRADE RECEIVABLES</b>						<b>16,000</b>
	<b>TRADE RECEIVABLES-Unbilled</b>						<b>473</b>
							<b>16,473</b>



## Notes forming part of the Standalone financial statements for the year ended 31 March 2024

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>2.10 CASH AND CASH EQUIVALENTS</b>		
a. Remittance in transit	212	-
b. Balances with scheduled banks:	177	77
- in Current accounts	31	42
- in Escrow accounts	637	1,530
- in EEFC accounts		
c. Balance with non scheduled banks in current accounts:		
- Citibank, United Kingdom	9	8
- Citibank, United Arab Emirates	48	31
d. Balances with scheduled banks in deposit accounts with original maturity of less than 3 months	715	1,592
	<u>1,829</u>	<u>3,280</u>

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>2.11 OTHER BANK BALANCES</b>		
a. Balances with scheduled banks in earmarked accounts:	27	32
- unclaimed dividend accounts		
b. Balances with scheduled banks in deposit accounts		
- Maturity with in 12 months of the reporting date	2,787	29
	<u>2,814</u>	<u>61</u>

Note:

[Balance with scheduled banks in deposit accounts include ₹ 29 lacs (31 March 2023 ₹ 29 lacs ) which are under lien]

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>2.12 SHORT-TERM LOANS</b>		
a. Loans and advances to employees considered good - Unsecured	46	50
	<u>46</u>	<u>50</u>

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>2.13 OTHER CURRENT FINANCIAL ASSETS</b>		
(Unsecured, considered good unless otherwise stated)		
a. Security deposit	6	28
b. Mark-to-market gain on forward contracts	6	17
c. Expenses recoverable from customers	17	14
	<u>29</u>	<u>59</u>

**Notes forming part of the Standalone financial statements** for the year ended 31 March 2024

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>2.14 OTHER CURRENT ASSETS</b>		
(Unsecured considered good unless otherwise stated)		
a. Income accrued but not due		
Considered good	1,756	815
Credit impaired	34	227
	1,790	1,042
Less : Loss allowance for income accrued but not due	(34)	(227)
	1,756	815
Due from subsidiaries - considered good (see note 2.34)	3	-
b. Employee advances	45	22
c. Prepaid expenses	1,066	920
d. Contract cost	34	17
e. Balances with government authorities		
- Tax credit receivable GST/VAT	32	35
f. Others		
- Supplier advances	729	581
- Considered good	11	9
g. Deferred employee benefits	3,676	2,399

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>2.15 SHARE CAPITAL</b>		
a. <b>Authorised</b>		
Equity shares		
41,100,000 (As at 31 March 2023 - 41,100,000) equity shares of ₹ 10 each	4,110	4,110
Preference shares		
4,000,000 (As at 31 March 2023 - 4,000,000 ) 11% redeemable non cumulative preference shares of ₹ 10 each	400	400
	4,510	4,510
b. <b>Issued, Subscribed and Paid-Up</b>		
<b>Issued</b>		
26,776,124 (As at 31 March 2023 - 26,776,124) equity shares of ₹ 10 each	2,678	2,678
<b>Subscribed and Paid-Up</b>		
26,773,324 (As at 31 March 2023 - 26,773,324) equity shares of ₹ 10 each	2,677	2,677
	2,677	2,677

## Notes forming part of the Standalone financial statements for the year ended 31 March 2024

Refer notes (i) to (vi) below :-

- (i) **Reconciliation of the subscribed and paid-up number of shares and amount outstanding at the beginning and at the end of the reporting period :-**

Particulars	Opening balance	Extinguishment of equity shares during the year	Closing balance
a. For the year ended 31 March 2024			
- Number of shares	26,773,324	-	26,773,324
- Amount (In ₹)	267,748,240	-	267,748,240
b. For the year ended 31 March 2023			
- Number of shares	26,773,324	-	26,773,324
- Amount (In ₹)	267,748,240	-	267,748,240

- (ii) The Company has one class of equity shares having a par value of ₹10 each. Each shareholder is eligible for one vote per share held. The dividend is paid on the approval of the shareholders in the Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

- (iii) **Number of shares held by promotor shareholders in the Company :-**

Particulars	31 March 2024			31 March 2023		
	(Number)	(Percentage)	% Change during the year	(Number)	(Percentage)	% Change during the year
Karmayogi Holdings Private Limited	9,000,000	33.62%	0.00%	9,000,000	33.62%	0.00%
Madhu Dusad	3,066,248	11.45%	0.00%	3,066,248	11.45%	0.00%
Nucleus Software Engineers Private Limited	2,385,882	8.91%	0.00%	2,385,882	8.91%	0.00%
Vishnu R Dusad	1,603,492	5.99%	0.00%	1,603,492	5.99%	0.00%
Ritika Dusad	1,000,000	3.74%	0.00%	1,000,000	3.74%	0.00%
Kritika Dusad	1,000,000	3.74%	0.00%	1,000,000	3.74%	0.00%
Yogesh Andlay	863,534	3.23%	0.00%	863,534	3.23%	0.00%
Nucleus Software Workshop Pvt Ltd	600,000	2.24%	0.00%	600,000	2.24%	0.00%
Naveen Kumar	72,952	0.27%	0.00%	72,952	0.27%	0.00%
Suman Mathur	23,758	0.09%	0.00%	23,758	0.09%	0.00%
Card Systems Pvt Ltd	-	0.00%	-0.01%	2,310	0.01%	0.00%

- (iv) **Number of shares held by shareholders holding more than 5% of the aggregate shares in the Company:-**

Particulars	31 March 2024		31 March 2023	
	(Number)	(Percentage)	(Number)	(Percentage)
Karmayogi Holdings Private Limited	9,000,000	33.62%	9,000,000	33.62%
Madhu Dusad	3,066,248	11.45%	3,066,248	11.45%
Nucleus Software Engineers Private Limited	2,385,882	8.91%	2,385,882	8.91%
Vishnu R Dusad	1,603,492	5.99%	1,603,492	5.99%

- (v) The subscribed and paid capital of ₹2,677 lacs includes ₹15,000 in respect of 2,800 forfeited equity shares pending reissue.

## Notes forming part of the Standalone financial statements for the year ended 31 March 2024

### (vi) Employees Stock Option Plan (“ESOP”)

- a. Employee Stock Option Scheme and SEBI (Share Based Employee Benefits) Regulations, 2014, is effective for regulation of all schemes by the Company for the benefits for its employees dealing in shares, directly or indirectly from 28 October 2014. In accordance with these Guidelines, the excess of the market price of the underlying equity shares as on the date of grant of options over the exercise price of the option, including up-front payments, if any, is to be recognized and amortised on graded vesting basis over the vesting period of the options.
- b. The Company currently has one ESOP scheme- ESOP Scheme - 2015 (instituted in 2015) which was duly approved by the Board of Directors and Shareholders. The ESOP Scheme 2015 provides for 500,000 options to eligible employees. As per ESOP scheme 2015, equity shares would be transferred to eligible employees on exercise of options through Nucleus Software Employee Welfare Trust. The Scheme is administered by the Compensation Committee comprising three members, majority of whom are independent directors.
- c. No options have been granted till date under the ESOP Scheme 2015.

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>2.16 OTHER EQUITY</b>		
a. Capital reserve	89	89
b. Securities premium account	-	-
c. Capital redemption reserve	561	561
d. General reserve	-	-
e. Retained earnings	70,409	54,834
f. Other comprehensive income	1,170	628
	<b>72,229</b>	<b>56,112</b>

(Amount in ₹ Lacs unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>a. Capital reserve</b>		
Opening balance	89	89
Addition during the year	-	-
Closing balance	<b>89</b>	<b>89</b>
<b>b. Securities premium account</b>		
Opening balance	-	-
Utilised for buy back of equity shares (see note below)	-	-
Closing balance	-	-
<b>c. Capital Redemption reserve</b>		
Opening Balance	561	561
Addition during the year	-	-
Closing balance	<b>561</b>	<b>561</b>
<b>d. General reserve</b>		
Opening balance	-	-
Utilised for buy back of equity shares (see note below)	-	-
Closing balance	-	-

## Notes forming part of the Standalone financial statements for the year ended 31 March 2024

(Amount in ₹ Lacs unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>e. Retained Earnings</b>		
Opening balance	54,834	43,367
Add: Profit for the year	18,595	13,037
Less : Appropriations		
- Final dividend on equity shares [see note (i) below]	(2,677)	(1,874)
- Remeasurement of the defined benefit plans, net	(343)	304
Closing balance	<b>70,409</b>	<b>54,834</b>
<b>f. Other comprehensive income</b>		
<b>Equity instrument through other comprehensive income</b>		
Opening balance	615	230
Addition / (Deletion)	551	385
Closing balance	1,166	615
<b>Hedging reserve, net</b>		
Opening balance	13	8
Addition / (Deletion)	(9)	5
Closing balance	4	13
<b>Total other comprehensive income (net of tax)</b>	<b>1,170</b>	<b>628</b>
<b>Closing Balance</b>	<b>72,229</b>	<b>56,112</b>

Note :

### (i) Dividend

The Board of Directors on 23 May 2024 have recommended a payment of Final Dividend of ₹ 12.50 per share (on equity share of par value of ₹ 10 each) for the year ended 31 March 2024. The payment is subject to approval of shareholders at the ensuing AGM.

The Board of Directors on 26 May 2023 have recommended a payment of Final Dividend of ₹ 10 per share (on equity share of par value of ₹ 10 each) for the year ended 31 March 2023. The payment was approved by shareholders at the annual general meeting held on 14 July 2023. This dividend was paid on 26 July 2023.

### (ii) Nature and purpose of other reserves

#### Capital reserve

The Company had transferred forfeited ESOP application money to Capital reserve in accordance with the provision of the Companies Act. The reserve will be utilised in accordance with the provisions of the Companies Act, 2013.

As per Companies Act, 2013, capital redemption reserve is created when company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve. The reserve is utilised in accordance with the provisions of section 69 of the Companies Act, 2013.

#### Securities premium account

Securities premium is used to record the premium on issue of shares and shall be utilised in accordance with the provisions of the Companies Act, 2013.



## Notes forming part of the Standalone financial statements for the year ended 31 March 2024

### Capital Redemption reserve

This reserve was created on account of a buy back of shares by the Company during the year ended 31 March 2017 and for the year ended 31 March 2022. A sum equal to the nominal value of the shares so purchased was transferred to capital redemption reserve. The reserve shall be utilised in accordance with the provisions of section 69 of the Companies Act, 2013.

### Hedging reserve

This comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

### General reserve

The general reserve is a free reserve which is used from time to time to transfer profits from retained earnings for appropriation purposes.

### Equity instrument through other comprehensive income

The Company has designated its investments in certain equity instruments at fair value through other comprehensive income. These changes are accumulated within the FVOCI equity investments within equity. The Company transfers amounts therefrom to retained earnings when the relevant equity securities are derecognised.

### Remeasurement of net defined benefit plans

Remeasurement of net defined benefit plans (asset) comprises actuarial gain and losses and return on plan assets (excluding interest income)

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>2.17 NON-CURRENT PROVISIONS</b>		
Provision for employee benefits		
a. Provision for compensated absences	1,883	1,322
b. Provision for gratuity (see note 2.38)	1,135	986
	<b>3,018</b>	<b>2,308</b>

### 2.18 DEFERRED TAX LIABILITIES (NET)

#### A. Amounts recognised in profit or loss

(Amount in ₹ Lacs unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Current tax	5,658	4,190
Deferred tax	659	112
<b>Net tax expense</b>	<b>6,317</b>	<b>4,302</b>

#### B. Income tax recognised in other comprehensive income

(Amount in ₹ Lacs unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Remeasurements of net defined benefit plans	63	(102)
Effective portion of gain/ (loss) on hedging instruments of effective cash flow hedges	3	(1)
	<b>66</b>	<b>(103)</b>

## Notes forming part of the Standalone financial statements for the year ended 31 March 2024

### (C) Reconciliation of effective tax rate

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before taxes is summarised below:

Particulars	Percentage	For the year ended 31 March 2024	Percentage	For the year ended 31 March 2023
<b>Profit before tax</b>		24,912		17,339
Domestic tax rate	25.17%	6,270	25.17%	4,364
Effect of exempt non-operating income	-0.32%	(80)	-0.69%	(119)
Effect of non- deductible expenses and others	0.81%	202	0.05%	8
Taxes on income at different rates	-0.79%	(198)	-0.09%	(15)
Change in tax rate and others	0.49%	123	0.37%	64
<b>Effective tax</b>	<b>25.36%</b>	<b>6,317</b>	<b>24.81%</b>	<b>4,302</b>

### (D) Movement in temporary differences

(Amount in ₹ Lacs unless otherwise stated)

Particular	Balance as at 1 April 2023	Recognised [Credited/ (Charge)] in the statement of profit or loss during the year	Recognised [Credited/ (Charge)] in OCI during the year	MAT created / (utilised) during the year	Balance as at 31 March 2024
<b>(i) Deferred tax assets</b>					
Provisions- compensated absences, gratuity and other employee benefits	454	34	102	-	590
Provision for doubtful trade receivables / loans and service income accrued but not due and others	216	37	-	-	253
Trade receivables, security deposit and loans at amortised cost	14	(1)	-	-	13
Lease liability	4	4	-	-	8
	<b>688</b>	<b>74</b>	<b>102</b>	<b>-</b>	<b>864</b>
<b>(ii) Deferred tax liabilities</b>					
Property, plant and equipment	67	(7)	-	-	60
Forward contracts	(4)	-	3	-	(2)
Investments	(1,004)	(726)	(39)	-	(1,769)
	<b>(941)</b>	<b>(733)</b>	<b>(36)</b>	<b>-</b>	<b>(1,711)</b>
<b>Net deferred tax asset (Liability)</b>	<b>(253)</b>	<b>(659)</b>	<b>66</b>	<b>-</b>	<b>(847)</b>

**Notes forming part of the Standalone financial statements** for the year ended 31 March 2024

(Amount in ₹ Lacs unless otherwise stated)

Particular		Balance as at 1 April 2022	Recognised [Credited/ (Charge)] in the statement of profit or loss during the year	Recognised [Credited/ (Charge)] in OCI during the year	MAT created / (utilised) during the year	Balance as at 31 March 2023
(i)	<b>Deferred tax assets</b>					
	Provision for compensated absences, gratuity and other employee benefits	373	183	(102)	-	454
	Provision for doubtful debts/ loans and service income accrued but not due	201	15	-	-	216
	Trade receivables, security deposit and loans at amortised cost	14	-	-	-	14
	Lease liability	3	1	-	-	4
		<b>591</b>	<b>199</b>	<b>(102)</b>	<b>-</b>	<b>688</b>
(ii)	<b>Deferred tax liabilities</b>					
	Property, plant and equipment	(12)	79	-	-	67
	Forward contracts	(3)	-	(1)	-	(4)
	Investments	(614)	(390)	-	-	(1,004)
		<b>(629)</b>	<b>(311)</b>	<b>(1)</b>	<b>-</b>	<b>(941)</b>
	<b>Net deferred tax asset (Liability)</b>	<b>(38)</b>	<b>(112)</b>	<b>(104)</b>	<b>-</b>	<b>(253)</b>

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
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**2.19 TRADE PAYABLES**

- Total outstanding dues of micro enterprises and small enterprises (see note 2.41)	-	-
- Due to subsidiaries (see note 2.34) and (see note below)	455	242
- Total outstanding dues of creditors other than micro enterprises and small enterprises ( see note 1 below)	307	97
- Accrued expenses	1,074	783
	<b>1,836</b>	<b>1,122</b>

## Notes forming part of the Standalone financial statements for the year ended 31 March 2024

**Note 1 :** Aging for Trade payable outstanding as at 31 March 2024 is as follows:

(Amount in ₹ Lacs unless otherwise stated)

Outstanding for following period from due date	Not Due	As at 31 March 2024					Total
		Outstanding for following periods from due date of payments					
		Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years		
<b>Trade payables</b>							
(i) MSME	-	-	-	-	-	-	-
(ii) Others (inter company)	-	455	-	-	-	-	455
(iii) Others	130	177	-	-	-	-	307
(iv) Disputed dues MSME	-	-	-	-	-	-	-
(v) Disputed dues others	-	-	-	-	-	-	-
<b>Total</b>	<b>130</b>	<b>632</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>762</b>
<b>Accrued expenses</b>							<b>1,074</b>
							<b>1,836</b>

**Note 1 :** Aging for Trade payable outstanding as at 31 March 2023 is as follows:

(Amount in ₹ Lacs unless otherwise stated)

Outstanding for following period from due date	Not Due	As at 31 March 2023					Total
		Outstanding for following periods from due date of payments					
		Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years		
(i) MSME	-	-	-	-	-	-	-
(ii) Others (inter company)	-	242	-	-	-	-	242
(iii) Others	95	2	-	-	-	-	97
(iv) Disputed dues MSME	-	-	-	-	-	-	-
(v) Disputed dues others	-	-	-	-	-	-	-
<b>Total</b>	<b>95</b>	<b>244</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>339</b>
<b>Accrued expenses</b>							<b>783</b>
							<b>1,122</b>

### Relationship with the struck off companies

No transactions with struck off companies during the year ended 31 March 2024 (NIL in previous year ended 31 March 2023).

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>2.20 OTHER CURRENT FINANCIAL LIABILITIES</b>		
a. Unpaid dividends	27	32
b. Payable for purchase of Property, plant and equipment and Intangible assets	25	-
c. Employee payable	3,758	2,651
	<b>3,810</b>	<b>2,683</b>

## Notes forming part of the Standalone financial statements for the year ended 31 March 2024

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>2.21 CURRENT PROVISIONS</b>		
Provision for employee benefits		
a. Provision for compensated absences	374	366
	<u>374</u>	<u>366</u>

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>2.22 CURRENT TAX LIABILITIES</b>		
a. Provision for tax	3	1,215
	<u>3</u>	<u>1,215</u>

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>2.23 OTHER CURRENT LIABILITIES</b>		
a. Advance from customers / Advance billings	8,472	8,359
b. Deferred revenue	11,789	5,982
Deferred revenue due to subsidiaries (see note 2.34)	27	34
c. Other payables - statutory liabilities	1,683	2,329
	<u>21,971</u>	<u>16,704</u>

(Amount in ₹ Lacs unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>2.24 INCOME FROM SOFTWARE PRODUCTS AND SERVICES</b>		
a. Software products and services (see note 2.37)		
- Sale of products	71,035	53,768
- Sale of services	5,577	4,705
	<u>76,612</u>	<u>58,473</u>

The Company primarily caters to customers in Banking and Financial Services sector. While the Company believes that it has offerings, which will have great value proposition for the customers, the impact on future revenue streams could come from -

- i. the inability of our customers to continue their businesses due to financial resource constraints or their services no-longer being availed by their customers
- ii. customers postponing their discretionary spend due to change in priorities

The Company has considered impact of the above reasons to the extent known and available currently. The Company has also taken steps to assess the cost budgets required to complete its performance obligations in respect of fixed price contracts and incorporated the impact of likely delays / increased cost in meeting its obligations and based on its current assessment, the Company sees no material impact on these Financial Statements.

## Notes forming part of the Standalone financial statements for the year ended 31 March 2024

### Remaining performance obligation disclosure and contract balances

The remaining performance obligation disclosure provides the aggregate amount of transaction price yet to be recognised as revenue towards unsatisfied or partially satisfied performance obligations, along with the broad time band for the expected time to recognise those revenues. The Company has applied the practical expedient in Ind AS 115 and accordingly the Company has not disclosed the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognised meets the criteria as per the practical expedients and typically relate to time and material, outcome based and event based contracts.

Unsatisfied (or partially satisfied) performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates, changes in currency rate etc. The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations as at 31 March 2024, other than those meeting the exclusion criteria is ₹ 13,293 Lacs, out of which 55% is expected to be recognised as revenue in the next year and the balance thereafter. The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligation as at 31 March 2023, other than those meeting the exclusion criteria is ₹ 10,166 Lacs, out of which 49% is expected to be recognised as revenue in the next year and the balance thereafter.

Changes in contract assets (income accrued but not due) are as follows:

(Amount in ₹ Lacs unless otherwise stated)

	As at 31 March 2024	As at 31 March 2023
Balance at the beginning of the year	1,042	1,386
Revenue recognised during the year	8,740	9,476
Invoices raised during the year	(9,833)	(9,826)
Translation exchange difference	110	133
Movement of contract assets	1,734	(5)
Impairment of a contract asset	-	(122)
<b>Balance at the end of the year</b>	<b>1,793</b>	<b>1,042</b>

Changes in contract liabilities (unearned and deferred revenue) are as follows:

(Amount in ₹ Lacs unless otherwise stated)

	As at 31 March 2024	As at 31 March 2023
Balance at the beginning of the year	14,374	14,000
Revenue recognised during the year	(53,298)	(39,762)
Invoices raised during the year	52,290	39,875
Translation exchange difference	(22)	176
Other movement liability	6,944	85
Impairment of liability	-	-
<b>Balance at the end of the year</b>	<b>20,288</b>	<b>14,374</b>



## Notes forming part of the Standalone financial statements for the year ended 31 March 2024

(Amount in ₹ Lacs unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>2.25 OTHER INCOME</b>		
a. Interest income on financial assets- carried at amortised cost :		
- Deposits with banks and others	324	194
- Loan to subsidiary	1	-
- Tax free bonds	316	473
- Target Maturity Fund	888	2
- Others	20	19
b. Interest income on income tax refund	-	43
c. Dividend income		
- Current investments	-	-
- Non-current investments	44	50
d. Net gain / (loss) on sale of investments		
- Non trade investment	-	-
- Mutual Funds	75	100
e. MTM gain or (loss) on		
- Current investments	2,114	1,358
- Non-current investments	1,047	630
f. - Gain on exchange fluctuation	46	396
g. Other non-operating income		
- Net profit on sale of property, plant and equipment	67	36
- Premium on Forward Contracts	-	103
- Miscellaneous income	5	12
	<b>4,947</b>	<b>3,416</b>

(Amount in ₹ Lacs unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>2.26 EMPLOYEE BENEFITS EXPENSES</b>		
a. Salaries and wages	39,060	30,778
b. Contribution to provident and other funds	2,378	1,936
c. Gratuity expense (see note 2.38)	624	596
d. Staff welfare expenses	660	527
	<b>42,722</b>	<b>33,837</b>

## Notes forming part of the Standalone financial statements for the year ended 31 March 2024

(Amount in ₹ Lacs unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>2.27 OPERATING AND OTHER EXPENSES</b>		
a. Outsourced technical service expense	1,569	1,241
b. Cost of software purchased for delivery to clients	38	63
c. Power and fuel	327	286
d. Rent (see note 2.2)	95	55
e. Repair and maintenance		
- Buildings	40	47
- Others	374	359
f. Insurance	116	123
g. Rates and taxes	32	18
h. Travel expenses		
- Foreign	1,154	545
- Domestic	345	232
i. Advertisement, business development and promotion	269	130
j. Legal and professional	442	515
k. Remuneration to Non Executive Directors	318	241
l. Conveyance	61	45
m. Communication	115	117
n. Training and recruitment	410	411
o. Conference, exhibition and seminar	603	241
p. Information technology expenses	3,364	2,533
q. Bad debts and allowance / provision for doubtful trade receivables / advances / other current assets	165	199
r. Withholding tax charged off	403	243
s. Commission to channel partners	90	70
t. Expenditure on corporate social responsibility (see note 2.40)	213	175
u. Sales and marketing fee	720	759
v. Business Management & Consultancy Expenses (see note 2.34)	1,080	171
w. Miscellaneous expenses	194	111
	<b>12,537</b>	<b>8,930</b>
<b>Remuneration to Non Executive Directors</b>		
a. Commission	212	148
b. Sitting fees	106	93
	<b>318</b>	<b>241</b>

## Notes forming part of the Standalone financial statements for the year ended 31 March 2024

(Amount in ₹ Lacs unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>2.28 FINANCE COST</b>		
a. Bank Charges	25	27
b. Interest expense on lease liability	47	50
	72	77

### 2.29 RATIOS

	Ratios as per table below	As at 31 March 2024	As at 31 March 2023	Numerator and denominator for computing the above ratios	Remarks
a.	Current Ratio (in times)	2.00	2.02	Current assets/Current liabilities	-
b.	Debt-Equity Ratio (in times)*	0.005	0.010	Debt consist of lease liabilities / Total equity	₹13 Lacs Lease liabilities addition during the year
c.	Debt Service Coverage Ratio (in times)*	68	48	Profit after tax+ Interest +Non cash expenses/ Debt service (interest and lease payments)-	This is due to higher profits during the current year.
d.	Inventory turnover ratio	-	-	-	Not applicable
e.	Trade Receivables turnover ratio (Days)**	75	103	Trade receivables *(365)/Income from software product and services	Refer note below
f.	Trade payables turnover ratio (Days)	12	9	Trade payables*(365)/Total expenses	Due to higher trade payables as on date
g.	Net capital turnover ratio (in times)	2.72	2.58	Income from software product and services/ working capital (CA-CL)	Not applicable
h.	Return on Equity Ratio ( in %) ***	28%	25%	Profit after tax/Average total equity	Refer note below
i.	Net profit ratio (in %) ***	24%	22%	Profit after tax/Income from software product and services	Refer note below
j.	Return on Capital employed (in %) ***	33%	29%	Profit before tax / Capital employed (Tangible net worth + deferred tax liabilities + Lease Liabilities)	Refer note below
k.	Return on investment (in %) ****	7.45%	5.06%	Income generated from investments/Time weighted average investments	Refer note below

Note: (\*) Above ratio's movement (2.29 b and 2.29 c) for current year is more than 25% . This is due to Principal repayment of lease liabilities of ₹ 168 lacs during the year.

Note: (\*\*) Above ratio's movement (2.29 e) for current year is more than 25% . This is due to Higher Income from software product and services.

Note: (\*\*\*) Above ratio's movement (2.29 h to 2.29 j) for current year is more than 25% . This is due to the reason of higher revenue in current year by ₹ 18,139 lacs and expenses higher by ₹ 12,097 lacs.

Note: (\*\*\*\*) Above ratio's movement (2.29 k) for current year is more than 25% . This is due to the reason of higher returns on investment.

## Notes forming part of the Standalone financial statements for the year ended 31 March 2024

### 2.30 Financial Instruments

#### a) Financial Instruments by category

The carrying value and fair value of financial instruments by categories as at 31 March 2024 as follows:

(Amount in ₹ Lacs unless otherwise stated)

Particulars	Amortised cost	Financial assets/liabilities at fair value through profit or loss	Financial assets/liabilities at fair value through OCI	Total carrying value	Total fair value	Level 1	Level 2	Level 3
<b>Assets:</b>								
Cash and cash equivalents (2.10)	1,829	-	-	1,829	1,829	-	-	-
Other bank balances (2.11)	2,814	-	-	2,814	2,814	-	-	-
Investments (2.3 and 2.8)								
Equity Instruments (Other than subsidiaries)	-	-	1,191	1,191	1,191	1,191	-	-
Tax free bonds	3,400	-	-	3,400	3,548	3,548	-	-
Mutual funds	-	46,496	-	46,496	46,496	46,496	-	-
Target maturity funds (TMFs)	13,289	-	-	13,289	13,373	13,373	-	-
Preference shares	-	-	-	-	-	-	-	-
Trade receivables (2.9)	15,742	-	-	15,742	15,742	-	-	-
Loans (2.4 and 2.12)	86	-	-	86	86	-	-	-
Other financial assets (2.5 and 2.13)	9,961	-	6	9,967	9,967	-	-	-
	<b>47,121</b>	<b>46,496</b>	<b>1,197</b>	<b>94,814</b>	<b>95,046</b>	<b>64,608</b>		
<b>Liabilities:</b>								
Trade payables (2.19)	1,836	-	-	1,836	1,836	-	-	-
Lease liabilities (2.2)	398	-	-	398	398	-	-	-
Other financial liabilities (2.20)	3,810	-	-	3,810	3,810	-	-	-
	<b>6,044</b>	<b>-</b>	<b>-</b>	<b>6,044</b>	<b>6,044</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Notes forming part of the Standalone financial statements for the year ended 31 March 2024

The carrying value and fair value of financial instruments by categories as at 31 March 2023 were as follows:

Particulars	Amortised cost	Financial assets/liabilities at fair value through profit or loss	Financial assets/liabilities at fair value through OCI	Total carrying value	Total fair value	(Amount in ₹ Lacs unless otherwise stated)		
						Level 1	Level 2	Level 3
<b>Assets:</b>								
Cash and cash equivalents (2.10)	3,280	-	-	3,280	3,280	-	-	-
Other bank balances (2.11)	61	-	-	61	61	-	-	-
Investments (2.3 and 2.8)	-	-	-	-	-	-	-	-
Equity Instruments (Other than subsidiaries)	-	-	640	640	640	640	-	-
Tax free bonds	6,060	-	-	6,060	6,396	6,396	-	-
Mutual funds	-	32,899	-	32,899	32,899	32,899	-	-
Target maturity funds (TMFs)	12,400	-	-	12,400	12,399	12,399	-	-
Preference shares	500	-	-	500	500	500	-	-
Trade receivables (2.9)	16,473	-	-	16,473	16,473	-	-	-
Loans (2.4 and 2.12)	75	-	-	75	75	-	-	-
Other financial assets (2.5 and 2.13)	2,796	-	17	2,813	2,813	-	-	-
	<b>41,645</b>	<b>32,899</b>	<b>657</b>	<b>75,201</b>	<b>75,536</b>	<b>52,835</b>	-	-
<b>Liabilities:</b>								
Trade payables (2.19)	41,645	32,899	-	1,122	1,122	-	-	-
Lease liabilities (2.2)	1,122	-	-	585	585	-	-	-
Other financial liabilities (2.20)	585	-	-	2,683	2,683	-	-	-
	<b>4,390</b>	-	-	<b>4,390</b>	<b>4,390</b>	-	-	-

### Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments.
- for forward exchange contracts, the fair value is determined based on confirmations received from the bankers at the reporting date.
- the fair value of remaining financial instruments is determined using discounted cash flows method.

## Notes forming part of the Standalone financial statements for the year ended 31 March 2024

The fair values of current trade receivables, short term loan, current security deposit, trade payables, current financial liabilities, other bank balances and cash and cash equivalents are considered to be the same as their carrying amount, due to their short-term nature.

The fair value of long term loan, non-current security deposit and non-current financial liabilities were calculated based on cash flows discounted using the lending rate as on the transition date since there is no material change in the lending rate.

### Fair value hierarchy

**Level 1** - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

**Level 2** - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

**Level 3** - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

### b) Financial risk management

The Company's activities expose it to a variety of financial risks arising from financial instruments

- **Market risk,**
- **Credit risk and**
- **Liquidity risk**

"Risk Management Committee (RMC) is responsible for identification and review of risks and mitigation plans. The Committee meets regularly for identification and prioritization of risks. RMC conducts risk survey with the senior and middle level management of the Company to identify risks and rate them appropriately. Top risks are identified and remaining are categorized as other risks. The RMC then places updates to the Board of Directors on a regular basis, on key risks facing the Company, along with their mitigation plans.

#### i) **Market risk**

##### a) **Currency risk**

The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk.

The Company operates internationally and a major portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk through its sales and services and purchase of services from overseas suppliers in various foreign currencies. The Company holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The exchange rate between the rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Company's operations are affected if the rupee appreciates/ depreciates against these currencies.

The Company's risk management policy is to hedge 30% to 55% of its estimated foreign currency exposure in respect of forecast collection over the following 6 months at any point in time. The Company uses forward exchange contracts to hedge its currency risk, mostly with a maturity of less than one year from the reporting date. Such contracts are generally designated as cash flow hedges.

The Company determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of their respective cash flows.



## Notes forming part of the Standalone financial statements for the year ended 31 March 2024

Foreign currency exposures are given below :

(Amount in ₹ Lacs unless otherwise stated)

Currency	As at 31 March 2024		As at 31 March 2023	
	Amount in foreign currency in lacs	Amount in ₹ in lacs	Amount in foreign currency in lacs	Amount in ₹ in lacs
<b>Receivable</b>				
USD	72	6,006	60	4,944
EUR	1	131	2	186
MYR	0	7	2	45
SGD	1	56	2	114
JPY	5	3	-	-
AED	5	106	5	115
GBP	13	1,331	1	114
AUD	1	42	2	97
CAD	0	3	-	-
CHF	-	-	0	4
THB	0	0	-	-
SAR	3	56	-	-
<b>Payable</b>				
USD	1	53	0	35
MYR	1	22	1	24
GBP	0	2	0	5
CAD	0	1	-	-
SGD	2	134	2	98
AED	2	45	0	6
JPY	286	157	2	1
AUD	3	170	3	184
THB	0	0	-	-
SAR	0	1	0	1

### Cash flow sensitivity of currency risk

As at 31 March 2024 and as at 31 March 2023 a 10% strengthening/weakening of the Indian rupee against the respective Foreign currencies, would have affected the Company's total comprehensive income by ₹ 716 lacs and ₹ 526 lacs respectively.

Sensitivity analysis is computed based on the changes in the income and expenses in foreign currency upon conversion into functional currency due to exchange rate fluctuations between the previous reporting period and the current reporting year.

#### b) Price risk

##### (i) Exposure

The Company's exposure to equity securities and mutual funds arises from investments held by the Company and classified in the balance sheet either as fair value through OCI or at fair value through profit or loss.

## Notes forming part of the Standalone financial statements for the year ended 31 March 2024

### (ii) Sensitivity

The sensitivity of profit or loss in respect of investments in mutual funds and equity instruments (other than subsidiaries) at the end of the reporting period for +/- 2% change in price and net asset value is presented below:

(Amount in ₹ Lacs unless otherwise stated)

	Impact on profit before tax		Impact on other components of equity	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
<b>Increase 2%</b>				
Mutual funds	930	658	-	-
Equity instruments (other than subsidiaries)	-	-	24	13
<b>Decrease 2%</b>				
Mutual funds	(930)	(658)	-	-
Equity instruments (other than subsidiaries)			(24)	(13)

### Derivative financial instruments

The Company holds derivative financial instruments such as foreign currency contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank or a financial institution. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace.

The following table gives details in respect of outstanding foreign exchange forward contracts:

(Amount in ₹ Lacs unless otherwise stated)

Contract outstanding	Buy/Sell	As at	Equivalent	As at	Equivalent
		31 March 2024 (Original currency)	amount in ₹ 31 March 2024	31 March 2023 (Original currency)	amount in ₹ 31 March 2023
In USD ( Amount in USD lacs)	Sell	35.00	2,919	32.50	2,671

The foreign exchange contracts mature within six months. The table below analyzes the derivative financial instruments into relevant maturity groupings based on the remaining period as of the Balance sheet date

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at		As at	
	31 March 2024 Amount in USD in lacs	31 March 2024 Equivalent amount in ₹ in lacs	31 March 2023 Amount in USD in lacs	31 March 2023 Equivalent amount in ₹ in lacs
Not later than one month	7.50	626	5.00	411
Later than one month and not later than three months	12.50	1,043	12.50	1,027
Later than three months and not later than one year	15.00	1,251	15.00	1,233

## Notes forming part of the Standalone financial statements for the year ended 31 March 2024

Hedge effectiveness is determined at the inception of the hedge relationship and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument, including whether the hedging instrument is expected to offset changes in cash flows of hedged items.

The following table provides the reconciliation of cash flow hedge reserve for the year ended:

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at	As at
	31 March 2024	31 March 2023
Balance at the beginning of the year	13	8
Gain / (Loss) recognised in other comprehensive income during the year, net of taxes	(9)	5
Balance at the end of the year	4	13

The Company offsets a financial asset and a financial liability when it currently has a legally enforceable right to set off the recognized amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

### Effects of hedge accounting on financial performance

(Amount in ₹ Lacs unless otherwise stated)

	Year ended	Year ended
	31 March 2024	31 March 2023
Changes in the value of the hedging instrument recognised in other comprehensive income profit or (loss),net	(12)	6
Hedge ineffectiveness recognised in profit or (loss)	-	-
Amount reclassified from cash flow hedging reserve to profit or (loss)	(20)	(100)

The following table provides quantitative information of mark-to-market gain/loss on forward contracts

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at	As at
	31 March 2024	31 March 2023
Gross amount of recognized financial asset/ (financial liabilities)	6	17
<b>Net amount presented in balance sheet</b>	<b>6</b>	<b>17</b>

### ii) Credit risk

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available, reasonable and supportive forward- looking information.

In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 30 days past due.

A default on a financial asset is when the counter party fails to make contractual payments within 90 days of when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

## Notes forming part of the Standalone financial statements for the year ended 31 March 2024

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹ 15,742 lacs and ₹ 16,473 lacs as of 31 March 2024 and 31 March 2023 respectively and income accrued but not due and unbilled revenue amounting to ₹ 1,756 lacs and ₹ 815 lacs as of 31 March 2024 and 31 March 2023, respectively. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables and income accrued but not due and unbilled revenue. The provision matrix takes into account available external and internal credit risk factors such as Company's historical experience with customers. This assessment is not based on any mathematical model but an assessment considering the impact immediately seen in the demand outlook and the financial strength of the customers.

The following table gives details in respect of percentage of revenues generated from its top most customer and the top five customers:

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
	(in %)	(in %)
Revenue from top customer	6.62%	7.49%
Revenue from top five customers	25.49%	28.28%

### Credit risk exposure

- a) The lifetime expected credit loss on trade receivable for the year ended 31 March 2024 is ₹ 204 lacs and for the year ended 31 March 2023 was ₹ 47 lacs.

(Amount in ₹ Lacs unless otherwise stated)

	Year ended 31 March 2024	Year ended 31 March 2023
Balance at the beginning	103	58
Impairment loss recognised	204	47
Amounts written off against existing provision	(21)	(2)
<b>Balance at the end</b>	<b>286</b>	<b>103</b>

- b) The lifetime expected credit loss on income accrued but not due and unbilled revenue for the year ended 31 March 2024 is ₹ (193) lacs and for the year ended 31 March 2023 this was ₹ (36) lacs.

(Amount in ₹ Lacs unless otherwise stated)

	Year ended 31 March 2024	Year ended 31 March 2023
Balance at the beginning	227	384
Impairment loss recognised	(193)	(36)
Amounts written off against existing provision	-	(121)
<b>Balance at the end</b>	<b>34</b>	<b>227</b>

Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in mutual fund units, quoted bonds issued by government, preference shares.

**Notes forming part of the Standalone financial statements** for the year ended 31 March 2024

**a) Expected credit loss for loans, security deposits and Investments**
**As at 31 March 2024**
**(Amount in ₹ Lacs unless otherwise stated)**

Particulars		Asset group	Estimated gross carrying amount at default	Expected probability of default	Expected credit loss	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit loss	Financial assets for which credit risk has not increased significantly since initial recognition	Investment at amortised cost	16,689	0%	-	16,689
		Loans to employee	39	0%	-	39
		Security deposits	194	0%	-	194
Loss allowance measured at life-time expected credit loss	Financial assets for which credit risk has increased significantly and not credit -impaired	NA	NA	NA	NA	NA
		Financial assets for which credit risk has increased significantly and credit -impaired	Loan to subsidiary	422	100%	(422)
		Investment at amortised cost	601	100%	(601)	-

**As at 31 March 2023**
**(Amount in ₹ Lacs unless otherwise stated)**

Particulars		Asset group	Estimated gross carrying amount at default	Expected probability of default	Expected credit loss	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit loss	Financial assets for which credit risk has not increased significantly since initial recognition	Investment at amortised cost	15,863	0%	-	15,863
		Loans to employee	25	0%	-	25
		Security deposits	188	0%	-	188
Loss allowance measured at life-time expected credit loss	Financial assets for which credit risk has increased significantly and not credit -impaired	NA	NA	NA	NA	NA
		Financial assets for which credit risk has increased significantly and credit -impaired	Loan to subsidiary	382	100%	(382)
		Investment at amortised cost	601	100%	(601)	-

**Notes forming part of the Standalone financial statements** for the year ended 31 March 2024

**b) Expected credit loss for trade receivables under simplified approach**

As at 31 March 2024

(Amount in ₹ Lacs unless otherwise stated)

Ageing	Not due	0-90 days past due	91-180 days past dues	181-270 days past dues	271-360 days past dues	More than 360 days past dues	Total
Gross carrying amount	9,745	2,374	1,519	453	(9)	254	14,336
Less : Expected credit losses (Loss allowance provision)	-	-	-	61	-	225	286
Carrying amount of trade receivables (net of impairment)	9,745	2,374	1,519	392	(9)	29	14,050
TRADE RECEIVABLES- Unbilled	-	1,194	306	180	12	-	1,692

**15,742**

As at 31 March 2023

(Amount in ₹ Lacs unless otherwise stated)

Ageing	Not due	0-90 days past due	91-180 days past dues	181-270 days past dues	271-360 days past dues	More than 360 days past dues	Total
Gross carrying amount	13,315	1,304	214	1,013	195	62	16,103
Less : Expected credit losses (Loss allowance provision)	-	-	-	-	69	34	103
Carrying amount of trade receivables (net of impairment)	13,315	1,304	214	1,013	126	28	16,000
TRADE RECEIVABLES- Unbilled	-	468	5	-	-	-	473

**16,473**

**c) Expected credit loss for income accrued but not due / unbilled revenue under simplified approach**

As at 31 March 2024

(Amount in ₹ Lacs unless otherwise stated)

Ageing	0-90 days	90-180 days	180-270 days	270-360 days	More than 360 days	Total
Gross carrying amount	439	398	393	265	297	1,792
Less : Expected credit losses (Loss allowance provision)	-	-	-	-	34	34
Carrying amount (net of impairment)	439	398	393	265	263	1,758



## Notes forming part of the Standalone financial statements for the year ended 31 March 2024

As at 31 March 2023 (Amount in ₹ Lacs unless otherwise stated)

Ageing	0-90 days	90-180 days	180-270 days	270-360 days	More than 360 days	Total
Gross carrying amount	473	56	97	65	351	1,042
Less : Expected credit losses (Loss allowance provision)					227	227
Carrying amount (net of impairment)	473	56	97	65	124	815

### iii) Liquidity risk

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company has no outstanding bank borrowings. The Company believes that its working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

As of 31 March 2024, the Company had a working capital of ₹ 28,174 lacs including cash and cash equivalent of ₹ 1,829 lacs and current investment of ₹ 32,258 lacs (31 March 2023 ₹ 22,641 lacs including cash and cash equivalent of ₹ 3,280 lacs and current investment of ₹ 22,606 lacs). A substantial portion of the current investments are classified as Level 1 and their fair value is marked to an active market, and material volatility is not expected. Further, the cash and cash equivalents, bank deposits and earmarked balances are with banks where the Company has assessed the counterparty credit risk as low.

The table below provides details regarding the contractual maturities of financial liabilities as of 31 March 2024:

(Amount in ₹ Lacs unless otherwise stated)

Particulars	Less than 1 year	More than 1 year	Total
Trade payables	1,836	-	1,836
Lease liabilities	225	173	398
Other financial liabilities	3,810	-	3,810

The table below provides details regarding the contractual maturities of financial liabilities as of 31 March 2023:

(Amount in ₹ Lacs unless otherwise stated)

Particulars	Less than 1 year	More than 1 year	Total
Trade payables	1,122	-	1,122
Lease liabilities	198	387	585
Other financial liabilities	2,683	-	2,683

### C) Capital Management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and maintain an appropriate capital structure.

The Board of Directors has the primary responsibility to maintain a strong capital base and reduce the cost of capital through prudent management in deployment of funds and sourcing by leveraging opportunities in domestic and international financial markets so as to maintain investors, creditors & markets' confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Company defines as result from operating activities divided by total shareholders' equity.

## Notes forming part of the Standalone financial statements for the year ended 31 March 2024

The Company monitors capital, using a medium term view of three to five years, on the basis of a number of financial ratios generally used by industry and by the rating agencies. The Company is not subject to externally imposed capital requirements.

### (i) Risk management

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders, raise debts or issue new shares.

### (ii) Dividends

(Amount in ₹ Lacs unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Equity Shares		
(i) Final dividend of ₹10 per share ( Previous year ₹7 per share) (On equity share of ₹10 each) (see note 2.16 (i))	2,677	1,874
(ii) Dividend not recognised at the end of reporting period (see note 2.16 (i))	3,347	2,677

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
-------------	---------------------	---------------------

### 2.31 Contingent liabilities and Commitments (to the extent not provided for)

a. <b>Contingent liabilities</b>	687	592
----------------------------------	-----	-----

Notes :

As on 31st March 2024, claims against the company not acknowledged as debts in respect of income tax matters amounted to ₹ 640 Lacs (Previous Year As on 31st March 2023 was ₹ 592 lacs) and in respect of goods and service tax matters amounted to ₹ 47 lacs\* (Previous Year As on 31st March 2023 was ₹ NIL). The claims against the company represent demands for various tax matters and pending before tax Appellate Authorities. The management is of the view that these claims are likely to be settled in company's favour.

\*A show cause notice issued with a demand of ₹ 1,139 Lacs, which was reduced to ₹ 47 Lacs during the course of assessment.

b. <b>Capital Commitments (to the extent not provided for)</b>	384	333
--	-----	-----

Estimated amount of contracts remaining to be executed on capital account and not provided for in the books of account (net of advances).

## Notes forming part of the Standalone financial statements for the year ended 31 March 2024

(Amount in ₹ Lacs unless otherwise stated)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>2.32 Auditors remuneration (excluding taxes)</b>		
a. As auditors - statutory audit, including quarterly audits	33	33
b. For other services	6	2
c. Reimbursement of expenses	6	2
	<u>45</u>	<u>36</u>

### 2.33 Earnings per share

(Amount in ₹ Lacs unless otherwise stated)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
a. Profit after taxation available to equity shareholders (Rupees in Lacs)	18,595	13,037
b. Weighted average number of equity shares used in calculating basic earnings per share (Numbers)	26,773,324	26,773,324
c. Effect of dilutive issue of shares	-	-
d. Weighted average number of equity shares used in calculating diluted earnings per share (Numbers)	26,773,324	26,773,324
e. Basic earnings per share (Rupees)	69.45	48.69
f. Diluted earnings per share (Rupees)	69.45	48.69

### 2.34 RELATED PARTY TRANSACTIONS

#### List of related parties

##### Where control exists

##### Subsidiary Companies

- Nucleus Software Solutions Pte Ltd, Singapore
- Nucleus Software Japan Kabushiki Kaisha, Japan
- Nucleus Software Inc., USA
- Nucleus Software Netherlands B.V., Netherlands
- Nucleus Software Limited, India
- Nucleus Software Australia Pty. Ltd., Australia
- Nucleus Software South Africa Pty. Ltd., South Africa

##### Other related parties with whom transactions have taken place :

##### Key managerial personnel (KMP):

- Vishnu R Dusad (Managing Director )
- Ravi Pratap Singh (Whole time Director)
- Anurag Mantri (Whole time Director, COO and CFO\* (till 07.05.2024)
- Poonam Bhasin (Company Secretary)

## Notes forming part of the Standalone financial statements for the year ended 31 March 2024

- Parag Bhise ( Whole time Director and CEO)
- Dr. Ritika Dusad (Whole time Director)
- Prithvi Pal Singh Haldea (Non Executive Director)
- Prof. Trilochan Sastry (Non Executive Director)
- Elaine Mathias (Non Executive Director)
- Siddhartha Mahavir Acharya (Non Executive Director)
- Yasmin Javeri Krishan (Non Executive Director)
- Prakash Chandra Kandpal (Non Executive Director) w.e.f. 12.02.2024
- Shekar Viswanathan (Non Executive Director) w.e.f. 12.02.2024

Others :

- Nucleus Software Foundation (Entity in which relatives of KMPs are trustees) (see note 2.40)
- Praxis Consulting and Information services Pvt Ltd (Entity in which Non Executive Director is interested)
- Indiafarm Foods Private Limited (Entity in which Non Executive Director is interested)

\*Surya Prakash Kanodia appointed as CFO w.e.f. 08.05.2024

### Transactions with related parties

(Amount in ₹ Lacs unless otherwise stated)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>a. Software development services and products</b>		
- Nucleus Software Solutions Pte Ltd, Singapore	2,818	2,601
	<u>2,818</u>	<u>2,601</u>
<b>b. Other income</b>		
Interest income	1	-
- Nucleus Software Limited, Jaipur	<u>1</u>	<u>-</u>
<b>c. Salary and other benefits to Key managerial personnel</b>		
Short-term employee benefits	1,343	658
Contribution to provident and other funds	41	32
	<u>1,384</u>	<u>690</u>
Note : Above short term employee benefits includes charge taken from subsidiary company Nucleus Software Solutions Pte. Ltd. for services by Whole time Director,COO & CFO see note 2.27.		
<b>d. Remuneration to Non Executive Directors</b>		
- Commission	212	148
- Sitting fees	106	93
	<u>318</u>	<u>241</u>
<b>e. Outsourced technical service expense</b>		
- Nucleus Software Japan Kabushiki Kaisha, Japan	481	347
- Nucleus Software Australia Pty Ltd.	492	438
	<u>973</u>	<u>785</u>

**Notes forming part of the Standalone financial statements** for the year ended 31 March 2024

(Amount in ₹ Lacs unless otherwise stated)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>f. Expenditure on Corporate Social Responsibility</b>		
Nucleus Software Foundation (see note 2.40)	213	175
	<u>213</u>	<u>175</u>
<b>g. Reimbursement of expenses from</b>		
- Nucleus Software Solutions Pte Ltd, Singapore	35	23
- Nucleus Software Japan Kabushiki Kaisha, Japan	14	13
- Nucleus Software Inc., USA	1	2
- Nucleus Software Australia Pty Ltd.	2	3
- Nucleus Software Netherlands B.V., Netherlands	1	1
- Nucleus Software Limited, India	5	-
	<u>58</u>	<u>42</u>
<b>h. Reimbursement of expenses to</b>		
- Nucleus Software Solutions Pte Ltd, Singapore	50	-
- Nucleus Software Japan Kabushiki Kaisha, Japan	2	-
	<u>52</u>	<u>-</u>
<b>i. Sales &amp; marketing fee</b>		
- Nucleus Software Japan Kabushiki Kaisha, Japan	195	180
- Nucleus Software Solutions Pte Ltd, Singapore	352	410
- Nucleus Software Australia Pty Ltd.	173	169
	<u>720</u>	<u>759</u>
<b>j. Business Management Services</b>		
- Nucleus Software Solutions Pte Ltd, Singapore (see note below)	1,080	171
	<u>1,080</u>	<u>171</u>
Note : Above expense is included in Salary and other benefits to Key managerial personnel for charge taken from subsidiary company Nucleus Software Solutions Pte. Ltd. for services by Whole time Director,COO & CFO see note 2.27. )		
<b>k. Legal and professional</b>		
-Praxis Consulting and Information services Pvt Ltd	5	5
	<u>5</u>	<u>5</u>
<b>l. Miscellaneous expenses</b>		
- Indiafarm Foods Private Limited	-	16
	<u>-</u>	<u>16</u>
<b>m. Loan given to subsidiary</b>		
- Nucleus Software Limited, India	40	-
-Less: Loss allowance on loan to subsidiary	(40)	-
	<u>-</u>	<u>-</u>
<b>n. Investment in Subsidiary (addition during the year)</b>		
- Nucleus Software Limited, India	500	-
	<u>500</u>	<u>-</u>

## Notes forming part of the Standalone financial statements for the year ended 31 March 2024

### Outstanding balances As at period end

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>a. Trade receivables</b>		
- Nucleus Software Solutions Pte Ltd, Singapore	222	339
	<b>222</b>	<b>339</b>
<b>b. Trade payables</b>		
- Nucleus Software Solutions Pte Ltd, Singapore	92	56
- Nucleus Software Japan Kabushiki Kaisha, Japan	156	1
- Nucleus Software Australia Pty Ltd., Australia	167	179
	<b>415</b>	<b>236</b>
<b>c. Expenses Payable to Subsidiaries</b>		
- Nucleus Software Solutions Pte Ltd, Singapore	39	6
	<b>39</b>	<b>6</b>
<b>d. Advance from customers / Advance billings</b>		
- Nucleus Software Solutions Pte Ltd, Singapore	27	34
	<b>27</b>	<b>34</b>
<b>e. Income accrued but not due</b>		
- Nucleus Software Solutions Pte Ltd, Singapore	3	14
	<b>3</b>	<b>14</b>
<b>f. Loan to subsidiary</b>		
- Nucleus Software Limited, India	422	382
	<b>422</b>	<b>382</b>
<b>g. Interest Accrued on Loan</b>		
- Nucleus Software Limited, India	1	-
	<b>1</b>	<b>-</b>
<b>h. Loss allowance for loan to subsidiary</b>		
- Nucleus Software Limited, India	422	382
	<b>422</b>	<b>382</b>
<b>i. Investments in subsidiary companies (net of provision) (see note 2.3)</b>	1,985	1,485
	<b>1,985</b>	<b>1,485</b>
<b>j. Remuneration to Non Executive Directors</b>		
- Commission payable	212	148
	<b>212</b>	<b>148</b>

### 2.35 Research and development expenditure

Research and development expense recognised in the statement of profit and loss account for the year ended 31 March 2024 ₹ 2,801 lacs (Previous year ended 31 March 2023 ₹ 2,433 lacs).



## Notes forming part of the Standalone financial statements for the year ended 31 March 2024

### 2.36 Segment reporting – Basis of preparation

#### a. Segment accounting policies

The Segment reporting policy complies with the accounting policies adopted for preparation and presentation of standalone financial statements of the Company and is in conformity with Ind AS 108. The segmentation is based on the geographies of the Company's customers and internal reporting systems. Based on the "management approach" as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by geographical segments.

#### b. Composition of reportable segments

The Company operates in seven main geographical segments: India, Far East, South East Asia, Europe, Middle East, Africa and Australia which represent the reportable segments. These segments are based on location of customers of the Company.

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 allocated to segments based on factors such as revenue, payroll cost etc. Certain 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 adjusted against total income.

Segment assets and liabilities represent 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 geographical segments. Other items which are not directly attributable to any particular segment and which cannot be reasonably allocated to various segments are consolidated under the "Unallocated" head.

Information in respect of reportable segments being geographies

The profit and loss is set out below:

#### a (i) For the year ended 31 March 2024

(Amount in ₹ Lacs unless otherwise stated)

Description	India	Far East	South East Asia	Europe	Middle East	Africa	Australia	Others	Total
Revenue from operations	43,786	2,094	8,955	2,378	10,222	1,517	2,791	4,869	76,612
Expenses	14,046	2,358	9,726	1,599	8,015	723	1,149	2,756	40,372
Segment result	29,740	(264)	(771)	779	2,207	794	1,642	2,113	36,240
Unallocated corporate expenditure									16,275
Operating profit before taxation									19,965
Other income									4,947
<b>Profit before taxation</b>									<b>24,912</b>
<b>Tax Expense</b>									
Net current tax expense									5,658
Deferred tax (credit) / charge									659
									6,317
<b>Profit for the year</b>									<b>18,595</b>

## Notes forming part of the Standalone financial statements for the year ended 31 March 2024

### a (ii) For the year ended 31 March 2023

(Amount in ₹ Lacs unless otherwise stated)

Description	India	Far East	South East Asia	Europe	Middle East	Africa	Australia	Others	Total
Revenue from operations	32,998	1,349	7,709	1,390	7,529	1,460	1,831	4,207	58,473
Expenses	10,814	1,329	9,074	1,195	5,750	525	1,028	2,378	32,093
Segment result	22,184	20	(1,365)	195	1,779	935	803	1,829	26,380
Unallocated corporate expenditure									12,457
Operating profit before taxation									13,923
Other income									3,416
<b>Profit before taxation</b>									<b>17,339</b>
<b>Tax Expense</b>									
Net current tax expense									4,190
Deferred tax (credit) / charge									112
									4,302
<b>Profit for the year</b>									<b>13,037</b>

### a (iii) Revenue from a top customer, that is contributing more than 10% of the total revenue, is presented segment wise as follows:

#### For the year ended 31 March 2024

(Amount in ₹ Lacs unless otherwise stated)

Description	India	Far East	South East Asia	Europe	Middle East	Africa	Australia	Others	Total
No customer individually accounted for more than 10% of the total revenue.	-	-	-	-	-	-	-	-	-

#### For the year ended 31 March, 2023

No customer individually accounted for more than 10% of the total revenue.	-	-	-	-	-	-	-	-	-
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## Notes forming part of the Standalone financial statements for the year ended 31 March 2024

Assets and liabilities of reportable segments being geographies are as follows:

a. As at 31 March 2024

(Amount in ₹ Lacs unless otherwise stated)

Description	India	Far East	South East Asia	Europe	Middle East	Africa	Australia	Others	Total
Segment assets	11,515	168	2,523	1,460	2,519	311	25	387	18,908
Unallocated corporate assets									88,255
<b>Total assets</b>									<b>107,163</b>
Segment liabilities	16,806	1,037	3,773	350	3,964	193	400	650	27,173
Unallocated corporate liabilities									5,084
<b>Total liabilities</b>									<b>32,257</b>
<b>Capital employed</b>									<b>74,906</b>

b. As at 31 March 2023

(Amount in ₹ Lacs unless otherwise stated)

Description	India	Far East	South East Asia	Europe	Middle East	Africa	Australia	Others	Total
Segment assets	13,130	423	1,630	299	1,628	553	71	862	18,596
Unallocated corporate assets									65,429
<b>Total assets</b>									<b>84,025</b>
Segment liabilities	9,269	377	3,812	307	2,361	466	1,788	1,160	19,540
Unallocated corporate liabilities									5,696
<b>Total liabilities</b>									<b>25,236</b>
<b>Capital employed</b>									<b>58,789</b>

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

a(i) For the year ended 31 March, 2024

(Amount in ₹ Lacs unless otherwise stated)

Description	India	Far East	South East Asia	Europe	Middle East	Africa	Australia	Others	Total
Capital expenditure (Unallocated)	2,127	-	-	-	-	-	-	-	2,127
<b>Total capital expenditure</b>									<b>2,127</b>
Depreciation expenditure (Unallocated)									1,316
<b>Total depreciation</b>									<b>1,316</b>
Non-cash expense other than depreciation	41	193	188	-	16	130	-	0	568
<b>Total non cash expenditure other than depreciation</b>	<b>41</b>	<b>193</b>	<b>188</b>	<b>-</b>	<b>16</b>	<b>130</b>	<b>-</b>	<b>0</b>	<b>568</b>

## Notes forming part of the Standalone financial statements for the year ended 31 March 2024

### a(ii) For the year ended 31 March, 2023

(Amount in ₹ Lacs unless otherwise stated)

Description	India	Far East	South East Asia	Europe	Middle East	Africa	Australia	Others	Total
Capital expenditure (Unallocated)	1,051								1,051
<b>Total capital expenditure</b>									1,051
Depreciation expenditure (Unallocated)									1,706
<b>Total depreciation</b>									1,706
Segment non-cash expense other than depreciation	184	112	9	-	43	49	-	45	442
<b>Total non cash expenditure other than depreciation</b>	<b>184</b>	<b>112</b>	<b>9</b>	<b>-</b>	<b>43</b>	<b>49</b>	<b>-</b>	<b>45</b>	<b>442</b>

### 2.37 Disaggregation of revenue

The table below presents disaggregated revenues from contracts with customers by geography and products and services. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of the Company's revenues and cash flows are affected by industry, market and other economic factors.

#### (A) Revenues by geography\*

##### (i) For the year ended 31 March 2024

(Amount in ₹ Lacs unless otherwise stated)

Description	India	Far East	South East Asia	Europe	Middle East	Africa	Australia	Others	Total
Revenue from operations	43,786	2,094	8,955	2,378	10,222	1,517	2,791	4,869	76,612

##### (ii) For the year ended 31 March 2023

(Amount in ₹ Lacs unless otherwise stated)

Description	India	Far East	South East Asia	Europe	Middle East	Africa	Australia	Others	Total
Revenue from operations	32,998	1,349	7,709	1,390	7,529	1,460	1,831	4,207	58,473

\*Disclosure relating to revenues by geography has been made with respect to location of customers.

## Notes forming part of the Standalone financial statements for the year ended 31 March 2024

### (B) Revenues in products and services \*

Description	(Amount in ₹ Lacs unless otherwise stated)		
	Products	Other services	Total
<b>(i) For the year ended 31 March 2024</b>			
Revenue	71,035	5,577	76,612
<b>(ii) For the year ended 31 March 2023</b>			
Revenue	53,768	4,705	58,473

\* Revenue from Products comprises revenue generated from Company's own developed software and from third party software supplied along with the Company's software. It also includes services such as enhancements to the product, maintenance of the product and any other related service in respect of the product. Revenue other than the above is categorized under Revenue from Services.

### 2.38 Employee Benefit Obligations

#### Defined contribution plans

An amount of ₹ 2,022 lacs for the year ended 31 March 2024 (for the year ended 31 March 2023 ₹ 1,680 lacs), has been recognized as an expense in respect of the Company's contribution towards Provident Fund, ₹ 0.19 lacs for the year ended 31 March 2024 (for the year ended 31 March 2023 ₹ 3 lac) has been recognised as an expense in respect of Employee State Insurance Fund and ₹ 355 lacs for the year ended 31 March 2024 (for the year ended 31 March 2023 ₹ 253 lacs ) has been recognized as an expense in respect of National Pension scheme and have been shown under Employee Benefits expense in the standalone Statement of Profit and Loss.

#### Defined benefit plans

The Gratuity scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days basic salary payable for each completed year of service or part thereof in excess of 6 months subject to a maximum limit of ₹ 20 lacs in terms of the provisions of the Payment of Gratuity Act, 1972. Vesting occurs upon completion of 5 years of service.

Provision in respect of gratuity and compensated absence has been determined using the Projected Unit Credit method, with actuarial valuations being carried out at the balance sheet date 31 March 2024.

The Company had made contributions to Nucleus Software Export Limited Employees Group Gratuity Assurance Scheme, which has made further contributions to Employees Group Gratuity Scheme of Life Insurance Corporation of India.

## Notes forming part of the Standalone financial statements for the year ended 31 March 2024

Reconciliation of opening and closing balances of the present value of the defined benefit obligation as on 31 March 2023 :

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>a. Change in defined benefit obligations (DBO)</b>		
Obligation at beginning of the year	5,064	5,114
Current service cost	512	522
Interest cost	337	269
Remeasurement due to:		
Actuarial loss/(gain) arising from change in financial assumptions	60	(323)
Actuarial loss/(gain) arising from change in demographic assumptions	(58)	144
Actuarial loss/(gain) arising on account of experience changes	442	(168)
Benefits paid	(310)	(494)
Obligation at year end	<u>6,047</u>	<u>5,064</u>
<b>b. Change in Plan Assets</b>		
Plan assets at year beginning, at fair value	4,078	3,782
Expected return on asset plan	272	195
Contributions by employer	834	536
Remeasurement due to :		
Actuarial return on plan assets less interest on plan assets	38	59
Benefits paid	(310)	(494)
Plan assets at year end, at fair value	<u>4,912</u>	<u>4,078</u>
<b>c. Net asset / (liability) recognised in the Balance Sheet</b>		
Present value of defined benefit obligation	6,047	5,064
Fair value of plan assets	<u>4,912</u>	<u>4,078</u>
Funded status- Surplus/ (Deficit)	(1,135)	(986)
Unrecognised past service costs	-	-
<b>Net liability recognised in the Balance Sheet</b>	<u>(1,135)</u>	<u>(986)</u>
<b>d. Expected employer's contribution next year</b>	<b>200</b>	<b>200</b>
<b>e. Expense recognised in Profit or Loss</b>		

(Amount in ₹ Lacs unless otherwise stated)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Current service cost	512	522
Interest cost	65	74
Net gratuity cost	<u>577</u>	<u>596</u>



## Notes forming part of the Standalone financial statements for the year ended 31 March 2024

f. Remeasurement income recognised in other comprehensive income:

(Amount in ₹ Lacs unless otherwise stated)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Actuarial (gain) loss on defined benefit obligation	444	(347)
Return on plan assets excluding interest income	(38)	(59)
	<b>406</b>	<b>(406)</b>

Actuarial assumptions for  
gratuity and long-term  
compensated absences

	As at 31 March 2024	As at 31 March 2023
<b>g. Economic assumptions :</b>		
Discount rate	7.20%	7.35%
Salary escalation rate	10.00%	12% until year 1 inclusive, then 10%

**Discount rate:**

The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

**Salary escalation rate:**

The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

**Expected return on plan assets:**

The expected rate of return on plan assets is determined after considering several applicable factors such as the composition of the plan assets, investment strategy, market scenario, etc.

**h. Demographic assumptions**

Retirement age	58 years	58 years
Mortality table	IALM Mortality (2012-14)	IALM Mortality (2012-14)

**i. Withdrawal rates**

Ages - Withdrawal Rate (%)	
21-50 years - 11%	21-50 years - 16%
51-54 years - 8%	51-54 years - 8%
55-57 years - 8%	55-57 years - 8%

**j. Category of asset**

Insurer Managed Funds	4,912	4,078
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The company does not invest directly in any property occupied by the company nor in financial security issued by the company.

## Notes forming part of the Standalone financial statements for the year ended 31 March 2024

### k. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding and other assumptions constant, would have affected the defined benefit obligation by the amount shown below:

Particulars :	Year ended 31 March 2024		Year ended 31 March 2023	
	Increase	Decrease	Increase	Decrease
Increase/(Decrease) in obligation with 0.5% movement in discount rate	(190)	216	(128)	142
Increase/(Decrease) in obligation with 0.5% movement in future rate of increase in compensation levels	100	(98)	79	(76)

### 2.39 FUNCTION WISE CLASSIFICATION OF STATEMENT OF STANDALONE PROFIT AND LOSS

The Company has provided following function wise results of operations on a voluntary basis.

The Management believes that this information is relevant to understanding Company's financial performance.

(Amount in ₹ Lacs unless otherwise stated)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Income from software product and services	76,612	58,473
Software development expenses *	46,604	35,782
<b>Operating profit from software product &amp; services</b>	<b>30,008</b>	<b>22,691</b>
<b>Less :</b>		
Selling and marketing expenses	3,494	2,271
General and administration expenses	5,233	4,791
<b>Operating profit before depreciation</b>	<b>21,281</b>	<b>15,629</b>
<b>Less :</b>		
Depreciation and amortisation expense	1,316	1,706
<b>Operating profit after depreciation</b>	<b>19,965</b>	<b>13,923</b>
<b>Add :</b>		
Other income	4,947	3,416
<b>Profit before tax</b>	<b>24,912</b>	<b>17,339</b>
<b>Less :</b>		
Tax expense:		
Net current tax expense	5,658	4,190
Deferred tax (credit) /charge	659	112
	<b>6,317</b>	<b>4,302</b>
<b>Profit for the year</b>	<b>18,595</b>	<b>13,037</b>

\* Includes indirect expenses which have been allocated on a reasonable basis.

## Notes forming part of the Standalone financial statements for the year ended 31 March 2024

### 2.40 EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY

(Amount in ₹ Lacs unless otherwise stated)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
a. "Gross amount required to be spent by Company during the year ended 31 March 2024 / 31 March 2023 :"	213	175
b. Amount approved by the Board to be spent during the year	213	175
c. Amount spent during the year		
(i) Construction/acquisition of any asset	-	-
(ii) Purposes other than Construction/acquisition of any asset	213	175
- Contribution paid to Nucleus Software Foundation		
d. Shortfall at the end of the year	-	-
e. Total of previous year short fall	-	-
f. Reason for shortfall	NA.	NA.
g. Nature of CSR contribution	(Education, Health and Medical care , Community at large and Environment)	
h. Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard.		
- Contribution paid to Nucleus Software Foundation during the period	213	175

**2.41** The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filling of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2024 and 31 March 2023 have been made in the financials statements based on information received and available with the Company.

(Amount in ₹ Lacs unless otherwise stated)

Name of the entity in the	As at 31 March 2024		As at 31 March 2023	
	Principal	Interest	Principal	Interest
a) Amount due to vendor (see note below)	-	-	-	-
b) Principal amount paid (includes unpaid) beyond the appointed date	-	-	-	-
c) Interest due and payable for the period of delay in making payment	-	-	-	-
d) Interest accrued and remaining unpaid	-	-	-	-
e) Further interest remaining due and payable for the purpose of disallowance of a deductible expenditure under section 23	-	-	-	-
	-	-	-	-
	-	-	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

## Notes forming part of the Standalone financial statements for the year ended 31 March 2024

**2.42** No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

As per our report of even date attached

For **ASA & Associates LLP**  
Chartered Accountants  
Firm Registration Number : 009571N/N500006

For and on behalf of the Board of Directors  
**NUCLEUS SOFTWARE EXPORTS LIMITED**  
CIN : L74899DL1989PLC034594

Sd/-  
**NITIN GUPTA**  
Partner  
Membership number : 122499

Sd/-  
**VISHNU R DUSAD**  
Managing Director  
DIN : 00008412

Sd/-  
**PARAG BHISE**  
CEO & Whole-time Director  
DIN-08719754

Sd/-  
**SURYA PRAKASH KANODIA**  
Chief Financial Officer

Sd/-  
**POONAM BHASIN**  
AVP (Secretarial) & Company Secretary  
Membership number : 10865

Place: New Delhi  
Date: 23 May 2024

Place: Noida  
Date: 23 May 2024

## Management's

# Discussion and Analysis

### of Financial Condition and Results of Consolidated Operations of Nucleus Software Exports Limited And Subsidiary Companies

Forming Part of the Consolidated Financial Statements for the year ended March 31, 2024

*Management's discussion and analysis of consolidated 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.*

The Company has adopted Indian Accounting Standards (Ind-AS) with effect from April 1, 2017 (transition date being April 1, 2016) pursuant to notification issued by Ministry of Corporate Affairs dated February 16, 2015 notifying the Companies (Indian Accounting Standards) Rules, 2015. Accordingly, the financial results have been prepared in accordance with Indian Accounting Standards (Ind-AS) as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time.

Accounting policies have been consistently applied except where a newly issued accounting standard, if 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.

Nucleus Software Exports Limited (Consolidated) includes the parent Company, Nucleus Software Exports Limited (the Company) and its subsidiaries and branches worldwide, collectively referred to as Group.

#### 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, India. Subsequently in October 1994, it was converted into a Public Limited Company. In August 1995, Nucleus made an Initial Public Offer and is currently listed at National Stock Exchange of India Ltd., and BSE Ltd.

Nucleus Software delivers disruptive Fintech Solutions to 200+ Banks and Financial Institutions across 50 countries supporting Retail Finance, Corporate & SME Finance, Islamic Finance, Automotive Finance, Captive Automotive Finance, Cash Management, Mobile & Internet Banking, Transaction Banking and more. We facilitate over 26 million transactions each day through

our globally integrated transaction banking platform. Our lending platform manages US \$500 billion of loans in India alone, and over US \$700 billion of loans globally other than India, while enabling 500,000+ users to log in daily.

Our Flagship Products FinnOne Neo® and FinnAxia® are backed by three decades of Banking and Financial Services domain expertise and an inbuilt AI powered platform to realize the digital transformation goals of financial institutions worldwide.

1. **FinnOne Neo®:** The next-generation digital lending platform, designed to revolutionize the lending process. FinnOne Neo® is built on an advanced technology platform, empowering financial institutions to streamline their lending operations, enhance customer experiences, and drive business growth.
2. **FinnAxia®:** An integrated global transaction banking suite, trusted by banks worldwide to optimize their transaction banking processes. With FinnAxia®, financial institutions can efficiently manage their cash management, trade finance, liquidity management, and other transaction banking activities on a single platform, thereby improving operational efficiency, visibility, and enhancing client relationships.
3. **PaySe™:** The world's first online and offline digital payment solution, created with the vision to democratize money. This innovative payment solution offers users a seamless and convenient way to conduct digital transactions, both online and offline, facilitating financial inclusion and empowering individuals and businesses.
4. **Nucleus Software Services:** Our comprehensive suite of services is tailored to assist banks and financial institutions in their digital transformation journey and maintain an optimal technology infrastructure. Through Nucleus Software Services, we offer a holistic approach to digital transformation, enabling organizations to deliver seamless customer experiences, achieve operational and cost efficiencies, and gain actionable insights to drive strategic decision-making.

Nucleus operates through integrated and well networked subsidiaries in India, Japan, Netherlands, Singapore, USA, Australia and South Africa. Since 1995, product development has been our forte and the

# Management's Discussion and Analysis

Company has chosen to exclusively develop products and further add value through dedicated Research and Development initiatives.

## Strengths

Nucleus Software is a pioneering force in the development and marketing of software products and services tailored explicitly for the Banking and Financial Services (BFS) industry. Our strategic focus on this vertical enables us to craft solutions that harness the latest architecture and technology stack, integrating sophisticated features and functionalities that precisely address the ever-evolving needs of the BFS sector. This niche strategy not only solidifies our position as a leader in the Banking and Financial Services technology landscape but also ensures that we remain at the forefront of industry innovation.

With a rich legacy of over 30 years in intellectual property creation, Nucleus Software has consistently demonstrated unparalleled domain expertise, amounting to a cumulative experience of over 10,000 years. This extensive knowledge base empowers us to anticipate market trends, understand client requirements, and deliver solutions that exceed expectations.

Leveraging our robust product innovation and research and development (R&D) capabilities, we have embarked on strategic initiatives aimed at driving continuous growth and transformation. Our efforts span the creation of new products, expansion of sales and market development initiatives, and the recruitment of top-tier talent to fuel innovation. At the core of our operations lies an unwavering commitment to delivering world-class products that redefine industry standards. This commitment is underscored by our relentless pursuit of perfection and excellence in every aspect of our work.

Nucleus Software's impact extends far beyond borders, as we have successfully transformed the operations of over 200 financial institutions across 50 countries. Our solutions have enabled these institutions to streamline processes, enhance efficiency, and drive sustainable growth. We are immensely grateful for the recognition we have garnered over the years in the form of various accolades, which serve as a testament to our dedication to excellence and innovation.

In essence, Nucleus Software's journey is characterized by a relentless pursuit of innovation, a steadfast commitment to customer satisfaction, and a transformative impact on the BFS industry worldwide. As we continue to push boundaries and shape the future of banking technology, we remain deeply committed to driving value for our clients, stakeholders, and the global BFS community.

A brief on the functionality of our products is given below:

## Nucleus Digital Lending Platform

**FinnOne Neo®** is a Globally acclaimed Digital Lending platform for Retail, Corporate & SME Lending, Microfinance, Islamic Finance, and Automotive finance with Specialized Product Capabilities across multiple Lines of Businesses.

**FinnOne Neo®** enables end-to-end digitization across the lending lifecycle of origination, servicing & collections with sophisticated Content and Collateral Management modules. The Mobility and Channel Modules enable Financial Institutions to offer seamless digital lending via agent facing and end customer offerings.

An end-to-end robust digital lending banking suite that empowers financial institutions to improve efficiency, reduce operational costs, and offer a better customer experience in the highly competitive lending and financing space. It enables lenders to adapt to changing market dynamics and regulatory requirements while maintaining a strong focus on customer satisfaction and risk management.

In the increasingly digitised world, integrability and compatibility of a software solution with other software solutions is becoming increasingly critical. Nucleus Software's FinnOne Neo® has been a front runner in this regard as it carries an incredible number of 480+ out-of-the-box digital APIs in its API stack that facilitate robust, secure, easy, quick, and agile integrations. FinnOne Neo® supports cloud, hybrid and on-premise deployments and can be deployed quickly in partnership with leading cloud providers.

## FinnOne Neo® Product Suite Holds

- Customer Acquisition System (CAS)
- Loan Management system (LMS)
- Collections
- Enterprise Content Management (ECM)
- Mobility Apps: mCAS, mApply, mCollect, mServe
- Portal: eApply & eServe
- Sales Assist
- Collateral Management System

The Customer Acquisition System (CAS) module covers the entire customer on-boarding and evaluation process to loan disbursements, for retail and corporate customers, with a multi-channel front end and a solid credit process back end. The Loan Management system (LMS) module takes care of the entire servicing life cycle of a loan including Accounting, Repayment, Special Transaction, Non-Performing Asset Management and Self-Service through multiple channels. The Collections module optimally manages defaulters and possible defaulters, efficiently managing NPA's. The Collaterals Management System (CMS) takes care of



the entire collateral life cycle management. The Sales Assist is a specialized loan sourcing channel for sales staff empowering them for super quick and easy loan sourcing. The Enterprise Content Management (ECM) module provides image-based processing capabilities to store and retrieve various contents like document images, letters, communications etc. The FinnOne Neo® Mobility suite is a portfolio of mobile solutions aimed at creating end customer empowerment while digitalizing various lending business processes.

Enabling Impactful Outcomes

2,700 lending product variants in use by customers

16 M transactions processed per day

1 new loan booked every second

100+ customers using Customer Acquisition System

95+ customers using Loan Collection System

80+ customers using Loan Management System

### **FinnOne Neo® for Retail Lending**

End-to-end digital lending across entire lifecycle of origination, servicing & collections

Nucleus Software is shaping the future of retail lending with its globally acclaimed, award-winning software FinnOne Neo®.

Accelerate Go-To-Market - Float innovative, customer-centric products extremely quickly and easily. Easy configurability of business & credit policies

Unparalleled Omni channel experience - delivers consistent and improved customer experience across multi-channel solutions; helps end customers self-service loans via web, mobile app, WhatsApp, etc. FinnOne Neo® supports both Cloud and On-premise deployments.

### **FinnOne Neo® for Corporate Lending**

Enhanced Agility via Digitizing SME and Corporate Lending

Corporate lenders need to incorporate end-to-end digital capabilities, reduce time to market, increase transparency and offer unique customer experience across multiple channels.

FinnOne Neo® Corporate is designed to ensure you stay a customer-centred corporate lender. Our Corporate Lending solution supports *multi-branch, multi-product and multi-lingual implementations*.

FinnOne Neo® Corporate Lending Solutions allows Financial Institutions to:

- o Unlock Growth – enabling quick and easy creation of new products within multiple lines of businesses for leveraging corporate lending.

- o Handle Complex Products – integrated and global approach within corporate and SME lending
- o Achieve Business Agility - a one stop solution for all SME & Corporate lending needs of Financial Institutions: driven by best-in-class roadmap practices.
- o Stay Ahead on Technology - advanced technology platform; Cloud ready, Scalable, Secure & Available with a Strong API layer

### **FinnOne Neo® for Islamic Finance**

Interest Free Banking Governed by Sharia Principles

Islamic Finance holds a significant share in the global banking space. The \$2.2 Trillion Islamic finance industry is expected to expand its reach beyond the current nine core markets which contribute 93% of total Islamic Finance.

Nucleus Software has been at the centre of innovation in Islamic Finance for the last two decades. Our Islamic Finance solution offers end-to-end digitization across customer onboarding, servicing to delinquency management and is backed with digital channels and data driven decision making.

Our solutions help provide seamless Sharia compliant banking experience to end customers and help offer tailored products rapidly, across every channel at an optimised cost.

Solution Overview:

FinnOne Neo® Supports End-to-End Islamic Finance journey

- Customer Acquisition System: Provides complete workflow and decision management for onboarding.
- Finance Management System: Specialized tool to manage finance lifecycle for onboarded assets.
- Collections Management System: Manages the entire strategy and execution for collections of delinquent assets.

Our solution supports wide variety of Line of Businesses and Islamic contracts with deep functional expertise enabling continuous improvement.

### **FinnOne Neo® for End-to-end Automotive Finance Platform**

Leading the charge, FinnOne Neo® for auto finance propels lending businesses into an agile, scalable, and transparent realm. This robust digital lending solution serves as a cornerstone for overseeing the entire loan lifecycle, from seamless customer onboarding to expeditious loan disbursements, offering an adaptable framework for accelerated growth, expanded horizons, and heightened profitability. Manages Dealership

## Management's Discussion and Analysis

Network & Relationships Efficiently. Enhanced product designed to cater equipment, automobile, Electric Vehicles, and charging station financing needs

FinnOne Neo® for Automotive Finance holds:

- Origination Module
- Leasing Module
- Servicing Module
- Collections Management Module

### **FinnOne Neo® for Captive Automotive Finance - Financing and Leasing Excellence**

**FinnOne Neo®** for Captive Automotive Finance provides all the capabilities that market leaders need to prosper – from new and lease products financing, to channel support and sophisticated workflows for streamlined operations.

The solution ensures that standard business processes can be easily implemented across multiple countries, creating a centrally driven yet localized setup with enhanced efficiency, reduced cost, and simplified management. Changes can be introduced quickly and across multiple geographies to ensure that the agility required for business needs is matched by system flexibility. It offers easy adaptability to regulatory changes and Automated dealer commission & subsidies to effectively manage dealer relationships. A unique combination of personalized, rules-driven automated processes, digital outreach and real-time decisioning ensures revenue growth. The system supports risk based pricing strategy and provides Integrated support for Residual Value calculations

### **Nucleus Transaction Banking Platform**

**FinnAxia®** is a comprehensive Transaction Banking suite designed that revolutionizes the way businesses manage their Transaction Banking operations. FinnAxia® allows banks to empower their enterprise customers with digital solution to impeccably manage their working capital and cashflows. The suite encompasses advanced technological capabilities to achieve operational excellence with faster time-to-market, total transparency and straight through processing across geographies and jurisdictions. With its easy-to-integrate, focussed modules for financial supply chain management, cash management, payments and receivables management, e-trade finance, and liquidity management, FinnAxia® is backed by Nucleus' expertise in product innovation and commitment to delivering future-proofed fintech solutions.

**FinnAxia® 8.5** enables corporates to make informed decisions on their cash position and enables cash forecasting capabilities for the banks' corporate customers, providing enriched intelligent reporting.

Our Global Payments solution enables banks to leverage our APIs to serve their corporate customers with a single stop solution platform, which complies with central bank regulations on LEI (Legal Identity Identifier) to regulate high value payments. Our Global Receivables solution enables banks to help corporates collect FCY inward payments and comply with NPCI DDI PGP encryption guidelines. Centralized control using virtual accounts enriched with faster reconciliation provides an enhanced view of cash positions, hence eliminating trapped liquidity.

### **FinnAxia® Product Suite Holds**

- Global Receivables
- Global Payments
- Global Liquidity Management
- Virtual Account Management (VAM)
- Financial Supply Chain Management (FSCM) and Electronic Invoice Presentment and Payment (EIPP)
- e-Trade Finance
- Electronic Bill Presentment and Payment (EBPP)
- Digital Compass – Corporate Front End Channel

### **Enabling Impactful Outcomes**

Global payments & receivables: Comprehensive solution for Mandate registration and direct debit transactions for corporates. Fully integrated with NPCI.

Virtual account management: Complete virtual account management enabling Financial Institutions to manage different accounts virtually achieving liquidity without the need for multiple physical accounts.

Liquidity management: Manage all types of complex liquidity requirements ranging from Multi-banking Cash Concentration (MBCC), notional pooling, Intercompany loans and interest optimization and Hybrid pooling.

### **Nucleus Software Services**

Offers banks and financial institutions a holistic approach to digital transformation, a crucial role in digital transformation of organizations by delivering seamless customer experiences, operational and cost efficiencies, and actionable insights. This division leverages a broad spectrum of disruptive digital services like Cloud Services, Application Modernization, Data Engineering /Virtualization & Analytics, Robotic Process Automation (RPA), Infra Services and more. This division has been very active in delivering solutions covering Modern banking, Self Service Onboarding Capabilities,

Straight Through Processing, Data Virtualization, Data Modelling, RPAs, Chatbots, Machine Learning to name a few, including be-spoke services for enterprise level solution implementations.

The Services wing has operations in India, Southeast Asia, Japan, Middle East, and Europe focussing on

1. Data Engineering & Analytics
2. Application Modernization
3. Cloud Services
4. Infra Services

Enabling Impactful Outcomes

- 70% reduction in customer applications closure time
- 200+ Applications, 10 Verticals and 15 Countries
- Achieved 86.5% operational efficiency by implementing RPA for a top Japanese NBFC
- Facilitated the Digital transformation of a Large Asian bank by developing open banking API's as per central bank guidelines.
- Accomplished Process Automation of the Risk Evaluation Management system for a large regional bank in Europe.

### Nucleus Financial Inclusion Platform

**PaySe™** enables small ticket transactions at remote locations over a secure and reliable platform. Financial Institutions can achieve easy digital onboarding of rural borrowers as well as achieve cost optimisation through automated business processes. PaySe™ is an offline and online digital cash solution designed to democratize finance and offers efficient and comprehensive digital onboarding. Financial Institutions can capture customer data, verify documents, conduct KYC/AML checks and create customer accounts while in offline mode to onboard customers in remote areas with no internet connectivity. PaySe™ has an inbuilt innovative digital payment solution in the form of a digital wallet to make payments using smart phones instead of cash or cards when completely offline.

**PaySe™** platform overview - 100% secure, eliminates frauds & data breaches across

- Digital on-boarding
- Digital payments
- Digital loan disbursement & collection
- Digital charts of account

- Digital credit scoring engine
- MIS & analytics

We are thrilled to update that last FY 2022-23, we have been awarded a total of three patents for our first as well as India's first offline and online Financial Inclusion platform, "PaySe™". Our first patent aims to revolutionize electronic transactions; creating and innovating technology to power secure, efficient, and low-power short-range communication systems. Our second patent unlocks the future of digital payments with innovative wireless digital wallet technology, thus making transactions simpler, faster, and more secure, both offline and online. Our third patent underscores the uniqueness and ingenuity embedded in PaySe™, highlighting its groundbreaking approach to targeted electronic transactions within the financial system. The invention discloses a digital wallet having electronic cash stored therein, wherein the electronic cash is allocated with a pre-defined specific purpose. This digital wallet can carry targeted electronic transactions with various users and transaction terminals in a financial system.

PaySe™ is India's first Digitally Compliant Cash Solution, Compliant with RBI PPI guidelines (Approved by RBI for PPI license)

### FINANCIAL PERFORMANCE

Consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

The Company has seven subsidiary companies, all of which are wholly owned. The Company discloses stand-alone audited financial results on a quarterly and annual basis, consolidated un-audited financial results on a quarterly basis and consolidated audited financial results on an annual basis. The financial results of the Company have been discussed in this report in two parts:

- i) Nucleus Software Exports Limited (Consolidated) including performance of subsidiaries of Nucleus Software, discussed in this chapter. This consolidated presentation is more relevant for understanding the overall performance of the group especially as intercompany transactions are eliminated being contra.
- ii) Nucleus Software Exports Limited (Standalone), which excludes the performance of subsidiaries of the Company has been discussed in the earlier part of this Annual Report.

# Management's Discussion and Analysis

The consolidated financial results are as below:

(₹ in crore)

For the Year Ended March 31,	2024	% of Revenue	2023	% of Revenue	Growth (%)
<b>Revenue From Operations</b>	<b>826.45</b>	<b>100.00</b>	<b>634.46</b>	<b>100.00</b>	<b>30.26</b>
<b>Expenses</b>					
a) Employee benefit expense	491.06	59.42	393.99	62.10	24.64
b) Operating and other expenses	114.99	13.91	83.70	13.19	37.38
c) Finance costs (Bank charges)	0.95	0.11	1.02	0.16	(7.11)
<b>Total Expenses</b>	<b>607.00</b>	<b>73.45</b>	<b>478.71</b>	<b>75.45</b>	<b>26.8</b>
<b>Operating Profit (EBITDA)</b>	<b>219.45</b>	<b>26.55</b>	<b>155.75</b>	<b>24.55</b>	<b>40.90</b>
Depreciation	14.55	1.76	18.73	2.95	(22.32)
<b>Operating Profit after Interest and Depreciation</b>	<b>204.90</b>	<b>24.79</b>	<b>137.02</b>	<b>21.60</b>	<b>49.55</b>
Other Income	50.90	6.16	34.06	5.36	49.44
<b>Profit Before Tax</b>	<b>255.80</b>	<b>30.95</b>	<b>171.08</b>	<b>26.96</b>	<b>49.52</b>
Taxation	64.20	7.77	43.29	6.82	48.30
<b>Profit After Tax</b>	<b>191.60</b>	<b>23.18</b>	<b>127.79</b>	<b>20.14</b>	<b>49.94</b>
Other Comprehensive Income	1.96	0.24	8.01	1.26	(75.52)
<b>Total Comprehensive Income for the year</b>	<b>193.56</b>	<b>23.42</b>	<b>135.80</b>	<b>21.40</b>	<b>42.54</b>

## Revenue from Operations

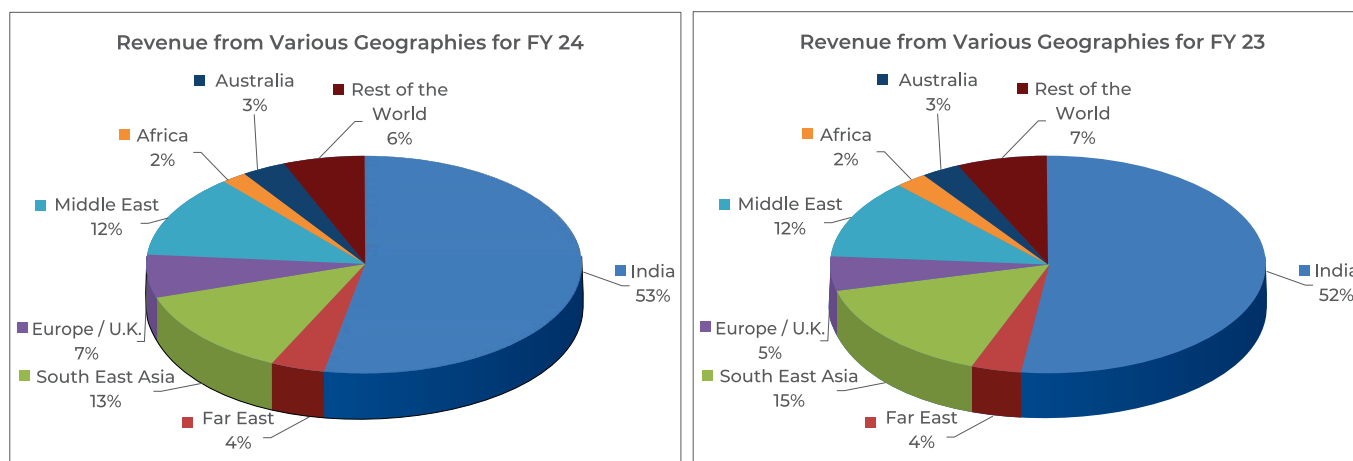
Our revenues from software development comprise of income from fixed price and time and material contracts. Revenue from fixed price contracts comprising of license, related customization and implementation is recognized in accordance with the output method based on percentage completion. Revenue from time and material contracts is recognised as the services are rendered. Revenue from annual technical service contracts is recognized on a pro rata basis over the period in which such services are rendered.

During the year, revenue from operations is ₹ 826.45 crore, as compared to ₹ 634.46 crore for the previous year.

## Revenue from Various Geographies

Your Group's parent Company is incorporated in India, and caters to customers situated all across the globe, and hence significant part of the revenue is derived from international sales. We operate in seven main geographical segments: India, Far East, South East Asia, Europe, Middle East, Africa and Australia, which represent the reportable segments. These segments are based on location of customers of the Company.

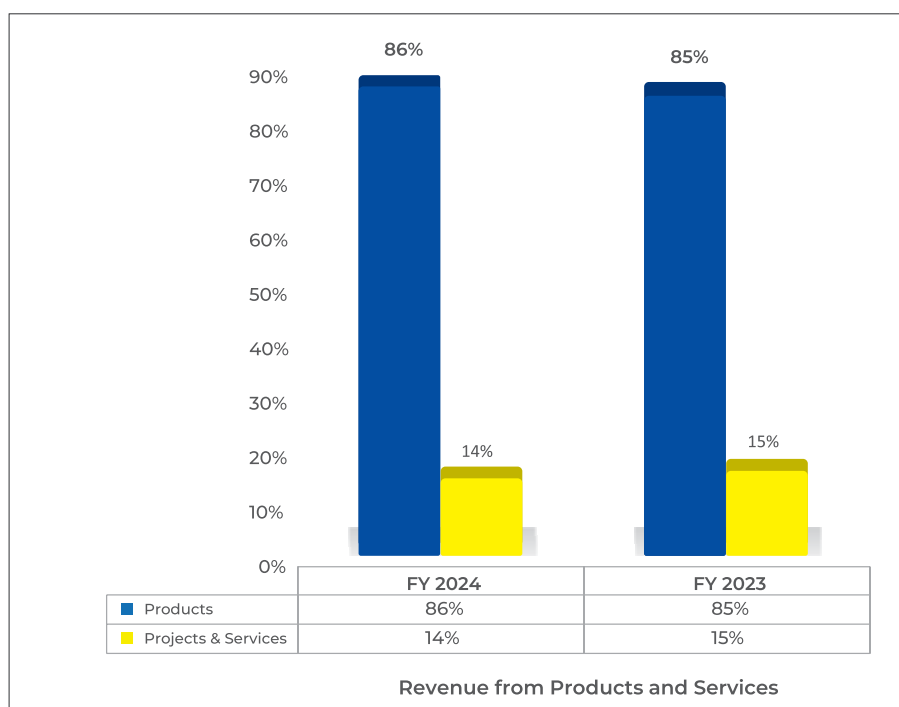
For the year, around 47% of revenue was derived from overseas. The graph below presents a geography-wise distribution for the year as well as the previous year.



## Revenue from Products and Services

Our Revenues are further disaggregated into Products and Services. "Products", comprises of license fee, revenue from customization and implementation of products and postproduction maintenance support. Product revenue for the year is ₹ 711.40 crore, 86.08% of the total revenue, against ₹ 536.93 crore, 84.63% of total revenue, in the previous year.

Software services rendered by the Company typically consist of development of software to meet specific customer requirements. These services consist of application development & maintenance, testing, consulting and infrastructure management services with a strong banking domain focus. Revenue from Software projects and services revenue for the year is ₹ 115.05 crore, 13.92% of the total revenue, against ₹ 97.53 crore, 15.37% of the total revenue in the previous year.



## EXPENSES

### Employee Benefit Expense

Employee benefit expenses include salaries paid to employees globally which have fixed, variable and incentives components; provision for retirement benefits, contribution to provident fund and expense on staff welfare activities. The employee benefit expenses have increased by 24.64% to ₹ 491.06 crore, 59.42% of revenue against ₹ 393.99 crore, 62.10% of revenue in the previous year.

(₹ in crore)

For the Year Ended March 31,	2024	% of Revenue	2023	% of Revenue	Growth (%)
Salaries	449.72	54.42	359.52	56.67	25.09
Contribution to provident and other funds	27.63	3.34	22.58	3.55	22.35
Gratuity expense	6.24	0.76	5.96	0.94	4.70
Staff welfare	7.47	0.9	5.93	0.94	26.09
<b>Total Employee Benefit Expenses</b>	<b>491.06</b>	<b>59.42</b>	<b>393.99</b>	<b>62.10</b>	<b>24.64</b>
<b>Revenue</b>	<b>826.45</b>	<b>100.00</b>	<b>634.46</b>	<b>100.00</b>	<b>30.26</b>

### Operating and Other Expenses

Operating and other expense primarily consist of expenses such as travel to execute work at client site and for other sales and Marketing activities, IT expenses, Outsourced technical service expense, Cost of software purchased for delivery to clients, Power and fuel, bandwidth and communication expense, infrastructure charges, expenses on account of brand building activities, training and recruitment costs, legal and professional charges, repairs and maintenance charges, insurance, provision for doubtful debts, contribution to CSR activities and others.

## Management's Discussion and Analysis

Operating and other expenses at ₹ 115.94 crore, 14.03% of revenue for the year, increased by 36.85% in comparison to ₹ 84.72 crore, 13.35% of revenue in the previous financial year.

(₹ in crore)					
For the Year Ended March 31,	2024	% of Revenue	2023	% of Revenue	Growth (%)
Outsourced technical service expense	5.96	0.72	4.56	0.71	30.87
Cost of software purchased for delivery to clients	0.38	0.05	0.63	0.10	(39.29)
Travel expense	15.25	1.84	8.33	1.31	83.10
Power and fuel	3.44	0.42	2.99	0.47	15.19
Rent	2.18	0.26	1.30	0.20	68.49
Rates & Taxes	0.42	0.05	0.22	0.03	85.64
Repair and maintenance	4.66	0.56	4.48	0.71	4.02
Legal and professional	17.02	2.06	14.19	2.24	19.98
Directors remuneration	3.21	0.39	2.43	0.38	32.00
Conveyance	0.69	0.08	0.54	0.08	28.99
Communication	1.50	0.18	1.55	0.24	(3.64)
Training and recruitment	4.31	0.52	4.55	0.71	(5.27)
Information technology expenses	33.74	4.08	25.43	4.01	32.67
Provision for doubtful debts/advances/other current assets	1.25	0.15	0.46	0.07	171.82
Commission to channel partners	0.90	0.11	0.70	0.11	27.89
Conference, exhibition and seminar	6.19	0.75	2.48	0.39	149.90
Advertisement and business promotion	2.77	0.34	1.43	0.22	93.32
Insurance	1.36	0.16	1.52	0.24	(10.91)
Withholding tax charged off	5.62	0.68	2.98	0.46	88.51
Finance Cost	0.95	0.12	1.02	0.16	(6.71)
Miscellaneous expenses	2.01	0.24	1.18	0.18	69.26
Contribution to CSR Activities	2.13	0.26	1.75	0.27	21.74
<b>Total Operating and Other Expenses</b>	<b>115.94</b>	<b>14.03</b>	<b>84.72</b>	<b>13.35</b>	<b>36.85</b>
<b>Revenue</b>	<b>826.45</b>	<b>100.00</b>	<b>634.46</b>	<b>100.00</b>	<b>30.26</b>

The Increase in Operating and other expense for FY 2024 from FY 2023 is primarily due to higher Traveling Expenses, Information Technology Expenses, Conference Exhibition & seminar expenses.

The Company has set up Nucleus Software Foundation, a trust for the purpose of undertaking CSR activities of the company. During the year, the Company contributed ₹ 2.13 crore towards CSR activities to the trust. The details of CSR initiatives undertaken by the trust has been provided in a separate section in the Annual Report.

### Operating Profit (EBITDA)

Operating Profit is at ₹ 219.45 crore, 26.55% of revenue against ₹ 155.75 crore, 24.55% of revenue in the previous year.

### Depreciation & amortization

Depreciation & Amortization on fixed assets was ₹ 14.55 crore, 1.76% of revenue for the year, against ₹ 18.73 crore, 2.95% of revenue in the previous year.

### Other Income

Other Income represents MTM gain on mutual fund investment, interest on fixed deposits and bonds and capital gains on the sale of investments.

(₹ in crore)		
For the Year Ended March 31,	2024	2023
Dividend on investment	0.44	0.50
Interest income	15.53	7.35
Net Gain / (Loss) on foreign currency	0.28	3.78
Net gain on sale of investments	0.75	1.00
MTM gain on mutual fund investment	31.66	19.91
Others	2.24	1.52
<b>Total</b>	<b>50.90</b>	<b>34.06</b>

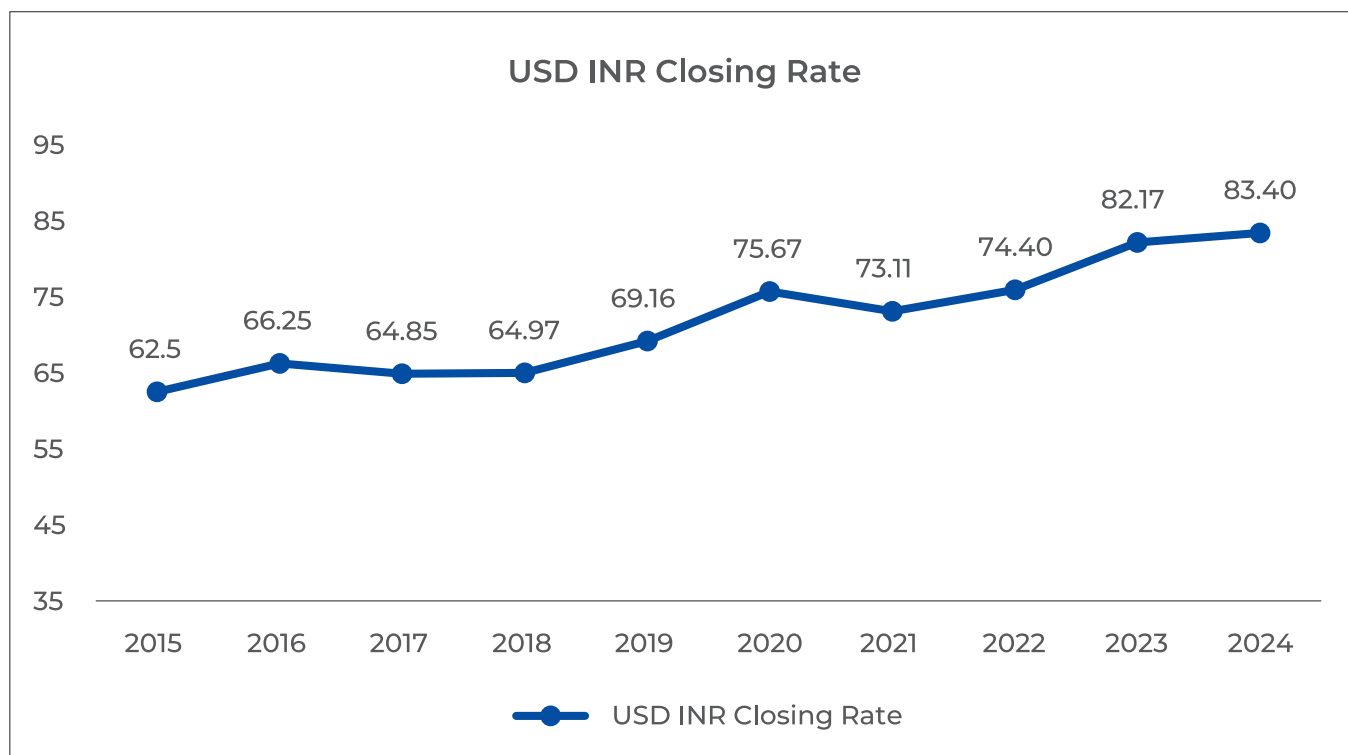
Other income for the year is ₹ 50.90 crore, against ₹ 34.06 crore in the previous year.



### Foreign Exchange Gain / (Loss)

Foreign Exchange Gain (Loss) includes gain (loss) from translation of current assets and liabilities at quarter end rates, those arising from realization/payments of receivables/payables. During the year the Company had a foreign exchange gain of ₹ 0.28 crore against gain of ₹ 3.78 crore in the previous year.

Foreign Exchange continues to be volatile, as depicted in the below mentioned chart.



The Company follows a well-defined policy of hedging close to receivables through Forward Contracts which are designated as Highly Probable forecast transactions. The Company has a conservative approach and does not speculate in foreign currency markets. Forwards are held to maturity and regular reporting and monitoring systems are in place including quarterly updates to the Audit Committee.

Currency-wise revenues for the year along with a comparison for the previous years are as follows:

Currency	(In %)	
	FY24	FY23
INR	52.98%	52.06%
SGD	5.58%	7.29%
USD	30.49%	30.71%
GBP	2.55%	0.89%
JPY	1.20%	1.27%
CHF	0.01%	0.01%
SAR	0.07%	0.00%
MYR	1.01%	1.01%
AUD	3.38%	2.89%
EUR	1.04%	1.26%
AED	1.40%	1.95%
ZAR	0.21%	0.55%
QAR	0.08%	0.11%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

# Management's Discussion and Analysis

## Taxation

It represents a provision for corporate & income taxes determined in accordance with tax laws applicable in countries where the Company and subsidiaries operate.

(₹ in crore)		
For the Year Ended March 31,	2024	2023
- Current Tax Expense	57.50	42.21
- Deferred Tax Credit (net)	6.70	1.08
<b>Total</b>	<b>64.20</b>	<b>43.29</b>

Total effective tax for the year is 25.10% of Profit Before Tax, in comparison to 25.30% of Profit Before Tax for the previous year.

## Profit After Tax

Our profit after tax for the year is ₹ 191.60 crore, 23.18% of revenue, against ₹ 127.79 crore, 20.14% of revenue, previous year.

This age of competition necessitates overall revenue growth, earned in an optimal cost environment. We remain committed to achieving higher productivity and generate better margins. Our sales and marketing efforts are focused on increasing our customer base and hence the market share, which would ultimately yield better realizations. Emerging markets across the world will continue to provide stability and growth would be led by larger engagements and value offerings.

## Other Comprehensive Income (OCI)

Other comprehensive income represents

- a) Equity instruments through OCI – this is primarily on account of fair valuation of investment for which

the company has made an irrevocable option to present the same in the OCI. For the year it is ₹ 5.51 crore, against ₹ 3.85 crore in the previous year.

- b) Remeasurements of the defined benefit plans – consist mainly of remeasurements gain/losses on our defined benefit plans. For the year it is ₹ (3.43) crore net after Tax, against ₹ 3.04 crore net after Tax in the previous year.
- c) Effective portion of gains and loss on hedging instruments in a cash flow hedge, net – when a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of derivative is recognized in OCI. For the year it is ₹ (0.08) crore net after Tax, against ₹ 0.05 crore net after Tax in the previous year.
- d) Exchange difference on translation of foreign operations. For the year it is ₹ (0.04) crore, against ₹ 1.07 crore in the previous year.

Total other comprehensive income for the year is ₹ 1.96 crore, against ₹ 8.01 crore in the previous year.

## Share Capital

The Paid-Up Share Capital of the Company, as on March 31, 2024, is 2,67,73,324 equity shares of ₹ 10 each, as compared to 2,67,73,324 equity shares of ₹ 10 each as on March 31, 2023.

## Subsidiaries

The Company has seven subsidiary companies, all over the world, all of which are wholly-owned. Its gross investment in Paid-up Share Capital of the Subsidiaries as on March 31, 2024 is as per the below table.

Name of Subsidiary Company	Currency	As at March 31, 2024		As at March 31, 2023	
		In foreign Currency	Eqv. ₹ (in crore)	In foreign Currency	Eqv. ₹ (in crore)
Nucleus Software Solutions Pte. Ltd. Singapore 6,25,000 equity shares of SGD 1 each	SGD	6,25,000	1.63	6,25,000	1.63
Nucleus Software Inc., USA 10,00,000 shares of US\$ 0.35 cents each	USD	3,50,000	1.63	3,50,000	1.63
Nucleus Software Japan Kabushiki Kaisha, Japan 200 equity shares of JPY 50,000 each	JPY	1,00,00,000	0.41	1,00,00,000	0.41
Nucleus Software Netherlands B.V., Netherlands 7,500 equity shares of Euro 100 each	Euro	7,50,000	4.89	7,50,000	4.89
Nucleus Software Limited, India 1,50,00,000* equity shares of ₹ 10/- each	INR	-	16.94	-	11.94
Nucleus Software Australia 1,00,000 Equity share of 1 AUD each	AUD	1,00,000	0.55	1,00,000	0.55
Nucleus Software South Africa (Pty.) Limited 10 Equity shares of ZAR 61,200 each	ZAR	6,12,000	0.32	6,12,000	0.32
<b>Total</b>			<b>26.37</b>		<b>21.37</b>

Note\*: Nucleus Software Exports Limited (Parent Company) has invested additional ₹ 5 crore into the Equity Shares capital of Nucleus Software Limited, a Wholly Owned Subsidiary Company during FY 23-24

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

### Other Equity

The movement in the components of Other Equity is as below:

(₹ in crore)

Particulars	Opening Balance as on April 1, 2024	Additions/ (Deletions) during the year	Closing Balance as on March 31, 2023
General Reserve	-	-	-
Capital Reserve	0.89	-	0.89
Capital Redemption reserve	5.61	-	5.61
Retained Earnings	729.47	161.40	568.07
Hedging Reserve	0.04	(0.09)	0.13
Foreign Currency Translation Reserve	3.00	(0.04)	3.04
Equity instrument through other comprehensive income	11.66	5.51	6.15
<b>Total</b>	<b>750.67</b>	<b>166.79</b>	<b>583.89</b>

As at March 31, 2024, Net carrying Amount of Property, Plant and Equipment and Intangible assets are ₹ 36.15 crore against ₹ 25.78 crore as on March 31, 2023.

(₹ in crore)

As at March 31,	2024	2023	Inc/Dec (%)
<b>Gross Carrying Amount</b>			
Freehold land	0.34	0.34	-
Leasehold improvements	0.14	0.14	-
Buildings	24.23	16.58	46.14
Plant and equipment	9.69	7.15	35.62
Computer equipment	43.69	38.97	12.11
Vehicles	2.68	3.65	(26.72)
Furniture and fixtures	2.61	2.17	20.11
Software	21.64	20.94	3.35
<b>Total</b>	<b>105.03</b>	<b>89.94</b>	<b>16.76</b>
Less; accumulated depreciation	68.88	64.16	7.31
<b>Net Carrying Amount</b>	<b>36.15</b>	<b>25.78</b>	<b>40.25</b>

As permitted by Ind AS 101, the Company has elected to continue with the carrying values under previous GAAP as deemed cost for all the items of property, plant and equipment and Intangible assets.

### Investments

- a. **Non-current investments** totaling ₹ 321.17 crore as on March 31, 2024 against ₹ 298.94 crore as on March 31, 2023.
- Investment in equity shares of a listed company at FVOCI - ₹ 11.91 crore
  - Investment in tax free bonds at amortised cost - ₹ 34.00 crore.
  - Investment in target maturity funds at amortised cost - ₹ 132.88 Crore
  - Investment in mutual funds at Fair value through profit or loss (FVTPL) - ₹ 142.38 crore.
- b. **Current investments, Cash and Bank Balances**

The 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 of March 31, 2024 the cash and bank balances (including fixed deposits) stood at ₹ 73.95 crore against ₹ 51.11 crore on March 31, 2023, current investments are ₹ 327.62 crore on March 31, 2024 against ₹ 226.32 crore on March 31, 2023.

## Management's Discussion and Analysis

Total cash and current investments are thus at ₹ 401.57 crore on March 31, 2024 against ₹ 277.43 crore as on March 31, 2023.

(₹ in crore)		
As at March 31,	2024	2023
<b>Cash</b>	-	-
<b>Balances with Bank</b>		
In Current Accounts	38.61	34.53
In Deposit accounts with original maturity of less than 3 months	7.20	15.96
In Deposit accounts with original maturity of less than 12 months	27.87	0.30
Balances in earmarked accounts	0.27	0.32
Current Investments	327.62	226.32
<b>Total</b>	<b>401.57</b>	<b>277.43</b>

### Operating Cash Flow

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.

Our net cash flow from operating activities before working capital changes is ₹ 228.44 crore for the financial year against ₹ 164.59 crore in the previous year. After considering working capital changes, operating cash flow is ₹ 222.03 crore against ₹ 49.84 crore.

Operating cash flow is today considered a better measure of operations of the Company than the net profits as it measures the cash generated by the operations and our net cash flow from operating activities before working capital changes has increased this year from ₹ 164.59 Crore to ₹ 228.44 Crore. This is primarily due to higher profits during the year, Profits before tax for FY 23-24 is ₹ 255.80 Crore and for FY 22-23 ₹ 171.08 Crore.

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

As at March 31	2024	2023
Operating Cash Flow as % of revenue	26.86	7.86
Cash and Equivalents as % of assets	36.05	31.74
Cash and Equivalents as % of revenue	48.59	43.73
Current investments as % of assets	29.41	25.89
Current investments as % of revenue	39.64	35.67

### Trade Receivables

Our trade receivables (net of provision) as on March 31, 2024 are ₹ 166.16 crore, against ₹ 174.63 crore as on March 31, 2023.

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

As at March 31,	2024	2023
Less than six months	95.65%	92.82%
Between 6 months and 1 Year	4.18%	7.02%
More than 1 Year	0.17%	0.16%

### Loans and Other Financial Assets

Loans and Other Financial assets have been classified into Non-Current and Current based on their period of realization.

(₹ in crore)		
As at March 31,	2024	2023
<b>Non – Current</b>		
Loans Receivables considered good	0.39	0.25
Security deposits	2.44	2.42
Long-term deposits	97.44	25.66
<b>Total</b>	<b>100.27</b>	<b>28.33</b>
<b>Current</b>		
Loans Receivables considered good	0.46	0.50
Security deposits	1.00	0.65
Mark-to-market gain on forward contracts	0.06	0.17
Expenses recoverable from customers	0.17	0.14
<b>Total</b>	<b>1.69</b>	<b>1.46</b>
<b>Total Loans and other Financial Assets</b>	<b>101.95</b>	<b>29.79</b>

Security Deposits, utilized primarily for hiring of office premises and staff accommodation, amounts to ₹ 2.44 crore as on March 31, 2024 against ₹ 2.42 crore as on March 31, 2023. Long term deposits amounting to ₹ 97.44 crore as on March 31, 2024 include deposits held with bank/financial institutions for maturity more than 12 months from balance sheet date.

### Other Assets

Other Assets represents income tax asset, Employee advances, Service income accrued but not due, Balances with Government authorities, Supplier and capital advances, prepaid and deferred expenses. Other assets have been classified into Non-Current and Current based on their period of realization.

(₹ in crore)		
As at March 31,	2024	2023
<b>Non – Current</b>		
Advance Tax	12.74	10.39
Capital Advances	7.98	0.38
Prepaid Expenses	0.90	1.41
<b>Total</b>	<b>21.62</b>	<b>12.18</b>

(₹ in crore)

As at March 31,	2024	2023
<b>Current</b>		
Service income accrued but not due	22.77	13.79
Employee Advances	0.45	0.20
Prepaid Expenses	11.15	9.42
Contract cost	0.34	0.17
Balances with Government authorities	0.07	0.33
Supplier advances	7.46	5.91
Deferred Expenses	0.11	0.09
<b>Total</b>	<b>42.35</b>	<b>29.91</b>
<b>Total Other Assets</b>	<b>63.97</b>	<b>42.09</b>

### Current Liabilities

Current liabilities represent trade payables, short-term provisions, other financial liabilities, and other current liabilities. As on March 31, 2024 the Current liabilities are ₹ 295.34 crore against ₹ 233.01 crore as on March 31, 2023

(₹ in crore)

As at March 31,	2024	2023
<b>Financial liabilities</b>		
Lease Liability	2.78	2.39
Trade Payables	16.46	12.28
Unpaid dividends	0.27	0.32
Payable for purchase of fixed assets	0.25	-
Employee payable	45.56	32.48
<b>Other current liabilities</b>		
Advances from customers/ Advance Billing	87.50	83.41
Deferred Revenue	118.15	60.15
Statutory Liabilities	18.92	24.62
<b>Short term provisions</b>		
Compensated absences	4.90	4.81
Provision for asset retirement obligations	0.22	0.21
Income tax	0.33	12.34
<b>Total</b>	<b>295.34</b>	<b>233.01</b>

Trade payables represent the amount payable for providing goods and services and are ₹ 16.46 crore as on March 31, 2024 against ₹ 12.28 crore as on March 31, 2023. Advances from customers as on March 31, 2024 are ₹ 87.50 crore against ₹ 83.41 crore as on March 31, 2023. These consist of advance payments received

from customers, for which related costs have not been yet incurred or product license delivery is a later date. Deferred revenue represents the advance invoicing for annual maintenance charges for which services are to be rendered in the future. As of March 31, 2024 it is ₹ 118.15 crore against ₹ 60.15 crore as on March 31, 2023.

Employee Payables includes the provision for Bonus, accrued salaries, incentives and retention bonus payable to employees.

Statutory dues are the amounts accrued for taxes deducted at source by the Company, staff provident fund, employee state insurance liabilities, GST, etc. As on March 31, 2024 it is ₹ 18.92 crore against ₹ 24.62 crore as on March 31, 2023. Short-term provisions for Compensated absences and taxes are those for which liability is expected to arise in the near future. Sum of all these short-term provisions as on March 31, 2024 are ₹ 5.45 crore against ₹ 17.35 crore as on March 31, 2023.

The Company has made contributions to Nucleus Software Employees Group Gratuity Assurance Trust, which has made further contributions to Employees Group Gratuity Scheme of Life Insurance Corporation of India.

### Non-Current Liabilities

Non-Current Liabilities as on March 31, 2024 are ₹ 41.24 crore against ₹ 30.51 crore as on March 31, 2023.

The break-up of non-current liabilities at the year-end is given below:

(₹ in crore)

	2024	2023
<b>Financial liabilities</b>		
Lease Liability	1.81	3.87
Deferred Tax liability	8.03	1.98
<b>Long-term Provisions</b>		
Compensated absences	20.02	14.77
Gratuity	11.35	9.86
Asset retirement obligation	0.03	0.03
<b>Total</b>	<b>41.24</b>	<b>30.51</b>

A liability or provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The Company based on actuarial valuation determines provision for Compensated absences.

# Independent Auditors Report

## To the Members of Nucleus Software Exports Limited Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the accompanying consolidated financial statements of **Nucleus Software Exports Limited** (“the Holding Company”) and its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”) comprising of the consolidated balance sheet as at March 31, 2024, the consolidated statement of Profit and Loss (including Other Comprehensive Income), the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as “the consolidated financial statements”).

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information

required by the Companies Act, 2013, as amended (“the Act”) in the manner as required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2024, its consolidated profit including other comprehensive income, consolidated changes in equity, and its consolidated cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (‘the Act’). Our responsibilities under those Standards are further described in the ‘Auditor’s Responsibilities for the Audit of the consolidated financial statements’ section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment and based on the consideration of reports of other auditors on separate financial statements of components audited by them, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Description of Key Audit Matter

Revenue recognition- Significant Judgment required in estimating percentage of work completed in fixed price contracts See note 1.2.iii and note 2.25 to the consolidated financial statements	
The key audit matter	How the matter was addressed in our audit
For the year ended March 31, 2024, revenue amounting to ₹ 82,645 Lakh has been recognized from the sale of software products and sale of services to customers. This revenue includes revenue from fixed price contracts which is recognized based on the percentage of work completed. The percentage of work completed is estimated by the Company on the basis of the completion of milestones and activities as agreed with the customers. Due to the number and complexity of activities performed, significant judgments are required to estimate this percentage of completion. Therefore, the audit risk is that if there is an error in estimation of percentage of completion, this will have an impact on the accuracy of revenue recognized for the year ended March 31, 2024.	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient and appropriate audit evidence:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of key internal controls over recording of activities completed and of general IT controls for the project management tool. Performed walkthrough of the underlying process and documented the controls and assessed the effectiveness of their design and implementation. Also performed tests to assess whether the controls were operating as designed.</li> <li>• Involved IT specialists to assess whether the project management tool captured activities completed in the correct period and whether the related percentage completion was derived from a system that is operating effectively.</li> </ul>



	<ul style="list-style-type: none"> <li>• Selected a sample of contracts, using a mix of quantitative and qualitative criteria, and performed the following procedures for each contract selected:             <ul style="list-style-type: none"> <li>o inspected key terms, including transaction price, deliverables, performance obligations, timetable, and milestones, set out in the contract.</li> <li>o inquired of the relevant project managers about key aspects and the progress of the contracts, including the estimated total contract costs, key project risks, amendments, contingencies, and billing schedules.</li> <li>o tested project management tool for budgeted efforts and related percentage completion milestones and verified accuracy of milestones based on actualization of efforts for delivered projects and past data.</li> <li>o verified the details of activities completed with those stated in the customer contract and confirmed by the project manager including agreeing the respective activities performed according to project management tool with customer report/ confirmations which form the basis of percentage of completion; and</li> <li>o verified the ageing analysis and performed analytical procedures, based on revenue trends, to assess the movements in accruals.</li> </ul> </li> </ul>
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**Information other than the Consolidated Financial Statements and Auditors' Report thereon**

The Holding Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material

misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

The Holding Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated cash flows and consolidated change in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act read with the Companies (India Accounting Standards) Rule 2015 amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group including

## Independent Auditors' Report

and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Board of Directors of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error,

as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group comprising of the Holding Company and subsidiary incorporated in India has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and Board of Directors.
- Conclude on the appropriateness of management's and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the audit of the financial statements of such entity included in the consolidated financial statements of which we are the independent auditors.

For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for

our audit opinion. Our responsibilities in this regard are further described in paragraph (a) and (b) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matters

a) We did not audit the financial information of two subsidiaries, whose financial information reflects total assets of ₹ 4,152 Lakh as at March 31, 2024, total revenue of ₹ 9,938 Lakh, net profit after tax of ₹ 530 Lakh and net cash inflow of ₹ 833 Lakh for the year ended on that date, as considered in the consolidated financial statements. These subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial information of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the reports of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

b) The Statement includes the unaudited financial information of four subsidiaries, whose financial information reflect total assets of ₹ 1,032 Lakh as at March 31, 2024, and total revenue of ₹ 1,686 Lakh, total net profit after tax of ₹ 85 Lakh and net cash inflows of ₹ 142 Lakh for the year ended on that date, as considered in the consolidated financial statements. These unaudited financial information have been furnished to us by the Board of Directors.

Our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on such financial information. In our opinion and according to the information and explanations given by the management, these financial information are not material to the Group.

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and other financial information certified by the management.

### Report on Other Legal and Regulatory Requirements

1. With respect to the matters specified in paragraph 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiary company included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.
2. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements and other financial information of the subsidiaries as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - (c) The consolidated balance sheet, the consolidated statement of profit and loss, (including other comprehensive income), the

## Independent Auditors' Report

consolidated statement of changes in equity and the consolidated cash flow statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of the preparation of the consolidated financial statements.

- (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2024 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting and operating effectiveness of such controls of the Holding Company and its subsidiary company, which is the company incorporated in India, refer to our separate Report in "Annexure A."
- (g) In our opinion and according to the information and explanations given to us, the remuneration paid by the Holding Company and subsidiary company which are the company incorporated in India to its directors during the current year is in accordance with the provisions of Section 197 of the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other Matters' paragraph:
- i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, its consolidated financial statements – Refer Note 2.31 to the consolidated financial statements.
  - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended March 31, 2024.
  - iii. There has been no delay in transferring amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiary, incorporated in India during the year ended March 31, 2024.
  - iv. (a) The respective managements of the Holding Company and its subsidiary, which are companies incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of its knowledge and belief, as disclosed in note 2.42 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (b) The respective managements of the Holding Company and its subsidiary, which are companies incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of its knowledge and belief, as disclosed in note 2.42 to the consolidated financial statements no funds have been received by the Group from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
  - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
  - v. The final dividend proposed in the previous year, declared, and paid by the Holding Company during the year, is in accordance with Section 123 of the

Act. The subsidiary company incorporated in India has neither declared nor paid any dividend during the year.

- vi. Based on our examination which included test checks, the company and its subsidiary company incorporated in India, has used an accounting software for maintaining its books of account for the financial year ended March 31, 2024, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under clause (g) of Rule 11 of Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

**For ASA & Associates LLP**  
Chartered Accountants  
Firm Registration No: 009571N/N500006

**Nitin Gupta**  
Partner

Place: New Delhi  
Date: May 23, 2024

Membership No. 122499  
UDIN: 24122499BKJRRG7904



## Annexure - A to the Independent Auditors' Report of Even Date on the Consolidated Financial Statements of the Nucleus Software Exports Limited

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of The Nucleus Software Exports Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2024, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), which are companies incorporated in India, as of that date.

### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary company which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on, the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### Auditors' Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with

ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditors in terms of their reports referred to in the other matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

### Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.



### **Inherent Limitations of Internal Financial Controls with Reference to Consolidated Financial Statements**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Holding Company, and its Subsidiary Company, which are companies incorporated in India have, in all material respects, an adequate internal

financial controls system with reference to consolidated financial statements and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the internal financial control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For ASA & Associates LLP**  
Chartered Accountants  
Firm Registration No: 009571N/N500006

**Nitin Gupta**  
Partner  
Place: New Delhi  
Date: May 23, 2024  
Membership No. 122499  
UDIN: 24122499BKJRRG7904

# Consolidated Balance Sheet as at 31 March 2024

(Amount in ₹ Lacs unless otherwise stated)

Particulars	Note	As at 31 March 2024	As at 31 March 20223
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2.1(a)	3,475	2,334
Capital work in progress	2.1(b)	9	43
Other intangible assets	2.1(a)	140	244
Intangible assets under development	2.1(c)	59	38
Right of use assets	2.2	937	1,141
Investment property	2.3	1,300	1,330
<b>Financial assets</b>			
Investments	2.4	32,117	29,894
Loans	2.5	39	25
Other financial assets	2.6	9,988	2,808
Income tax asset (net)	2.7	1,274	1,039
Other non-current assets	2.8	888	179
<b>Total non-current assets</b>		<b>50,226</b>	<b>39,075</b>
<b>Current Assets</b>			
<b>Financial assets</b>			
Investments	2.9	32,762	22,632
Trade receivables	2.10	16,616	17,463
Cash and cash equivalents	2.11	4,580	5,049
Other bank balances	2.12	2,814	62
Loans	2.13	46	50
Other financial assets	2.14	123	96
Other current assets	2.15	4,235	2,991
<b>Total current Assets</b>		<b>61,176</b>	<b>48,343</b>
<b>Total Assets</b>		<b>111,402</b>	<b>87,418</b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	2.16	2,677	2,677
Other equity	2.17	75,067	58,389
<b>Total equity attributable to equity holders of the company</b>		<b>77,744</b>	<b>61,066</b>
<b>Non- controlling interest</b>		<b>-</b>	<b>-</b>
<b>Total Equity</b>		<b>77,744</b>	<b>61,066</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Lease liabilities	2.2	181	387
Provisions	2.18	3,140	2,466
Deferred tax liabilities (net)	2.19	803	198
<b>Total non-current liabilities</b>		<b>4,124</b>	<b>3,051</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Lease liabilities	2.2	278	239
Trade payables	2.20	-	-
(i) Total outstanding dues of micro enterprises and small enterprises		-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		1,646	1,228
Other financial liabilities	2.21	4,608	3,280
Provisions	2.22	512	502
Current tax liabilities (net)	2.23	33	1,234
Other current liabilities	2.24	22,457	16,818
<b>Total current liabilities</b>		<b>29,534</b>	<b>23,301</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>111,402</b>	<b>87,418</b>
See accompanying notes forming part of the consolidated financial statements	1 & 2		

As per our report of even date attached

For **ASA & Associates LLP**  
Chartered Accountants  
Firm Registration Number : 009571N/N500006

Sd/-  
**NITIN GUPTA**  
Partner  
Membership number : 122499

Place: New Delhi  
Date: 23 May 2024

For and on behalf of the Board of Directors  
**NUCLEUS SOFTWARE EXPORTS LIMITED**  
CIN : L74899DL1989PLC034594

Sd/-  
**VISHNU R DUSAD**  
Managing Director  
DIN : 00008412  
Sd/-  
**SURYA PRAKASH KANODIA**  
Chief Financial Officer

Place: Noida  
Date: 23 May 2024

Sd/-  
**PARAG BHISE**  
CEO & Whole-time Director  
DIN-08719754  
Sd/-  
**POONAM BHASIN**  
AVP (Secretarial) & Company Secretary  
Membership number : 10865

## Consolidated Statement of Profit & Loss for the year ended 31 March 2024

(Amount in ₹ Lacs unless otherwise stated)

	Note	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>1. REVENUE FROM OPERATIONS</b>	2.25	82,645	63,446
<b>2. OTHER INCOME</b>	2.26	5,090	3,406
<b>3. TOTAL INCOME (1+2)</b>		<b>87,735</b>	<b>66,852</b>
<b>4. EXPENSES</b>			
a. Employee benefits expense	2.27	49,106	39,399
b. Operating and other expenses	2.28	11,499	8,370
c. Finance cost	2.29	95	102
d. Depreciation, amortisation and impairment expenses	2.1(a) and 2.2	1,455	1,873
<b>TOTAL EXPENSES</b>		<b>62,155</b>	<b>49,744</b>
<b>5. PROFIT BEFORE TAX (3-4)</b>		<b>25,580</b>	<b>17,108</b>
<b>6. TAX EXPENSE</b>			
a. Current tax expense		5,750	4,221
b. Deferred tax credit /charge	2.19	670	108
<b>NET TAX EXPENSE</b>		<b>6,420</b>	<b>4,329</b>
<b>7. PROFIT FOR THE YEAR (5-6)</b>		<b>19,160</b>	<b>12,779</b>
<b>8. OTHER COMPREHENSIVE INCOME / (LOSS)</b>			
(A) (i) Items that will not be reclassified to profit or loss			
a) Remeasurements of the defined benefit plans		(406)	406
b) Equity instruments through Other Comprehensive Income, net		551	385
(ii) Tax (expense)/ income relating to Items that will not be reclassified to profit or loss		63	(102)
(B) (i) Items that will be reclassified subsequently to profit or loss			
a) Exchange difference on translation of foreign operations		(4)	107
b) Effective portion of gains and loss on hedging instruments in a cash flow hedge		(11)	6
(ii) Tax (expense) / income relating to Items that will be reclassified subsequently to profit or loss		3	(1)
<b>TOTAL OTHER COMPREHENSIVE INCOME / (LOSS) NET OF TAX</b>		<b>196</b>	<b>801</b>
<b>9. TOTAL COMPREHENSIVE INCOME (7+8)</b>		<b>19,356</b>	<b>13,580</b>
<b>Profit attributable to</b>			
Owners of the Company		19,160	12,779
Non- controlling interest		-	-
		<b>19,160</b>	<b>12,779</b>
<b>10. Total comprehensive income attributable to</b>			
Owners of the Company		19,356	13,580
Non- controlling interest		-	-
		<b>19,356</b>	<b>13,580</b>
<b>11. EARNINGS PER EQUITY SHARE</b>	2.33		
Equity shares of ₹ 10 each			
a. Basic (₹)		71.56	47.73
b. Diluted (₹)		71.56	47.73
Number of shares used in computing earnings per share			
a. Basic		26,773,324	26,773,324
b. Diluted		26,773,324	26,773,324

See accompanying notes forming part of the consolidated financial statements 1 &amp; 2

As per our report of even date attached

For **ASA & Associates LLP**  
Chartered Accountants  
Firm Registration Number : 009571N/N500006

**Sd/-**  
**NITIN GUPTA**  
Partner  
Membership number : 122499

For and on behalf of the Board of Directors  
**NUCLEUS SOFTWARE EXPORTS LIMITED**  
CIN : L74899DL1989PLC034594

**Sd/-**  
**VISHNU R DUSAD**  
Managing Director  
DIN : 00008412

**Sd/-**  
**SURYA PRAKASH KANODIA**  
Chief Financial Officer

**Sd/-**  
**PARAG BHISE**  
CEO & Whole-time Director  
DIN-08719754

**Sd/-**  
**POONAM BHASIN**  
AVP (Secretarial) & Company Secretary  
Membership number : 10865

Place: New Delhi  
Date: 23 May 2024

Place: Noida  
Date: 23 May 2024



# Consolidated Statement Of Changes in Equity

for the year ended 31 March 2024

(Amount in ₹ Lacs unless otherwise stated)

	Reserves and Surplus				Retained earnings	Hedging reserve	Items of OCI		Total
	Capital reserve	Securities premium	Capital redemption reserve	General reserve			Foreign Currency translation reserve	Equity instrument through other comprehensive income	
<b>Balance as of 1 April 2022</b>	89	-	561	-	45,598	8	197	230	46,683
Profit for the year	-	-	-	-	12,779	-	-	-	12,779
Final dividend on equity shares	-	-	-	-	(1,874)	-	-	-	(1,874)
Effective gain/(loss) on hedging instruments	-	-	-	-	-	5	-	-	5
Exchange difference on translation of foreign operations	-	-	-	-	-	-	107	-	107
Equity Instruments through Other Comprehensive Income	-	-	-	-	-	-	-	385	385
<b>Attributable to owners of the company</b>	<b>89</b>	<b>-</b>	<b>561</b>	<b>-</b>	<b>56,807</b>	<b>13</b>	<b>304</b>	<b>615</b>	<b>58,389</b>
<b>Balance as on 31 March 2023</b>	<b>89</b>	<b>-</b>	<b>561</b>	<b>-</b>	<b>56,807</b>	<b>13</b>	<b>304</b>	<b>615</b>	<b>58,389</b>

See accompanying notes forming part of the consolidated financial statements

1 & 2

As per our report of even date attached

For **ASA & Associates LLP**  
Chartered Accountants

Firm Registration Number: 009571N/N5000006

Sd/-

**NITIN GUPTA**

Partner

Membership number: 122499

For and on behalf of the Board of Directors  
**NUCLEUS SOFTWARE EXPORTS LIMITED**

CIN : L74899DL1989PLC034594

Sd/-

**VISHNU R DUSAD**

Managing Director

DIN : 00008472

Sd/-

**PARAG BHISE**

CEO & Whole-time Director

DIN-08719754

Sd/-

**SURYA PRAKASH KANODIA**

Chief Financial Officer

Sd/-

**POONAM BHASIN**

AVP (Secretarial) & Company Secretary

Membership number : 10865

Place: New Delhi

Date: 23 May 2024

Place: Noida

Date: 23 May 2024

# Consolidated Cash Flow Statement for the year ended 31 March 2024

(Amount in ₹ Lacs unless otherwise stated)

	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>A. Cash flow from operating activities</b>		
Net profit before tax	25,580	17,108
<b>Adjustment for:</b>		
Depreciation, amortisation and impairment expenses	1,455	1,873
Exchange (gain) / loss on translation of foreign currency accounts (net)	(29)	(56)
Dividend received from non-current investment	(44)	(50)
Interest income on financial assets- carried at amortised cost	(1,528)	(669)
MTM (gain) on investments	(3,166)	(1,991)
Net (gain)/loss on sale of investments	(75)	(100)
Profit on sale of property, plant and equipment (net)	(67)	(36)
Unwinding of interest on security deposit	-	1
Interest expense on lease liability	54	59
Bad debts and allowance / provision for doubtful trade receivables / advances / other current assets	125	46
Withholding tax charged off	562	298
Discounting of staff loan and security deposit	(24)	(22)
Deferred lease income on Security deposit received	-	(1)
Rent concession on lease liability	-	(3)
Assets Retirement Obligation reversal	1	2
<b>Operating profit before working capital changes</b>	<b>22,844</b>	<b>16,459</b>
<b>Adjustment for (increase) / decrease in operating assets</b>		
Trade receivables	644	(9,118)
Loans	(10)	(37)
Other assets	(1,163)	(235)
<b>Adjustment for increase / (decrease) in operating liabilities</b>		
Trade payables	419	(199)
Provisions and other liabilities	7,216	849
	29,950	7,719
Net Income taxes paid	(7,747)	(2,735)
<b>Net cash from operating activities (A)</b>	<b>22,203</b>	<b>4,984</b>
<b>B. Cash flow from investing activities</b>		
Acquisition of property, plant and equipment and intangible assets under development	(2,864)	(370)
Proceeds from sale of property, plant and equipment	72	39
Net (purchase)/sale of mutual funds, tax free bonds and preference shares	(6,882)	(2,231)
Bank deposits, FDR's (net) not considered as cash and cash equivalents (placed) / matured	(9,725)	436
Interest received on fixed deposits, tax free bonds	(344)	806
Dividend received from investments	44	50
<b>Net cash (used in) investing activities (B)</b>	<b>(19,699)</b>	<b>(1,270)</b>
<b>C. Cash flow from financing activities</b>		
Principal repayment of lease liabilities	(285)	(332)
Interest paid on lease liabilities	(54)	(59)
Interim dividend / Final dividend paid	(2,677)	(1,874)
<b>Net cash (used in) in financing activities (C)</b>	<b>(3,016)</b>	<b>(2,265)</b>
<b>Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(512)</b>	<b>1,449</b>
Opening cash and cash equivalents	5,049	3,575
Exchange difference on translation of foreign currency bank accounts	43	25
<b>Closing cash and cash equivalents [see note 2.11]</b>	<b>4,580</b>	<b>5,049</b>



## Consolidated Cash Flow Statement for the year ended 31 March 2024

(Amount in ₹ Lacs unless otherwise stated)

	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Supplementary information</b>		
<b>1. Cash and cash equivalents represents :</b>		
Cash on hand (₹ 0.11 Lacs, previous year ₹ 0.43 Lacs)	-	-
Balances with scheduled banks	862	1,662
Balance with non scheduled banks in current accounts	2,998	1,791
"Balances with scheduled banks in deposit accounts with original maturity of less than 3 months	720	1,596
	<b>4,580</b>	<b>5,049</b>
<b>2. Reconciliation of movements of lease liabilities to cash flows arising from financing activities :-</b>		
<b>At the beginning (current and non current)</b>	626	233
Addition in lease liabilities	117	719
Interest accrued	54	59
Net Cash outflow	(339)	(392)
Rent concession	-	(3)
Translation Difference	1	10
<b>At the end (current and non current)</b>	<b>459</b>	<b>626</b>

**Notes:**

(i) Figures in brackets indicate cash outflow.

See accompanying notes forming part of the consolidated financial statements

1 &amp; 2

As per our report of even date attached

For **ASA & Associates LLP**  
Chartered Accountants  
Firm Registration Number : 009571N/N500006

**Sd/-**  
**NITIN GUPTA**  
Partner  
Membership number : 122499

For and on behalf of the Board of Directors  
**NUCLEUS SOFTWARE EXPORTS LIMITED**  
CIN : L74899DL1989PLC034594

**Sd/-**  
**VISHNU R DUSAD**  
Managing Director  
DIN : 00008412

**Sd/-**  
**SURYA PRAKASH KANODIA**  
Chief Financial Officer

**Sd/-**  
**PARAG BHISE**  
CEO & Whole-time Director  
DIN-08719754

**Sd/-**  
**POONAM BHASIN**  
AVP (Secretarial) & Company Secretary  
Membership number : 10865

Place: New Delhi  
Date: 23 May 2024

Place: Noida  
Date: 23 May 2024

**Note 1:**

**1.1 Reporting Entity**

Nucleus Software Exports Limited ('Nucleus' or 'the Company' or "the Holding 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 31 March 2024, the Company is listed on two stock exchanges in India namely National Stock Exchange and Bombay Stock Exchange.

The Company has wholly owned subsidiaries in India, Singapore, USA, Japan, Netherlands, Australia, and Africa. (the Company and its subsidiaries constitute "the Group").

The Group'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.

**1.2. Material Accounting policies**

**i. Basis of preparation of financial statements**

**a) Statement of compliance**

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time.

The consolidated financial statements were approved for issue by the Board of Directors of the Holding Company on 23 May 2024.

**b) Functional and Presentation currency**

The financial statements are presented in Indian Rupees (INR), which is also the Group's functional currency. All amounts have been rounded-off to the nearest lacs unless otherwise indicated. Further, at some places `-' are also put up to values below INR 50,000 to make financials in round off to Rupees in Lacs.

**c) Current and non-current classification**

All assets and liabilities are classified into current and non-current.

**Assets**

An asset is classified as current when it satisfies any of the following criteria:

- It is expected to be realized in, or is intended for sale or consumption in, the Group normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is expected to be realized within 12 months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include current portion of the non-current financial assets.

All other assets are classified as non-current.

**Liabilities**

A liability is classified as current when it satisfies any of the following criteria:

- It is expected to be settled in the Group normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is due to be settled within 12 months after the reporting date; or
- The Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of the non-current financial liabilities.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities (if any) are classified as non-current assets and liabilities.

## Notes forming part of the consolidated financial statements for the year ended 31 March 2024

### Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Group has ascertained its operating cycle, being a period within 12 months for the purpose of classification of assets and liabilities as current and non-current.

### d) Basis of measurement

The Consolidated financial statements have been prepared on the historical basis except for the following items:

Items	Measurement Basis
Certain financial assets and liabilities (including derivative instruments)	Fair Value
Net defined benefit(asset)/ liability	Fair value of plan assets less present value of defined benefit obligations

### e) Use of estimates and judgements

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual result may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

#### Judgments

Information about judgments made in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Leases classification :Note 2.2
- Estimates of expected contract costs to be incurred to complete contracts- Note 2.15
- Consolidation: whether the Group has de facto control over an investee.- Note 1.2 (ii)

### Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a significant adjustment in the subsequent period financial statements is included in the following notes:

- Estimation of deferred tax asset and liabilities - Note 2.19
- Estimated useful life of property, plant and equipment and Intangible assets - Note 1.2 (v) and.(vi)
- Investment property Note 2.3
- Estimation of defined benefit obligations-- Note 2.38
- Impairment of trade receivables- Note 2.10
- Impairment of Unbilled revenue and Income accrued but not due- Note 2.15
- Impairment loss on preference shares carried at amortised cost- Note 2.4

### f) Measurement of fair values

The Group`s accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a treasury team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

The treasury team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the

inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

## ii. Basis of Consolidation

### a) Business combinations

As per Ind AS 101, at the date of transition, the Group has elected not to restate business combination that occurred before the date of transition.

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the group; and
- fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a

business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognizes any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the

- consideration transferred;
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill and tested for impairment annually. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured

## Notes forming part of the consolidated financial statements for the year ended 31 March 2024

to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate.

### b) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

### c) Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

### d) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in profit or loss.

### e) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

## iii. Revenue Recognition

The Group earns revenue primarily from software product development and providing support services mainly for corporate business entities in the banking and financial services sector.

Effective 1 April 2018, the Group has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how

much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Group has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. 1 April 2018). The adoption of the standard did not have any material impact to the financial statements of the Group.

Revenue from fixed price contracts and sale of license and related customisation and implementation is recognized 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. The contract cost used in computing the revenues include cost of fulfilling warranty obligations, if any.

Revenue from sale of licenses, where no customisation is required, is recognised upon delivery of these licenses which constitute transfer of all risks and rewards.

Revenue from time and material contracts is recognised as the services are rendered.

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

The solutions offered by the Group may include supply of third-party equipment or software. In such cases, revenue for supply of such third-party products are recorded at gross basis as the Group is acting as the principal.

Out of pocket reimbursable expenses e.g. travel etc. if incurred in relation to performance obligation under the contract is recognised as revenue.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as Service income accrued but not due. (only act of invoicing is pending in accordance with terms of the contract).

Advances from customers/ Advance billing and Deferred revenue ("contract liability") is

## Notes forming part of the consolidated financial statements for the year ended 31 March 2024

recognised when there is billing in excess of revenues.

Contracts are subject to modification to account for changes in contract specification and requirements. The Group reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation a cumulative adjustment is accounted for.

Rental income from investment property is recognised as part of revenue from operations in profit or loss on a straight-line basis over the term of the lease

Unbilled revenue is recognised when there is excess of revenue earned over billings on contracts. Unbilled revenue is classified as other financial asset (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms

### iv. Other income

Profit on sale of investments is determined as the difference between the sales price and the carrying value of the investment upon disposal of investments.

Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset ; or
- the amortised cost of the financial liability

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised

cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

### v. Property, Plant and equipment

Property, Plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any. Cost of an item of property, plant and equipment includes its purchase price, any directly attributable expenditure on making the asset ready for its intended use. Property, plant and equipment under construction and cost of assets not ready to use before the year end, are disclosed as capital work-in-progress.

Depreciation on property, Plant and equipment, 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 taking into account nature of the asset, the estimated usage of the asset and the operating conditions of the asset. 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 year.

The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective item of property, plant and equipment when it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

The management's estimates of the useful lives of the various property, plant and equipment are as follows:



## Notes forming part of the consolidated financial statements for the year ended 31 March 2024

Asset category	Management estimate of useful life (in years)	Useful life as per Schedule II (in years)
<b>Tangible asset</b>		
Building*	30	30
Plant and machinery (including office equipment)*	5	15
Computers- end user devices such laptops, desktops etc.	3	3
Computers- servers and networking equipment*	4	6
Vehicles*	5	10
Furniture and fixtures*	5-7	10
Temporary wooden structures (included in Building)	3	3

\*Based on technical evaluation, the useful lives as given above represent the period over which the management believes to use these assets; hence these lives are different from the useful lives prescribed under Part C of schedule II of the Companies Act, 2013.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

### vi. Investment Property

Investment property is a property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Property under construction or development for future use as an investment property is classified as investment property under construction.

Depreciation on investment property, except leasehold land, is provided on the straight-line method based on useful lives of respective assets as estimated by the management taking into account nature of the asset, the estimated usage of the asset and the

operating conditions of the asset. Leasehold land is amortised over the period of lease.

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

Category of investment property	Estimated useful life (in years)
Building	30
Temporary structure *	10

\* Based on technical evaluation, the useful lives as given above represent the period over which the management believes to use these assets; hence these lives are different from the useful lives prescribed under Part C of schedule II of the Companies Act, 2013.

Any gain or loss on disposal of an investment property is recognized in the statement of profit or loss.

The fair value of investment property is disclosed in the notes. Fair value is determined by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

### vii. Intangible assets

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the tax authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates.

Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

The management's estimates of the useful lives of the software are 3-5 years.

For measurement of goodwill that arises on a business combination (see Note 1.2 (ii) (a))

## Notes forming part of the consolidated financial statements for the year ended 31 March 2024

Subsequent measurement is at cost less any accumulated impairment losses.

### Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method and is included in depreciation and amortisation in Statement of Profit and Loss.

The estimated useful lives are as follows:

Software	3-5 years
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Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

## viii. Financial instruments

### a) Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provision of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

### b) Classification and subsequent measurement

#### Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- Fair value through other comprehensive income (FVOCI)-equity investment; or
- Fair value through profit and loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely for payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI-equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivatives financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirement to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

#### Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the

## Notes forming part of the consolidated financial statements for the year ended 31 March 2024

financial assets held within that business model) and how those risks are managed;

- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

*Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest*

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest

criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

*Financial assets: Subsequent measurement and gains and losses*

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss. However, see Note 1.2(vii)(e) for derivatives designated as hedging instruments.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

*Financial liabilities: Classification, subsequent measurement and gains and losses*

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held- for- trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

**c) Derecognition**

*Financial assets*

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized

*Financial liabilities*

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

**d) Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

**e) Derivative financial instruments and hedge accounting**

The Group holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates.

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

*Cash flow hedges*

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in OCI and accumulated in the other equity under 'effective portion of cash flow hedges. The effective portion of changes in the fair value of the derivative that is recognized in

## Notes forming part of the consolidated financial statements for the year ended 31 March 2024

OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in profit or loss.

The Group designates only the change in fair value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedging relationships. The change in fair value of the forward element of forward exchange contracts ('forward points') is separately accounted for as a cost of hedging and recognised separately within equity.

The amount accumulated in other equity is reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

If a hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in other equity remains there until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in other equity are immediately reclassified to profit or loss.

### ix. Impairment

#### a) Impairment of financial instruments

The Group recognises loss allowances for expected credit losses on:

- financial assets measured at amortised cost;

At each reporting date, the Group assesses whether financial assets are carried at amortised cost. A financial asset is 'credit-impaired' when one or more

events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The Group measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

#### Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).



**Presentation of allowance for expected credit losses in the balance sheet**

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

**Write-off**

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

**b) Impairment of non-financial assets**

The Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the

CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

**x. Provisions (other than for employee benefits)**

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost. Expected future operating losses are not provided for.

*Onerous contracts*

A contract is considered to be onerous when the expected economic benefits to be derived by the Group from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Group recognises any impairment loss on the assets associated with that contract.

**xi. Foreign Currency**

**a) Foreign currency transactions**

Transactions in foreign currencies are translated into INR, the functional currency of the Group at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Foreign currency denominated monetary assets and liabilities are retranslated at the exchange rate prevailing on the balance sheet date and exchange gain and losses arising on settlement and restatement are recognised in the statement of profit and loss. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.



## Notes forming part of the consolidated financial statements for the year ended 31 March 2024

Assets and liabilities of subsidiaries with functional currency other than the functional currency of the Holding Company have been translated using exchange rates prevailing on the balance sheet date. Statement of profit and loss of such entities has been translated using weighted average exchange rates. Translation adjustments have been reported as foreign currency translation reserve in the statement of changes in equity.

Exchange differences are recognised in profit or loss, except exchange differences arising from the translation of the following items which are recognised in OCI:

- qualifying cash flow hedges to the extent that the hedges are effective.

### b) Foreign operations

The assets and liabilities of foreign operations (subsidiaries, branches) are translated into INR, the functional currency of the Group, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into INR at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount of exchange differences related to that foreign operation recognised in OCI is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is re-allocated to NCI.

### xii. Earnings per share

Basic earnings per share is computed using the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year-end, except where the results would be anti-dilutive.

### xiii. Taxation

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

#### a) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

#### b) Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognized in respect of carried forward tax losses and tax credits. Deferred tax is not recognized for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Group recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized. Deferred tax assets – unrecognized or recognized, are reviewed at each reporting date and are recognized/reduced to the extent that it is probable/no longer probable respectively that the related tax benefit will be realized.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be real.

Minimum Alternative Tax ('MAT') expense under the provisions of the Income-tax Act, 1961 is recognised as an asset when it is probable that future economic benefit associated with it in the form of adjustment of future income tax liability, will flow to the Group and the asset can be measured reliably. MAT credit entitlement is set off to the extent allowed in the year in which the Group becomes liable to pay income taxes at the enacted tax rates. MAT credit entitlement is reviewed at each reporting date and is written down

to reflect the amount that is reasonably certain to be set off in future years against the future income tax liability. MAT Credit Entitlement has been presented as Deferred Tax in Balance Sheet.

#### xiv. Employee benefits

##### a. India

Employee benefit includes provident fund, gratuity and compensated absences.

##### **Defined contribution plans**

The Group's contribution to provident fund is considered as defined contribution plans and is charged as an expense as they fall due based on the amount of contribution required to be made.

##### **Defined benefit plans**

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each year end. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized in OCI. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

## Notes forming part of the consolidated financial statements for the year ended 31 March 2024

The retirement benefit obligation recognized in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost, as reduced by the fair value of scheme assets.

### **Short-term employee benefits**

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the year in which the employee renders the related service. The cost of such compensated absences is accounted as under:

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

### **Long-term employee benefits**

Compensated absences which are not expected to occur within twelve months after the end of the year in which the employee renders the related service are recognized as a liability at the present value of the defined benefit obligation as at the Balance Sheet date.

#### **b. Singapore**

The respective subsidiary's contribution to central provident fund is deposited with the appropriate authorities and charged to the Consolidated Statement of Profit and Loss. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

#### **c. United States of America/ Netherlands/ Japan/Australia/Africa**

The respective subsidiary's social security contributions are charged to the Consolidated Statement of Profit and Loss.

#### **Employee stock option based compensation**

The grant date fair value of equity settled share-based payment awards granted to employees is recognized as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date.

For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

#### **xv. Cash Flow Statement**

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

#### **xvi. Research and development**

Revenue expenditure pertaining to research is charged to the Consolidated Statement of Profit and Loss. Development costs of products are also charged to the Consolidated Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalized. The amount capitalized comprises expenditure that can be directly attributed or allocated on

a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Property, Plant and equipment utilized for research and development are capitalized and depreciated in accordance with the policies stated for property plant and equipment.

#### xvii. Leases

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

##### Group as a lessee

The Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the

commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any measurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the standalone statement of profit and loss.

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses incremental borrowing rate. For leases with reasonably similar characteristics, the Group, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Group has elected not to apply the requirements of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized

## Notes forming part of the consolidated financial statements for the year ended 31 March 2024

as an expense on a straight-line basis over the lease term.

### Group as a lessor

At the inception of the lease the Group classifies each of its leases as either an operating lease or a finance lease. The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Group is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with

reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Group applies Ind AS 115 Revenue from contracts with customers to allocate the consideration in the contract.

### xviii. Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Group.

## Notes forming part of the consolidated financial statements for the year ended 31 March 2024

### 2.1(a) Property, plant and equipment

(Amount in ₹ Lacs unless otherwise stated)

PARTICULARS	GROSS CARRYING AMOUNT		ACCUMULATED DEPRECIATION		NET CARRYING AMOUNT		
	As at 1 April 2023	Additions 31 March 2024	Deductions/ adjustments	As at 1 April 2023	Depreciation for the year adjustments	As at 31 March 2024	As at 31 March 2023
<b>Tangible assets</b>							
Freehold land	34 (34)	-	-	-	-	34 (34)	34 (34)
Leasehold improvements	14 (14)	-	14 (14)	-	14 (14)	-	-
Buildings	1,658 (1,658)	765	2,423 (1,658)	617 (535)	92 (82)	1,713 (1,041)	1,041 (1,123)
Plant and equipment	715 (697)	262	969 (715)	519 (428)	102 (93)	356 (196)	196 (269)
Computer equipment	3,897 (3,870)	1,000	4,370 (3,897)	2,986 (2,358)	677 (667)	1,233 (911)	911 (1,512)
Vehicles	365 (321)	(0)	268 (365)	241 (220)	42 (56)	79 (124)	124 (101)
Furniture and fixtures	217 (217)	44	261 (217)	189 (157)	12 (32)	60 (28)	28 (60)
<b>Intangible assets</b>							
Software	2,094 (1,983)	70	2,164 (2,094)	1,850 (1,308)	175 (542)	140 (244)	244 (675)
<b>Total</b>	<b>8,994</b> (8,794)	<b>2,141</b> (280)	<b>10,503</b> (8,994)	<b>6,416</b> (5,020)	<b>1,100</b> (1,472)	<b>6,888</b> (6,416)	<b>2,578</b> (3,774)

#### Note:

Property, plant and equipment	Gross carrying amount	Title deed held in the name of	"Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director"	Held since	Reason for not held in company name
Freehold land -1	7	Nucleus Software Exports Ltd	Title deed held in company name.	3 December 1993	-
Freehold land -2	27	Nucleus Software Exports Ltd	Title deed held in company name.	4 October 2004	-
<b>Total</b>	<b>34</b>				
Buildings -1	7	Nucleus Software Exports Ltd	Title deed held in company name.	3 December 1993 and 4 October 2004	-
Buildings -2	1,651	Nucleus Software Exports Ltd	Title deed held in company name.	17 January 2001	-
Buildings -3	765	Nucleus Software Exports Ltd	Title deed held in company name.	30 October 2023	-
	<b>2,423</b>				



## Notes forming part of the consolidated financial statements for the year ended 31 March 2024

### 2.1(b) Capital work in progress

(Amount in ₹ Lacs unless otherwise stated)

	As at 1 April 2023	Additions	Capitalisation/ adjustments	As at 31 March 2024
Capital work in progress (see note below)	43	3	37	9
	(4)	(39)	-	(43)

Note:

(Amount in ₹ Lacs unless otherwise stated)

Capital work in progress	Amount in capital work in progress				
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Projects in progress	5	-	-	-	5
Projects temporarily suspended (see note below)*	-	-	-	4	4
<b>Total</b>	5	-	-	4	9
	(39)	-	-	(4)	(43)

Note : \*Projects temporary suspended includes amount of ₹ 4 lacs paid for soil testing for construction work on Noida plot, which has been temporarily suspended.

### 2.1(c) Intangible assets under development

(Amount in ₹ Lacs unless otherwise stated)

	As at 1 April 2023	Additions	Capitalisation/ adjustments	As at 31 March 2024
Intangible assets under development (see note below)	38	21	-	59
	(42)	(38)	(42)	(38)

Note:

(Amount in ₹ Lacs unless otherwise stated)

Intangible assets under development	Amount in capital work in progress				
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Projects in progress	59	-	-	-	59
	(38)	-	-	-	(38)

Note:

(i) Figures in bracket pertains to the positions as of 31 March 2023.

## Notes forming part of the consolidated financial statements for the year ended 31 March 2024

### 2.2 Changes in right of use assets / lease liabilities

- (a) Following are the changes in the carrying value of right of use assets for the year :

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2024				As at 31 March 2023			
	Building	Lease hold land	Cars	Total	Building	Lease hold land	Cars	Total
Opening Balance	564	505	72	1,141	237	513	-	750
Additions	-	-	13	13	-	-	77	77
Addition for lease hold land	104	-	-	104	677	-	-	677
Amortisation	290	7	27	324	358	8	5	371
Translation Difference	3	-	-	3	8	-	-	8
<b>Closing balance</b>	<b>381</b>	<b>498</b>	<b>58</b>	<b>937</b>	<b>564</b>	<b>505</b>	<b>72</b>	<b>1,141</b>

The aggregate depreciation expense on right of use assets is included under depreciation and amortization expense in the consolidated statement of Profit and Loss Account.

- (b) The following is the break-up of current and non-current lease liabilities :

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
Current lease liabilities	278	239
Non-current lease liabilities	181	387
<b>Total</b>	<b>459</b>	<b>626</b>

- (c) The following is the movement in lease liabilities :

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
Opening Balance	626	233
Additions	117	719
Finance cost accrued during the year	54	59
Payment of lease liabilities	(339)	(392)
Rent concession	-	(3)
Translation Difference	1	10
<b>Closing balance</b>	<b>459</b>	<b>626</b>

- (d) The table below provides details regarding the contractual maturities of lease liabilities on undiscounted basis:

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
Not later than 1 year	305	285
Later than 1 year but not later than 5 years	197	428
More than 5 year	-	-
<b>Total</b>	<b>502</b>	<b>713</b>

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Rental expense recorded for short-term leases was ₹ 218 lacs for the year ended 31 March 2024. (previous year March 2023 ₹ 130 lacs)

## Notes forming part of the consolidated financial statements for the year ended 31 March 2024

### 2.3 Investment Property

(Amount in ₹ Lacs unless otherwise stated)

PARTICULARS	GROSS CARRYING AMOUNT				ACCUMULATED DEPRECIATION				NET CARRYING AMOUNT		
	As at 1 April 2023	Transfer from Property, plant and equipment	Additions	Deductions/ adjustments (Note (i) & (ii))	As at 31 March 2024	As at 31 March 2023	Transfer from Property, plant and equipment	Depreciation for the year	Deductions/ adjustments (Note (i) & (ii))	As at 31 March 2024	As at 31 March 2023
<b>Tangible assets</b>											
Leasehold Land	1,118	-	-	-	1,118	89	-	13	-	1,017	1,030
	(1,118)	-	-	-	(1,118)	(77)	-	(13)	(2)	(1,030)	1,042
Buildings	410	-	-	-	410	110	-	17	-	283	300
	(410)	-	-	-	(410)	(93)	-	(17)	-	(300)	317
<b>Total</b>	<b>1,528</b>	-	-	-	<b>1,528</b>	<b>199</b>	<b>0</b>	<b>30</b>	-	<b>1,300</b>	<b>1,330</b>
Previous year	(1,528)	-	-	-	(1,528)	(170)	-	(30)	(2)	(1,330)	1,359

**Note :**

Investment Property	Gross carrying amount	Title deed held in the name of	"Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director"	Held since	Reason for not held in company name
Leasehold Land	1,118	Nucleus Software Ltd	Title deed held in company name.	30 June 2008	-
Buildings	410	Nucleus Software Ltd	Title deed held in company name.	1 April 2010	-
<b>Total</b>	<b>1,528</b>				

## Notes forming part of the consolidated financial statements for the year ended 31 March 2024

### Measurement of fair values

(Amount in ₹ Lacs unless otherwise stated)

Particulars	Leasehold Land	Building	Total
At 31 March 2024	4,934	382	5,316
At 31 March 2023	4,229	388	4,617

There is no impairment as the fair value is greater than the carrying amount of Investment property as at 31 March 2024.

#### (i) Fair Value Hierarchy

The fair value of investment property has been determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

The fair value measurement for all of the investment property has been categorised as a Level 3 fair value based on the inputs to the valuation technique used. There is no impairment as the fair value is greater than the carrying amount of the Investment Property.

#### (ii) Valuation Techniques

The method of valuation adopted, in the subject instance is Land and Building method under Cost Approach. In this approach value of the land is arrived by taking a survey of the micro market for transactions of similar land parcels in the vicinity.

Whereas, value of the building is arrived by analyzing the cost of construction for similar structures. Necessary discounting is considered on building to account for loss in economic value due to depreciation. The value of land and building so arrived is summed to obtain value of the property.

Investment property comprises one property that was leased to external party and this lease cancelled in October 2022. No contingent rents are charged.

#### (iii) Amount recognised in the Statement of Profit and Loss :

Revenue from operation amounting to ₹ NIL (Previous year ₹ 32 lacs) is on account of rental income from investment property during the year 31 March 2024 (see note 2.25). This is after taking in to account reversal of revenue of ₹ NIL on account of reserve for lease equalization (Previous year 31 March 2023 ₹ 6 lacs).

Notes :

- (i) Includes the effect of translation in respect of assets held by foreign subsidiaries
- (ii) Some of the assets have been re-grouped during the year, based on the nature of assets.
- (iii) Figures in bracket pertains to previous year ended 31 March, 2023
- (iv) As permitted by Ind AS 101, the Company has elected to continue with the carrying values under previous GAAP as deemed cost for all the items of property, plant and equipment and Intangible assets.

## Notes forming part of the consolidated financial statements for the year ended 31 March 2024

### 2.4 A. NON-CURRENT INVESTMENTS (at cost)

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>- Non trade</b>		
<b>Investment in equity instruments (quoted)</b>		
<i>Equity shares at FVOCI</i>		
250,000 (250,000) equity shares of ₹ 10 (₹ 10) each, fully paid up, in Ujjivan Financial Services Limited	<u>1,191</u>	<u>640</u>
<b>Investment in bonds (quoted)</b>		
<i>Bonds securities at Amortised cost</i>		
a. 7.39% Housing and Urban Development Corporation Limited (HUDCO) Tax Free Bonds 2031	142	142
b. 7.39% Housing and Urban Development Corporation Limited (HUDCO) Tax free bonds 2031	131	131
c. 7.28% Indian Railway Finance Corporation Limited Tax free bonds 2030	47	47
d. 7.35% Indian Railway Finance Corporation Limited Tax Free Bonds 2031	122	122
e. 7.49% Indian Renewable Energy Development Agency Limited (IREDA) Tax Free Bonds 2031	121	121
f. 7.35% National Bank for Agriculture and Rural Development (NABARD) Tax Free Bonds 2031	201	201
g. 8.50% National Highways Authority of India (NHAI) Tax Free Bonds 2029	105	106
h. 7.39% National Highways Authority of India (NHAI) Tax Free Bonds 2031	160	160
i. 8.63% National Housing Bank (NHB) Tax Free Bond 2029	1,181	1,210
j. 7.11% Power Finance Corporation (PFC) Tax Free Bonds 2025	53	53
k. 8.30% Power Finance Corporation (PFC) Tax Free Bonds 2027	<u>1,137</u>	<u>1,170</u>
	<b>3,400</b>	<b>3,463</b>
<b>Investment in mutual funds (unquoted)</b>		
Mutual funds at Fair value through profit or loss (FVTPL)		
a. Aditya Birla Sun Life Floating Rate Fund - Growth- Direct	1,326	1,228
b. Axis Banking and PSU Debt Fund - Growth-Direct	1,638	1,528
c. DSP Banking & PSU Debt Fund - Growth- Direct	663	614
d. HDFC Corporate Bond Fund - Growth-Direct	1,137	1,051
e. ICICI Prudential Corporate Bond Fund - Growth-Direct	1,526	1,411
f. Kotak Bond Short Term Fund - Growth- Direct	1,312	1,215
g. Nippon India Floating Rate Fund - Growth- Direct	3,477	3,409
h. SBI Corporate Bond Fund - Growth- Direct	446	415
i. Tata Short Term Bond Fund - Growth- Direct	<u>2,713</u>	<u>2,520</u>
	<b>14,238</b>	<b>13,391</b>

Notes forming part of the consolidated financial statements for the year ended 31 March 2024

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Investment in mutual funds (quoted)</b>		
Target maturity Funds at Amortised cost		
a. ABSL Crisil IBX Gilt Apr 2029 Index Fund - Direct Plan-Growth	1,928	1,800
b. HDFC Nifty G-Sec Dec 2026 Index Fund -Direct Plan-Growth	2,786	2,600
c. ICICI Prudential Nifty G-Sec Dec 2030 Index Fund -Direct Plan-Growth	1,929	1,800
d. SBI Crisil IBX Gilt Index - June 2036 Index Fund -Direct Plan-Growth	1,393	1,300
e. SBI Crisil IBX Gilt Index - April 2029 Index Fund -Direct Plan-Growth	2,358	2,200
f. Tata Crisil IBX Gilt Index - April 2026 Index Fund -Direct Plan-Growth	2,894	2,700
	<b>13,288</b>	<b>12,400</b>
<b>Aggregate amount of non current-investments</b>	<b>32,117</b>	<b>29,894</b>
Aggregate book value of quoted investments	17,880	16,503
Aggregate market value of quoted investments	18,112	16,595
Aggregate value of unquoted investments	14,238	13,391
Aggregate amount of impairment in value of quoted investments	-	-

**B. Equity shares designated as at fair value through other comprehensive income**

As at 1 April 2016, the Company designated the investments shown below as equity shares at FVOCI because these equity shares represent investments that company intends to hold for long- term for strategic purpose

(Amount in ₹ Lacs unless otherwise stated)

	Fair value as at 31 March 2024	Change in fair value during the year ended 31 March 2024	Fair value as at 31 March 2023
<b>Investment in Ujjivan Financial Services Limited</b>	1,191	551	640

No strategic investments were disposed off during the year ended 31 March 2024 as well as in the previous year ended 31 March 2023 and there were no transfers of any cumulative gain or loss within equity relating to these investments.

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
-------------	------------------------	------------------------

**2.5 LOANS**

Loans and advances to employees		
Loans Receivables considered good - Unsecured	39	25
	<b>39</b>	<b>25</b>



**Notes forming part of the consolidated financial statements** for the year ended 31 March 2024

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>2.6 OTHER NON-CURRENT FINANCIAL ASSETS</b>		
(Unsecured considered good unless otherwise stated)		
a. Security deposits	244	242
b. Long-term deposits	9,744	2,566
	<b>9,988</b>	<b>2,808</b>

[Long term deposits include ₹ 6 lacs (31 March 2023 ₹ 6 lacs ) which are under lien]

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>2.7 INCOME TAX ASSETS (NET)</b>		
Balances with government authorities		
a. Advance tax	1,274	1,039
	<b>1,274</b>	<b>1,039</b>

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>2.8 OTHER NON CURRENT ASSETS</b>		
(Unsecured, considered good)		
a Capital advances	798	38
b Employee advances	39	37
Less: Provision for doubtful employee advances	(39)	(37)
	-	-
c. Prepaid expenses	90	141
	<b>888</b>	<b>179</b>

**2.9 Current investments - Non trade (At the lower of cost and fair value)**

(Amount in ₹ Lacs unless otherwise stated)

Name	As at 31 March 2024	As at 31 March 2023
<b>-Investment in Mutual Funds (Unquoted)</b>		
<b>Mutual funds at Fair value through profit or loss (FVTPL)</b>		
a. Aditya Birla Sun Life Arbitrage Fund -Direct Plan - Growth	757	699
b. Aditya Birla Sun Life Money Manager Fund - Direct Plan - Growth	3,477	3,226
c. Axis Liquid Fund- Direct Plan- Growth	2,782	-
d. DSP Low Duration Fund - Direct Plan - Growth	3,420	3,400
e. HDFC Ultra Short term Fund - Direct Plan - Growth	1,889	1,757
f. HDFC Money Market Fund - Direct Plan - Growth	2,559	2,377
g. HSBC Liquid Fund - Direct Plan - Growth	2,357	-
h. ICICI Prudential Money Market Fund - Direct Plan - Growth	3,058	3,488

**Notes forming part of the consolidated financial statements** for the year ended 31 March 2024

(Amount in ₹ Lacs unless otherwise stated)

Name	As at 31 March 2024	As at 31 March 2023
i. Kotak Money Market Scheme - Direct Plan - Growth	-	26
j. Kotak Liquid Fund - Direct Plan - Growth	504	-
k. Nippon India Liquid Fund-Direct Plan -Growth	1,517	-
l. Nippon India Arbitrage Fund - Direct Plan - Growth	1,548	1,429
m. SBI Arbitrage Opportunities Fund-Direct Plan-Growth	3,038	-
n. Tata Arbitrage Fund- Direct Plan - Growth	369	340
o. Tata Liquid Fund - Direct Plan - Growth	1,532	-
p. Tata Treasury Advantage Fund - Direct Plan - Growth	697	650
q. UTI Arbitrage Fund - Direct Plan - Growth	625	577
r. UTI Liquid Fund - Direct Plan - Growth	948	-
s. UTI Money Market Fund - Direct Plan - Growth	1,685	1,566
	<b>32,762</b>	<b>19,535</b>
<b>Investment in bonds (quoted)</b>		
a. 8.35% National Highways Authority of India (NHAI) Tax Free Bonds 2023	-	510
b. 8.01% India Infrastructure Finance Company Limited (IIFCL) Tax Free Bonds 2023	-	1,030
c. 8.23% Indian Railway Finance Corporation Limited (IRFC) Tax Free Bonds 2024	-	540
d. 8.51% Housing and Urban Development Corporation Limited (HUDCO) Tax free bonds 2024	-	517
	-	<b>2,597</b>
<b>Investment in Preference Shares (quoted)</b>		
17.38% IL&FS Financial Services Ltd. ( Preference. Shares - 2021)	100	100
Less: Expected Credit Loss on investment	(100)	(100)
	-	-
16.46% Infrastructure Leasing & Financial Services Ltd. (Preference Shares - 2022)	501	501
Less: Expected Credit Loss on investment	(501)	(501)
	-	-
7.50% Tata Capital Ltd. (Preference Shares - 2024)	-	500
	-	<b>500</b>
<b>Aggregate amount of investments</b>	<b>32,762</b>	<b>22,632</b>
Aggregate amount of quoted investments	-	3,097
Aggregate market value of quoted investments	-	3,340
Aggregate amount of unquoted investments	32,762	19,535
Aggregate amount of impairment in value of quoted investments	601	601

**Notes forming part of the consolidated financial statements** for the year ended 31 March 2024

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>2.10 CURRENT TRADE RECEIVABLES</b>		
a. Considered good - Unsecured	14,924	16,990
Credit impaired	286	103
	15,210	17,093
Less: Allowances for doubtful trade receivables	(286)	(103)
	<b>14,924</b>	<b>16,990</b>
b. Trade receivables -Unbilled		
Considered good - Unsecured	1,692	473
Credit impaired	175	64
	1,867	537
Less: Allowances for doubtful trade receivables unbilled	(175)	(64)
	<b>1,692</b>	<b>473</b>
	<b>16,616</b>	<b>17,463</b>

(Amount in ₹ Lacs unless otherwise stated)

	Outstanding for following periods from due date of payment	As at 31 March 2024					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i)	Undisputed Trade receivables – considered good	14,454	363	-		-	<b>14,817</b>
(ii)	Undisputed Trade Receivables – which have significant increase in credit risk						-
(iii)	Undisputed Trade Receivables – credit impaired			213			<b>213</b>
(iv)	Disputed Trade Receivables– considered good						-
(v)	Disputed Trade Receivables – which have significant increase in credit risk		79		28		<b>107</b>
(vi)	Disputed Trade Receivables – credit impaired		61		12		<b>73</b>
		<b>14,454</b>	<b>503</b>	<b>213</b>	<b>40</b>	-	<b>15,210</b>
	Less: Provision for doubtful trade receivables						<b>(286)</b>
	<b>TRADE RECEIVABLES</b>						<b>14,924</b>
	<b>TRADE RECEIVABLES-Unbilled</b>						<b>1,692</b>
							<b>16,616</b>

Notes forming part of the consolidated financial statements for the year ended 31 March 2024

TRADE RECEIVABLES-Unbilled

(Amount in ₹ Lacs unless otherwise stated)

	Outstanding for following periods from due date of payment	As at 31 March 2023					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i)	Undisputed Trade receivables – considered good	15,822	1,139	-	-		16,961
(ii)	Undisputed Trade Receivables – which have significant increase in credit risk						-
(iii)	Undisputed Trade Receivables – credit impaired		69				69
(iv)	Disputed Trade Receivables – considered good						-
(v)	Disputed Trade Receivables – which have significant increase in credit risk			29			29
(vi)	Disputed Trade Receivables – credit impaired			13	1	20	34
		15,822	1,209	42	1	20	17,093
	Less: Provision for doubtful trade receivables						(103)
	<b>TRADE RECEIVABLES</b>						<b>16,990</b>

TRADE RECEIVABLES-Unbilled

473

17,463

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
-------------	---------------------	---------------------

2.11 CASH AND CASH EQUIVALENTS

A. Cash and cash equivalents

a. Cash on hand (₹ 0.11 Lacs, previous year ₹ 0.43 Lacs)	-	-
b. Balance with non scheduled banks in current accounts:		
- in current accounts	195	89
- in EEFC accounts	637	1,530
- in Escrow accounts	30	42
c. Balance with non scheduled banks in current accounts:		
-Citibank, United Kingdom	9	8
-Citibank, U.A.E	48	31
-Citibank, Singapore	1,892	829
-PNC Bank, USA	34	31
-Citibank, USA	343	345
-Bank of Tokyo Mitsubishi, Japan	42	15

**Notes forming part of the consolidated financial statements** for the year ended 31 March 2024

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
-Citibank, Japan	179	64
-Citibank, Australia	413	431
- Nedbank, South Africa	36	38
- Citibank, Netherlands	2	0
d. Balances with scheduled banks in deposit accounts with original maturity of less than 3 months	720	1,596
<b>Total - Cash and cash equivalents</b>	<b><u>4,580</u></b>	<b><u>5,049</u></b>

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
-------------	------------------------	------------------------

**2.12 OTHER BANK BALANCES**

a. Balances with scheduled banks in earmarked accounts:		
- unclaimed dividend accounts	27	32
b. Balances with scheduled banks in deposit accounts with original maturity of more than 3 months :		
- Maturity with in 12 months of the reporting date	2,787	30
<b>Total - Other bank balances</b>	<b><u>2,814</u></b>	<b><u>62</u></b>

[Balance with scheduled banks in deposit accounts include ₹ 29 lacs (31 March 2023 ₹ 29 lacs ) which are under lien]

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
-------------	------------------------	------------------------

**2.13 LOANS**

(Unsecured)

a. Loans and advances to employees considered good - Unsecured	46	50
	<b><u>46</u></b>	<b><u>50</u></b>

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
-------------	------------------------	------------------------

**2.14 OTHER CURRENT FINANCIAL ASSETS**

(Unsecured considered good unless otherwise stated)

a. Security deposit	100	65
b. Mark-to-market gain on forward contracts	6	17
c. Expenses recoverable from customers	17	14
	<b><u>123</u></b>	<b><u>96</u></b>

Notes forming part of the consolidated financial statements for the year ended 31 March 2024

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>2.15 OTHER CURRENT ASSETS</b>		
(Unsecured)		
a. Income accrued but not due		
Considered good	2,277	1,379
Credit impaired	34	227
	2,311	1,606
Less : Provision for income accrued but not due	(34)	(227)
	<b>2,277</b>	<b>1,379</b>
b. Employee advances	45	20
c. Prepaid expenses (considered good)	1,115	942
d. Contract cost	34	17
e. Balances with Government authorities (considered good)		
- GST/ VAT credit receivable	7	33
f. Others		
- Supplier advances		
Considered good	746	591
g. Deferred payroll	11	9
	<b>4,235</b>	<b>2,991</b>

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>2.16 SHARE CAPITAL</b>		
a. <b>Authorised</b>		
Equity shares		
41,100,000 (As at 31 March 2023 - 41,100,000) equity shares of ₹ 10 each	4,110	4,110
Preference shares		
4,000,000 (As at 31 March 2023 - 4,000,000) 11% redeemable non cumulative preference shares of ₹ 10 each	400	400
	<b>4,510</b>	<b>4,510</b>
b. <b>Issued, Subscribed and Paid-Up</b>		
<b>Issued</b>		
26,776,124 (As at 31 March 2023 - 26,776,124) equity shares of ₹ 10 each	2,678	2,678
<b>Subscribed and Paid-Up</b>		
26,773,324 (As at 31 March 2023 - 26,773,324) equity shares of ₹ 10 each	2,677	2,677
	<b>2,677</b>	<b>2,677</b>



## Notes forming part of the consolidated financial statements for the year ended 31 March 2024

Refer notes (i) to (vi) below :-

- (i) **Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period :-**

Particulars	Opening balance	Extinguishment of equity shares during the year	Closing balance
a. For the year ended 31 March, 2024			
- Number of shares	26,773,324	-	26,773,324
- Amount (In ₹)	267,733,240	-	267,733,240
b. For the year ended 31 March, 2023			
- Number of shares	26,773,324	-	26,773,324
- Amount (In ₹)	267,733,240	-	267,733,240

- (ii) **Rights, preferences and restrictions attached to shares**

The Company has one class of equity shares having a par value of ₹10 each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

- (iii) **Number of shares held by promoter shareholders in the Company :-**

Particulars	As at 31 March 2024			As at 31 March 2023		
	(Number)	(Percentage)	% Change during the year	(Number)	(Percentage)	% Change during the year
Karmayogi Holdings Private Limited	9,000,000	33.62%	0.00%	9,000,000	33.62%	0.00%
Madhu Dusad	3,066,248	11.45%	0.00%	3,066,248	11.45%	0.00%
Nucleus Software Engineers Private Limited	2,385,882	8.91%	0.00%	2,385,882	8.91%	0.00%
Vishnu R Dusad	1,603,492	5.99%	0.00%	1,603,492	5.99%	0.00%
Ritika Dusad	1,000,000	3.74%	0.00%	1,000,000	3.74%	0.00%
Kritika Dusad	1,000,000	3.74%	0.00%	1,000,000	3.74%	0.00%
Yogesh Andlay	863,534	3.23%	0.00%	863,534	3.23%	0.00%
Nucleus Software Workshop Pvt Ltd	600,000	2.24%	0.00%	600,000	2.24%	0.00%
Naveen Kumar	72,952	0.27%	0.00%	72,952	0.27%	0.00%
Suman Mathur	23,758	0.09%	0.00%	23,758	0.09%	0.00%
Card Systems Pvt Ltd	-	0.00%	-0.01%	2,310	0.01%	0.00%

- (iv) **Number of shares held by shareholders holding more than 5% of the aggregate shares in the Company:-**

Particulars	31 March 2024		31 March 2023	
	(Number)	(Percentage)	(Number)	(Percentage)
Karmayogi Holdings Private Limited	9,000,000	33.62%	9,000,000	33.62%
Madhu Dusad	3,066,248	11.45%	3,066,248	11.45%
Nucleus Software Engineers Private Limited	2,385,882	8.91%	2,385,882	8.91%
Vishnu R Dusad	1,603,492	5.99%	1,603,492	5.99%

## Notes forming part of the consolidated financial statements for the year ended 31 March 2024

### (v) Details of forfeited shares

Particulars	As at 31 March 2024		As at 31 March 2023	
	(Number)	(₹)	(Number)	(₹)
Equity shares with voting rights	2,800	15,000	2,800	15,000

### (vi) EMPLOYEES STOCK OPTION PLAN ("ESOP")

- Employee Stock Option Scheme and SEBI (Share Based Employee Benefits) Regulations, 2014, is effective for regulation of all schemes by the Company for the benefits for its employees dealing in shares, directly or indirectly from October 28, 2014. In accordance with these Guidelines, the excess of the market price of the underlying equity shares as of the date of grant of options over the exercise price of the option, including up-front payments, if any, is to be recognized and amortised on graded vesting basis over the vesting period of the options.
- The Company currently has one ESOP scheme- ESOP Scheme - 2015 (instituted in 2015) which was duly approved by the Board of Directors and Shareholders. The ESOP Scheme 2015 provides for 500,000 options to eligible employees. As per ESOP scheme 2015, equity shares would be transferred to eligible employees on exercise of options through Nucleus Software Employee Welfare Trust. The scheme is administered by the Compensation Committee comprising three members, the majority of whom are independent directors.
- There are no options granted, forfeited and exercised during the year under ESOP Scheme 2015.

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>2.17 OTHER EQUITY</b>		
a. Capital reserve	89	89
b. Securities premium account	-	-
c. Capital Redemption reserve	561	561
d. General reserve	-	-
e. Retained Earnings	72,947	56,807
f. Other comprehensive Income	1,470	932
	<u>75,067</u>	<u>58,389</u>

(Amount in ₹ Lacs unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>a. Capital reserve</b>		
Opening balance	89	89
Add: addition during the year	-	-
Closing balance	<u>89</u>	<u>89</u>
<b>b. Securities premium account</b>		
Opening balance	-	-
Utilised for buyback premium	-	-
Closing balance	<u>-</u>	<u>-</u>
<b>c. Capital Redemption reserve</b>		
Opening balance	561	561
Addition during the year	-	-
Closing balance	<u>561</u>	<u>561</u>

**Notes forming part of the consolidated financial statements** for the year ended 31 March 2024

(Amount in ₹ Lacs unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>d. General reserve</b>		
Opening balance	-	-
Utilised for buy back of equity shares	-	-
Closing balance	<u>-</u>	<u>-</u>
<b>e. Retained Earnings</b>		
Opening balance	56,807	45,598
Add: Profit for the year	19,160	12,779
- Final dividend on equity shares [see note (i) below]	(2,677)	(1,874)
- Remeasurement of the defined benefit plans, net	(343)	304
Closing balance	<u>72,947</u>	<u>56,807</u>
<b>f. Other comprehensive Income</b>		
Equity instrument through other comprehensive income	615	230
Add: Income for the year	551	385
	<u>1,166</u>	<u>615</u>
<b>Foreign currency translation reserve</b>		
Opening balance	304	197
Add: Addition during the year	(4)	107
Closing balance	<u>300</u>	<u>304</u>
<b>Hedging reserve, net</b>		
Opening balance	13	8
Add / (Less) : Effect of foreign exchange rate variations on hedging instruments outstanding at the end of the year	(9)	5
Closing balance	<u>4</u>	<u>13</u>
	<u>1,470</u>	<u>932</u>
<b>Closing balance</b>	<u>75,067</u>	<u>58,389</u>

**(i) Dividend**

The Board of Directors on 23 May 2024 have recommended a payment of Final Dividend of ₹ 12.50 per share (on equity share of par value of ₹ 10 each) for the year ended 31 March 2024. The payment is subject to approval of shareholders at the ensuing AGM.

The Board of Directors on 26 May 2023 have recommended a payment of Final Dividend of ₹ 10 per share (on equity share of par value of ₹ 10 each) for the year ended 31 March 2023. The payment was approved by shareholders at the annual general meeting held on 14 July 2023. This dividend was paid on 26 July 2023.

**(ii) Nature and purpose of other reserves**
**Capital reserve**

The Group had transferred forfeited ESOP application money to Capital reserve in accordance with the provision of the Companies Act. The reserve will be utilised in accordance with the provisions of the Companies Act, 2013.

**Securities premium reserve**

Securities premium is used to record the premium on issue of shares and shall be utilised in accordance with the provisions of the Companies Act, 2013.

## Notes forming part of the consolidated financial statements for the year ended 31 March 2024

### Hedging reserve

This comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

### Capital Redemption reserve

This reserve was created on account of a buy back of shares by the Company during the year ended 31 March 2017 and during the year ended 31 March 2022. A sum equal to the nominal value of the shares so purchased was transferred to capital redemption reserve. The reserve shall be utilised in accordance with the provisions of section 69 of the Companies Act, 2013.

### General reserve

The general reserve is a free reserve which is used from time to time to transfer profits from retained earnings for appropriation purposes..

### Foreign currency translation reserve

These comprise of all exchange difference arising from translation of financial statements of foreign operations.

### Equity instrument through other comprehensive income

The Group has designated its investments in certain equity instruments at fair value through other comprehensive income. These changes are accumulated within the FVOCI equity investments within the equity. The group transfers amounts therefrom to retained earnings when the relevant equity securities are derecognised.

### Remeasurement of net defined benefit plans

Remeasurement of net defined benefit plans (asset) comprises actuarial gain and losses and return on plan assets (excluding interest income)

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>2.18 NON CURRENT - PROVISIONS</b>		
Provision for employee benefits		
- Provision for compensated absences	2,002	1,477
- Provision for gratuity	1,135	986
Provision for asset retirement obligations	3	3
	<u>3,140</u>	<u>2,466</u>

(Amount in ₹ Lacs unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>2.19 DEFERRED TAX LIABILITIES (NET)</b>		
<b>A. Amounts recognised in profit or loss</b>		
Current tax	5,750	4,221
Deferred tax	670	108
<b>Net tax expense</b>	<u>6,420</u>	<u>4,329</u>
<b>B. Income tax recognised in other comprehensive income</b>		
Remeasurements of net defined benefit plans	63	(102)
Effective portion of gain/ (loss) on hedging instruments of effective cash flow hedges(net of tax)	3	(1)
<b>Income tax recognised in other comprehensive income</b>	<u>66</u>	<u>(103)</u>

## Notes forming part of the consolidated financial statements for the year ended 31 March 2024

### (C) Reconciliation of effective tax rate

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before taxes is summarised below:

(Amount in ₹ Lacs unless otherwise stated)

Particulars	Percentage	For the year ended 31 March 2024	Percentage	For the year ended 31 March 2023
<b>Profit before tax</b>		<b>25,580</b>		<b>17,108</b>
Computed tax expense	25.17%	6,438	25.17%	4,306
Effect of exempt non-operating income	-0.31%	(80)	-0.70%	(119)
Effect of non-deductible expenses	0.59%	151	0.60%	103
Taxes on income at different rates	-0.77%	(198)	-0.09%	(15)
Tax effect due to non taxable income for Indian tax purpose	-0.04%	(10)	-0.22%	(37)
Tax reversals, overseas and domestic	0.48%	122	0.37%	64
Effect of subsidiaries different tax rates	-0.01%	(3)	0.16%	27
<b>Effective tax</b>	<b>25.10%</b>	<b>6,420</b>	<b>25.30%</b>	<b>4,329</b>

### 2.19 DEFERRED TAX LIABILITIES (NET)

(Amount in ₹ Lacs unless otherwise stated)

Particular	Opening As at 1 April 2023	Recognised [(Credited)/ Charge] in profit or loss during the year	Recognised [(Credited)/ Charge] in OCI during the year	MAT created / (utilised) during the year	As at 31 March 2024
<b>a. Deferred tax assets</b>					
Provisions- compensated absences, gratuity and other employee benefits	454	34	102	-	590
Provision for doubtful trade receivables / loans and service income accrued but not due and others	216	37	-	-	253
Trade receivables, security deposit and loans at amortised cost	14	(1)	-	-	13
Lease liability	4	4	-	-	8
	<b>688</b>	<b>74</b>	<b>102</b>	<b>-</b>	<b>864</b>
<b>b. Deferred tax liabilities</b>					
Property, plant and equipment	67	(7)	-	-	60
Forward contracts	(4)	-	3	-	(2)
Investments	(1,004)	(726)	(39)	-	(1,769)
	<b>(941)</b>	<b>(733)</b>	<b>(36)</b>	<b>-</b>	<b>(1,711)</b>
<b>Net Deferred tax Asset/(Liability)</b>	<b>(253)</b>	<b>(659)</b>	<b>66</b>	<b>-</b>	<b>(847)</b>
<b>a. Deferred tax assets</b>					
Provisions- compensated absences, gratuity and other employee benefits	51	(14)	-	-	37
Accruals and others	4	3	-	-	7
<b>Net Deferred tax Asset/(Liability)</b>	<b>55</b>	<b>(11)</b>	<b>-</b>	<b>-</b>	<b>44</b>
<b>Total Deferred tax Asset/(Liability)</b>	<b>(198)</b>	<b>(670)</b>	<b>66</b>	<b>-</b>	<b>(803)</b>

Notes forming part of the consolidated financial statements for the year ended 31 March 2024

(Amount in ₹ Lacs unless otherwise stated)

Particular	Opening As at 1 April 2022	Recognised [(Credited)/ Charge] in profit or loss during the year	Recognised [(Credited)/ Charge] in OCI during the year	MAT created / (utilised) during the year	As at 31 March 2023
<b>a. Deferred tax assets</b>					
Provisions- compensated absences, gratuity and other employee benefits	373	183	(102)	-	454
Provision for doubtful trade receivables / loans and service income accrued but not due and others	201	15	-	-	216
Trade receivables, security deposit and loans at amortised cost	14	-	-	-	14
Lease liability	3	1	-	-	4
	<b>591</b>	<b>199</b>	<b>(102)</b>	<b>-</b>	<b>688</b>
<b>b. Deferred tax liabilities</b>					
Property, plant and equipment	(12)	79	-	-	67
Forward contracts	(3)	-	(1)	-	(4)
Investments	(614)	(390)	-	-	(1,004)
	<b>(629)</b>	<b>(311)</b>	<b>(1)</b>	<b>-</b>	<b>(941)</b>
<b>Net Deferred tax Asset/(Liability)</b>	<b>(38)</b>	<b>(112)</b>	<b>(103)</b>	<b>-</b>	<b>(253)</b>
<b>a. Deferred tax assets</b>					
Provisions- compensated absences, gratuity and other employee benefits	53	(2)	-	-	51
Accruals and others	5	(1)	-	-	4
<b>Net Deferred tax Asset/(Liability)</b>	<b>58</b>	<b>(3)</b>	<b>-</b>	<b>-</b>	<b>55</b>
<b>a. Deferred tax assets</b>					
Brought forward losses	7	(7)	-	-	-
MAT credit entitlement	13	-	-	(13)	-
	20	(7)	-	(13)	-
<b>b. Deferred tax liabilities</b>					
Property, plant and equipment and Investment property	(27)	27	-	-	-
Rent Equilization reserve	-	-	-	-	-
	(27)	27	-	-	-
<b>Net Deferred tax Asset/(Liability)</b>	<b>(7)</b>	<b>20</b>	<b>-</b>	<b>(13)</b>	<b>-</b>
<b>Total Deferred tax Asset/(Liability)</b>	<b>13</b>	<b>(95)</b>	<b>(103)</b>	<b>(13)</b>	<b>(198)</b>



## Notes forming part of the consolidated financial statements for the year ended 31 March 2024

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>2.20 TRADE PAYABLES</b>		
Trade Payables (see note below)		
- -Total outstanding dues of micro enterprises and small enterprises (see note below)	-	-
- -Total outstanding dues of creditors other than micro enterprises and small enterprises	315	313
Accrued expenses	1,331	915
	<b>1,646</b>	<b>1,228</b>

**Note 1 :** Aging for Trade payable outstanding as at 31 March 2024 is as follows:

Outstanding for following period from due date	Not Due	As at 31 March 2024					Total
		Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years		
(i) MSME		-	-	-	-	-	
(ii) Others	138	177	-	-	-	315	
(iii) Disputed dues MSME		-	-	-	-	-	
(iv) Disputed dues others		-	-	-	-	-	
<b>Total</b>	<b>138</b>	<b>177</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>315</b>	
Accrued expenses						1,331	
<b>Total</b>						<b>1,646</b>	

**Note 1 :** Aging for Trade payable outstanding as at 31 March 2023 is as follows:

Outstanding for following period from due date	Not Due	As at 31 March 2023					Total
		Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years		
(i) MSME	-	-	-	-	-	-	
(ii) Others	311	2	-	-	-	313	
(iii) Disputed dues MSME	-	-	-	-	-	-	
(iv) Disputed dues others	-	-	-	-	-	-	
<b>Total</b>	<b>311</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>313</b>	
Accrued expenses						915	
<b>Total</b>						<b>1,228</b>	

### Relationship with the struck off companies

No transactions with struck off companies during the year ended 31 March 2024 (NIL in previous year ended 31 March 2023).

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>2.21 OTHER CURRENT FINANCIAL LIABILITIES</b>		
a. Unpaid dividends	27	32
b. Payable for purchase of fixed assets	25	-
c. Employee payable	4,556	3,248
	<b>4,608</b>	<b>3,280</b>

## Notes forming part of the consolidated financial statements for the year ended 31 March 2024

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>2.22 CURRENT PROVISIONS</b>		
Provision for employee benefits		
- Provision for compensated absences	490	481
Provision for asset retirement obligations	22	21
	<u>512</u>	<u>502</u>

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>2.23 CURRENT TAX LIABILITIES (NET)</b>		
Provision for tax	33	1,234
	<u>33</u>	<u>1,234</u>

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>2.24 OTHER CURRENT LIABILITIES</b>		
a. Advance from customers / Advance billings	8,750	8,341
b. Deferred revenue	11,815	6,015
c. Other payables - statutory liabilities	1,892	2,462
	<u>22,457</u>	<u>16,818</u>

(Amount in ₹ Lacs unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>2.25 REVENUE FROM OPERATIONS</b>		
Software products and services (see note 2.38)		
- Sale of products	71,140	53,693
- Sale of services	11,505	9,721
Other revenue	-	32
	<u>82,645</u>	<u>63,446</u>

The Group primarily caters to customers in Banking and Financial Services sector. While the Group believes that it has offerings, which will have great value proposition for the customers, the impact on future revenue streams could come from:

- the inability of our customers to continue their businesses due to financial resource constraints or their services no-longer being availed by their customers
- customers postponing their discretionary spend due to change in priorities

The Group has considered impact of the above reasons to the extent known and available currently. The Group has also taken steps to assess the cost budgets required to complete its performance obligations in

## Notes forming part of the consolidated financial statements for the year ended 31 March 2024

respect of fixed price contracts and incorporated the impact of likely delays / increased cost in meetings its obligations and based on the current estimate, it sees no material impact on the financial statements based on the current understanding.

### Remaining performance obligation disclosure and contract balances

The remaining performance obligation disclosure provides the aggregate amount of transaction price yet to be recognised as revenue towards unsatisfied or partially satisfied performance obligations, along with the broad time band for the expected time to recognise those revenues, The Company has applied the practical expedient in Ind AS 115 and accordingly the Company has not disclosed the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognised meets the criteria as per the practical expedients and typically relate to time and material, outcome based and event based contracts.

Unsatisfied (or partially satisfied) performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates, changes in currency rate etc). The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations as at 31 March 2024, other than those meeting the exclusion criteria is ₹ 13,293 Lacs, out of which 55% is expected to be recognised as revenue in the next year and the balance thereafter. The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligation as at 31 March 2023, other than those meeting the exclusion criteria is ₹ 10,361 Lacs, out of which 50% is expected to be recognised as revenue in the next year and the balance thereafter.

### Changes in contract assets (income accrued but not due) are as follows:

(Amount in ₹ Lacs unless otherwise stated)

	As at 31 March 2024	As at 31 March 2023
Balance at the beginning of the year	1,606	2,123
Revenue recognised during the year	27,319	13,713
Invoices raised during the year	(26,104)	(14,263)
Translation exchange difference	(1,777)	128
Movement of contract assets	1,267	27
Impairment of a contract asset	-	(122)
<b>Balance at the end of the year</b>	<b>2,311</b>	<b>1,606</b>

### Changes in contract liabilities (unearned and deferred revenue) are as follows:

(Amount in ₹ Lacs unless otherwise stated)

	As at 31 March 2024	As at 31 March 2023
Balance at the beginning of the year	14,356	14,037
Revenue recognised during the year	(53,889)	(37,597)
Invoices raised during the year	58,839	37,964
Translation exchange difference	(38)	(78)
Other movement liability	1,297	30
Impairment of liability	-	-
<b>Balance at the end of the year</b>	<b>20,565</b>	<b>14,356</b>

Notes forming part of the consolidated financial statements for the year ended 31 March 2024

(Amount in ₹ Lacs unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>2.26 OTHER INCOME</b>		
a. Interest income on		
- Deposits with banks and others	324	194
- Tax free bonds	316	473
- Target maturity fund	888	2
- others	24	22
b. Interest income on Income tax refund	0	44
c. Dividend income from		
- Current, non trade investments	-	-
- Non-current, non trade investment	44	50
d. Net gain on sale of investments		
- Non-current, non trade investment	-	-
- Profit on Sale of Mutual Funds	75	100
e. MTM gain or (loss) on mutual funds		
- Current, non trade investments	2,118	1,361
- Non-current, non trade investment	1,047	630
f. - Gain / (Loss) on exchange fluctuation		
- Net profit on sale of property, plant and equipment	67	36
- Premium on Forward Contracts	-	103
- Deferred lease income on Security deposit received	-	1
- Miscellaneous income	159	12
	<b>5,090</b>	<b>3,406</b>

(Amount in ₹ Lacs unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>2.27 EMPLOYEE BENEFITS EXPENSE</b>		
a. Salaries and wages	44,972	35,952
b. Contribution to provident and other funds	2,763	2,258
c. Gratuity expense (see note 2.41)	624	596
d. Staff welfare expenses	747	593
	<b>49,106</b>	<b>39,399</b>

**Notes forming part of the consolidated financial statements** for the year ended 31 March 2024

(Amount in ₹ Lacs unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>2.28 OPERATING AND OTHER EXPENSES</b>		
a. Outsourced technical service expense	596	456
b. Cost of software purchased for delivery to clients	38	63
c. Power and fuel	344	299
d. Rent (see note 2.2)	218	130
e. Repair and maintenance		
- Buildings	66	71
- Others	400	377
f. Insurance	136	152
g. Rates and taxes	42	22
h. Travel expenses	1,525	833
i. Advertisement, business development and promotion	277	143
j. Legal and professional	1,702	1,419
k. Directors remuneration	321	243
l. Conveyance	69	54
m. Communication	150	155
n. Training and recruitment	431	455
o. Conference, exhibition and seminar	619	248
p. Information technology expenses	3,374	2,543
q. Provision for doubtful trade receivables/advances/other current assets	125	46
r. Withholding tax charged off	562	298
s. Commission to channel partners	90	70
t. Expenditure on Corporate Social Responsibility (see note 2.41)	213	175
u. Miscellaneous expenses	201	118
	<b>11,499</b>	<b>8,370</b>
<b>Non Executive Directors</b>		
a. Commission	212	148
b. Sitting fees	109	96
	<b>321</b>	<b>244</b>

(Amount in ₹ Lacs unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>2.29 FINANCE COST</b>		
a. Bank charges	41	42
b. Unwinding of discount (discounting)-security deposit (received)	-	1
c. Interest expense on lease liability	54	59
	<b>95</b>	<b>102</b>

## Notes forming part of the consolidated financial statements for the year ended 31 March 2024

### 2.30 Financial Instruments

#### a) Financial Instruments by category

The carrying value and fair value of financial instruments by categories of 31 March 2024 were as follows:

Particulars	Amortised cost	Financial assets/liabilities at fair value through profit or loss	Financial assets/liabilities at fair value through OCI	Total carrying value	Total fair value	Level 1	Level 2	Level 3
						(Amount in ₹ Lacs unless otherwise stated)		
<b>Assets:</b>								
Cash and cash equivalents (2.11)	4,580	-	-	4,580	4,580	-	-	-
Other bank balances (2.12)	2,814	-	-	2,814	2,814	-	-	-
Investments (2.4 and 2.9)								
Equity Instruments	-	-	1,191	1,191	1,191	1,191	-	-
Tax free bonds	3,400	-	-	3,400	3,548	3,548	-	-
Mutual funds	-	47,000	-	47,000	47,000	47,000	-	-
Target maturity funds (TMFs)	13,288	-	-	13,288	13,373	13,373	-	-
Preference shares	-	-	-	-	-	-	-	-
Trade receivables (2.10)	16,616	-	-	16,616	16,616	-	-	-
Loans (2.5 and 2.13)	85	-	-	85	85	-	-	-
Other financial assets (2.6 and 2.14)	10,105	-	6	10,111	10,111	-	-	-
	<b>50,888</b>	<b>47,000</b>	<b>1,197</b>	<b>99,085</b>	<b>99,317</b>	<b>65,112</b>	-	-
<b>Liabilities:</b>								
Trade payables (2.20)	1,646	-	-	1,646	1,646	-	-	-
Lease liabilities	459	-	-	459	459	-	-	-
Other financial liabilities (2.21)	4,608	-	-	4,608	4,608	-	-	-
	<b>6,713</b>	-	-	<b>6,713</b>	<b>6,713</b>	-	-	-



## Notes forming part of the consolidated financial statements for the year ended 31 March 2024

The carrying value and fair value of financial instruments by categories of 31 March 2023 were as follows:

(Amount in ₹ Lacs unless otherwise stated)

Particulars	Amortised cost	Financial assets/liabilities at fair value through profit or loss	Financial assets/liabilities at fair value through OCI	Total carrying value	Total fair value	Level 1	Level 2	Level 3
<b>Assets:</b>								
Cash and cash equivalents (2.11)	5,049	-	-	5,049	5,049	-	-	-
Other bank balances (2.12)	62	-	-	62	62	-	-	-
Investments (2.2 and 2.9)								
Equity Instruments	-	-	640	640	640	640	-	-
Tax free bonds	6,060	-	-	6,060	6,396	6,396	-	-
Mutual funds	-	32,926	-	32,926	32,926	32,926	-	-
Target maturity funds (TMFs)	12,400	-	-	12,400	12,400	12,400	-	-
Preference shares	500	-	-	500	500	500	-	-
Trade receivables (2.10)	17,463	-	-	17,463	17,463	-	-	-
Loans (2.5 and 2.13)	75	-	-	75	75	-	-	-
Other financial assets (2.6 and 2.14)	2,887	-	17	2,904	2,904	-	-	-
	<b>44,496</b>	<b>32,926</b>	<b>657</b>	<b>78,079</b>	<b>78,415</b>	<b>52,862</b>	-	-
<b>Liabilities:</b>								
Trade payables (2.20)	1,228	-	-	1,228	1,228	-	-	-
Lease liabilities	626	-	-	626	626	-	-	-
Other financial liabilities (2.21)	3,280	-	-	3,280	3,280	-	-	-
	<b>5,134</b>	-	-	<b>5,135</b>	<b>5,135</b>	-	-	-

The carrying amount of current trade receivables, short term loan, current security deposit, trade payables, current financial liabilities, other bank balances and cash and cash equivalent are considered to be same as their fair values, due to their short-term nature.

The fair value of non-current trade receivables, long term loan, non-current security deposit and non-current financial liabilities were calculated based on cashflows discounted using a transition date lending rate as there is no material change in the lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusions of unobservable inputs including counterparty credit risk.

### Fair value hierarchy

**Level 1** - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

**Level 2** - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

**Level 3** - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

**Valuation technique used to determine fair value**

Specific valuation techniques used to value financial instruments include:

- a) the use of quoted market prices or dealer quotes for similar instruments.
- b) for forward exchange contracts, the fair value is determined using quoted forward exchange rates at the reporting date.
- c) the fair value of remaining financial instruments is determined using discounted cash flows method.

**b) Financial risk management**

The Group's activities expose it to a variety of financial risks arising from financial instruments

- **Market risk,**
- **Credit risk and**
- **Liquidity risk**

Risk Management Committee (RMC) is responsible for identification and review of risks and mitigation plans. The Committee meets regularly for identification and prioritization of risks. RMC conducts risk survey with the senior and middle level management of the Company to identify risks and rate them appropriately. Top risks are identified and remaining are categorized as other risks. The RMC then places updates to the Board on a regular basis, on key risks facing the Company, along with their mitigation plans.

**i) Market risk**

**a) Currency risk**

The Group's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk. The Group's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers.

The Group operates internationally and a major portion of the business is transacted in several currencies and consequently the Group is exposed to foreign exchange risk through its sales and services and purchases from overseas suppliers in various foreign currencies. The Group holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The exchange rate between the rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Group's operations are adversely affected as the rupee appreciates/ depreciates against these currencies.

The Group's risk management policy is to hedge 30% to 55% of its estimated foreign currency exposure in respect of forecast collection over the following 6 months at any point in time. The group uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date. Such contracts are generally designated as cash flow hedges.

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of their respective cash flows.

## Notes forming part of the consolidated financial statements for the year ended 31 March 2024

The year end foreign currency exposures are given below :

Currency	As at 31 March 2024		As at 31 March 2023	
	Amount in foreign currency in lacs	Amount in ₹ in lacs	Amount in foreign currency in lacs	Amount in ₹ in lacs
<b>Receivable</b>				
USD	73	6,060	64	5,008
EUR	3	265	2	186
MYR	0	7	2	45
SGD	0	4	0	0
JPY	5	3	-	-
AED	5	106	5	115
CHF	-	-	0	4
GBP	13	1,331	1	114
AUD	1	42	2	97
SAR	3	56	0	0
THB	0	0	-	-
CAD	0	3	-	-
PHP	1	1	1	41
IDR	6	0	-	-
<b>Payable</b>				
USD	1	68	1	54
EUR	1	90	-	-
MYR	1	22	1	24
GBP	0	2	0	5
SGD	0	2	1	36
AED	2	45	0	6
CAD	0	1	-	-
JPY	2	1	-	-
AUD	0	2	0	5
PHP	5	6	1	2
THB	0	0	-	-
IDR	36	0	69	0
SAR	0	1	0	1

### Cash flow sensitivity of currency risk

For the year ended 31 March 2024 and 31 March 2023, 10% depreciation / appreciation in the exchange rate between the Indian rupee and Foreign currencies, would have affected the Group's total comprehensive income by ₹ 764 lacs and ₹ 548 lacs respectively.

Sensitivity analysis is computed based on the changes in the income and expenses in foreign currency upon conversion into functional currency, due to exchange rate fluctuations between the previous reporting year and the current reporting year.

## Notes forming part of the consolidated financial statements for the year ended 31 March 2024

### b) Price risk

#### (a) Exposure

The Group's exposure to equity securities and Mutual funds price risk arises from investments held by the Group and classified in the balance sheet either as fair value through OCI or at fair value through profit or loss.

#### (b) Sensitivity

The sensitivity of profit or loss in respect of investments in mutual funds and equity instruments (other than subsidiaries) at the end of the reporting period for +/- 2% change in price and net asset value is presented below:

(Amount in ₹ Lacs unless otherwise stated)

	Impact on profit before tax		Impact on other components of equity	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
<b>Increase 2%</b>				
Mutual funds	940	659		-
Equity instruments (other than subsidiaries)			24	13
<b>Decrease 2%</b>				
Mutual funds	(940)	(659)		-
Equity instruments (other than subsidiaries)			(24)	(13)

#### Derivative financial instruments

The Group holds derivative financial instruments such as foreign currency forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank or a financial institution. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace.

The following table gives details in respect of outstanding foreign exchange forward and option contracts:

#### Forward contracts

Forward contract outstanding	Buy/Sell	As at 31 March 2024	Equivalent amount in ₹ 31 March 2024	As at 31 March 2023	Equivalent amount in ₹ 31 March 2023
In USD ( Amount in USD lacs)	Sell	35.00	2,919	32.50	2,671

The foreign exchange forward contracts mature within six months. The table below analyzes the derivative financial instruments into relevant maturity groupings based on the remaining period as of the Balance sheet date

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2024	Equivalent amount in ₹ 31 March 2024	As at 31 March 2023	Equivalent amount in ₹ 31 March 2023
Not later than one month	7.50	626	5.00	411
Later than one month and not later than three months	12.50	1,043	12.50	1,027
Later than three months and not later than one year	15.00	1,251	15.00	1,233

## Notes forming part of the consolidated financial statements for the year ended 31 March 2024

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument, including whether the hedging instrument is expected to offset changes in cash flows of hedged items.

The following table provides the reconciliation of cash flow hedge reserve for the year ended 31 March 2024:

(Amount in ₹ Lacs unless otherwise stated)		
Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Balance at the beginning of the year	13	8
Gain / (Loss) recognised in other comprehensive income during the year	(9)	5
Balance at the end of the year	<u>4</u>	<u>13</u>

The company offsets a financial asset and a financial liability when it currently has a legally enforceable right to set off the recognized amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

### Effects of hedge accounting on financial performance

Cash flow hedge- Foreign exchange risk

(Amount in ₹ Lacs unless otherwise stated)		
Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Changes in the value of the hedging instrument recognised in other comprehensive income profit or (loss), net	(11)	6
Hedge ineffectiveness recognised in profit or (loss)	-	-
Amount reclassified from cash flow hedging reserve to profit or (loss)	(20)	(100)

The following table provides quantitative information about offsetting of derivative financial assets

(Amount in ₹ Lacs unless otherwise stated)			
Particulars	As at 31 March 2024	As at 31 March 2023	
Gross amount of recognized financial asset/ (financial liabilities)	6	17	
<b>Net amount presented in balance sheet</b>	<u>6</u>	<u>17</u>	

### ii) Credit risk

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information.

In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 30 days past due.

A default on a financial asset is when the counter party fails to make contractual payments within 90 days of when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

## Notes forming part of the consolidated financial statements for the year ended 31 March 2024

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹ 16,616 lacs and ₹ 17,463 lacs as of 31 March 2024 and 31 March 2023 respectively and unbilled revenue/ income accrued but not due amounting to ₹ 2,277 lacs and ₹ 1,379 lacs as of 31 March 2024 and 31 March 2023 respectively. Credit risk has always been managed by the Group through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Group uses expected credit loss model to assess the impairment loss or gain. The Group uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenue/ income accrued but not due. The provision matrix takes into account available external and internal credit risk factors such as Group's historical experience for customers. This assessment is not based on any mathematical model but an assessment considering the impact immediately seen in the demand outlook and the financial strength of the customers.

The following table gives details in respect of percentage of revenues generated from top customer and top five customers:

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
	(in %)	(in %)
Revenue from top customer	6.13%	6.90%
Revenue from top five customers	23.69%	26.80%

### Credit risk exposure

- a) The lifetime expected credit loss on trade receivable for the year ended 31 March 2024 is ₹ 204 lacs and for the year ended 31 March 2023 was ₹ 47 lacs.

(Amount in ₹ Lacs unless otherwise stated)

	Year ended 31 March 2024	Year ended 31 March 2023
Balance at the beginning	103	58
Impairment loss recognised/ reversed	204	47
Amounts written off	(21)	(2)
<b>Balance at the end</b>	<b>286</b>	<b>103</b>

- b) The lifetime expected credit loss on income accrued but not due / unbilled revenue for the year ended 31 March 2024 is ₹ 193 lacs and for the year ended 31 March 2023 was ₹ (37 lacs).

(Amount in ₹ Lacs unless otherwise stated)

	Year ended 31 March 2024	Year ended 31 March 2023
Balance at the beginning	228	387
Impairment loss recognised/ reversed	(193)	(37)
Amounts written off	-	(122)
<b>Balance at the end</b>	<b>34</b>	<b>228</b>

Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in mutual fund units, quoted bonds issued by government.



**Notes forming part of the consolidated financial statements** for the year ended 31 March 2024

**a) Expected credit loss for loans, security deposits and Investments**
**As at 31 March 2024**
**(Amount in ₹ Lacs unless otherwise stated)**

Particulars		Asset group	Estimated gross carrying amount at default	Expected probability of default	Expected credit loss	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit loss	Financial assets for which credit risk has not increased significantly since initial recognition	Investment at amortised cost	16,689	0%	-	16,689
		Loans to employee	39	0%	-	39
		Security deposits	244	0%	-	244
Loss allowance measured at life-time expected credit loss	Financial assets for which credit risk has increased significantly and not credit -impaired	NA	NA	NA	NA	NA
	Financial assets for which credit risk has increased significantly and credit -impaired	Investment at amortised cost	601	100%	(601)	-

**As at 31 March 2023**
**(Amount in ₹ Lacs unless otherwise stated)**

Particulars		Asset group	Estimated gross carrying amount at default	Expected probability of default	Expected credit loss	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit loss	Financial assets for which credit risk has not increased significantly since initial recognition	Investment at amortised cost	15,863	0%	-	15,863
		Loans to employee	25	0%	-	25
		Security deposits	242	0%	-	242
Loss allowance measured at life-time expected credit loss	Financial assets for which credit risk has increased significantly and not credit -impaired	NA	NA	NA	NA	NA
	Financial assets for which credit risk has increased significantly and credit -impaired	Investment at amortised cost	601	100%	(601)	-

Notes forming part of the consolidated financial statements for the year ended 31 March 2024

b) Expected credit loss for trade receivables under simplified approach

As at 31 March 2024

(Amount in ₹ Lacs unless otherwise stated)

Ageing	Not due	0-90 days past due	90-180 days past dues	180-270 days past dues	270-360 days past dues	More than 360 days past dues	Total
Gross carrying amount	10,550	2,386	1,518	511	(9)	254	15,210
Expected credit losses (Loss allowance provision)	-	-	61	-	-	225	286
Carrying amount of trade receivables (net of impairment)	10,550	2,386	1,457	511	(9)	29	14,924
<b>TRADE RECEIVABLES-Unbilled</b>	-	1,193	306	192	-	-	1,692
							<b>16,616</b>

As at 31 March 2023

(Amount in ₹ Lacs unless otherwise stated)

Ageing	Not due	0-90 days past due	90-180 days past dues	180-270 days past dues	270-360 days past dues	More than 360 days past dues	Total
Gross carrying amount	13,930	1,553	253	1,100	195	62	17,093
Expected credit losses (Loss allowance provision)	-	-	-	-	69	34	103
Carrying amount of trade receivables (net of impairment)	13,930	1,553	253	1,100	126	29	16,990
<b>TRADE RECEIVABLES-Unbilled</b>	-	468	5	-	-	-	473
							<b>17,463</b>

c) Expected credit loss for Service income accrued but not due under simplified approach

As at 31 March 2024

(Amount in ₹ Lacs unless otherwise stated)

Ageing	0-90 days	90-180 days	180-270 days	270-360 days	More than 360 days	Total
Gross carrying amount	730	617	402	265	297	2,311
Expected credit losses (Loss allowance provision)	-	-	-	-	34	34
Carrying amount of trade receivables (net of impairment)	730	617	402	265	263	2,277

## Notes forming part of the consolidated financial statements for the year ended 31 March 2024

As at 31 March 2023 (Amount in ₹ Lacs unless otherwise stated)

Ageing	0-90 days	90-180 days	180-270 days	270-360 days	More than 360 days	Total
Gross carrying amount	1,017	76	96	65	351	1,606
Expected credit losses (Loss allowance provision)	-	-	-	-	227	227
Carrying amount of trade receivables (net of impairment)	1,017	76	96	65	125	1,379

### iii) Liquidity risk

The Group's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The company has no outstanding bank borrowings. The company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

As of 31 March, 2024 the Group had a working capital of ₹ 31,644 lacs including cash and cash equivalent of ₹ 4,580 lacs and current investment of ₹ 32,762 lacs (31 March 2023 ₹ 24,882 lacs including cash and cash equivalents of ₹ 5,049 lacs and current investments of ₹ 22,632 lacs). A substantial portion of the current investments are classified as Level 1 and their fair value is marked to an active market, and material volatility is not expected. Further, the cash and cash equivalents, bank deposits and earmarked balances are with banks where the Group has assessed the counterparty credit risk.

The table below provides details regarding the contractual maturities of significant financial liabilities as of 31 March 2024:

(Amount in ₹ Lacs unless otherwise stated)

Particulars	Less than 1 year	1-2 years	Total
Trade payables	1,646	-	1,646
Lease Liability	278	181	459
Other financial liabilities	4,608	-	4,608

The table below provides details regarding the contractual maturities of significant financial liabilities as of 31 March 2023:

(Amount in ₹ Lacs unless otherwise stated)

Particulars	Less than 1 year	1-2 years	Total
Trade payables	1,228	-	1,228
Lease Liability	239	387	626
Other financial liabilities	3,280	-	3,280

### Capital Management

The Group's objectives when managing capital are to:

- Safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and
- Maintain an appropriate capital structure

The Board of Directors has the primary responsibility to maintain a strong capital base and reduce the cost of capital through prudent management in deployment of funds and sourcing by leveraging opportunities in domestic and international financial markets so as to maintain investors, creditors & markets' confidence and to sustain future development of the business. The Board of Directors

## Notes forming part of the consolidated financial statements for the year ended 31 March 2024

monitors the return on capital, which the Company defines as result from operating activities divided by total shareholders' equity.

The Group monitors capital, using a medium term view of three to five years, on the basis of a number of financial ratios generally used by industry and by the rating agencies. The Group is not subject to externally imposed capital requirements.

The Group monitors capital using gearing ratio which is adjusted net debt divided by total equity. Adjusted net debt comprises of long term and short term liabilities less cash and cash equivalent. Equity includes equity share capital and reserves that are managed as capital. The gearing ratio at the end of the reporting periods was as follows:

### (i) Risk management

For the purpose of the Group's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, raise debts or issue new shares.

### (ii) Dividends

(Amount in ₹ Lacs unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Equity Shares		
(i) Final dividend of ₹ 10 per share (Previous year ₹ 7 per share) ( On equity share of ₹ 10 each) (see note 2.17 (i))	2,677	1,874
(ii) Dividend not recognised at the end of reporting period (see note 2.17 (i))	3,347	2,677

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
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### 2.31 Contingent liabilities & commitments (to the extent not provided for)

a. Contingent liabilities	687	592
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Notes :

As on 31st March 2024, claims against the company not acknowledged as debts in respect of income tax matters amounted to ₹ 640 Lacs (Previous Year As on 31st March 2023 was ₹ 592 lacs) and in respect of goods and service tax matters amounted to ₹ 47 lacs\* (Previous Year As on 31st March 2023 was ₹ NIL). The claims against the company represent demands for various tax matters and pending before tax Appellate Authorities. The management is of the view that these claims are likely to be settled in company's favour.

\*A show cause notice issued with a demand of ₹ 1,139 Lacs, which was reduced to ₹ 47 Lacs during the course of assessment.

b. Capital Commitments	384	333
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Estimated amount of contracts remaining to be executed on capital account and not provided for in the books of account (net of advances).

## Notes forming part of the consolidated financial statements for the year ended 31 March 2024

### c. Other Commitments

- i The Company is committed to provide financial support to its subsidiary companies, as and when required.
- ii The Group does not have any pending litigations which would impact its financial position.
- ii The Group does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

(Amount in ₹ Lacs unless otherwise stated)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>2.32 Auditors Remuneration (excluding tax)</b>		
a. As auditors - statutory audit and quarterly audits (refer note below)	68	68
b. For other services	6	2
c. Reimbursement of expenses	7	2
	<b>81</b>	<b>72</b>

Note:

Includes payment to other auditors ₹ 31 lacs (previous year ended 31 March 2023 ₹ 31 lacs)

### 2.33 Earnings per share

(Amount in ₹ Lacs unless otherwise stated)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
a. Profit after taxation available to equity shareholders (Rupees in lacs)	19,160	12,779
b. Weighted average number of equity shares used in calculating basic earnings per share (Numbers)	26,773,324	26,773,324
c. Effect of dilutive issue of shares	-	-
d. Weighted average number of equity shares used in calculating diluted earnings per share	26,773,324	26,773,324
e. Basic earnings per share (Rupees)	71.56	47.73
f. Diluted earnings per share (Rupees)	71.56	47.73

### 2.34 RELATED PARTY TRANSACTIONS

#### Key managerial personnel:

- Vishnu R Dusad (Managing Director )
- Ravi Pratap Singh (Whole time Director)
- Anurag Mantri (Whole time Director, COO and CFO\* (till 07.05.2024)
- Poonam Bhasin (Company Secretary)
- Parag Bhise ( Whole time Director and CEO)
- Dr. Ritika Dusad (Whole time Director)
- Prithvi Pal Singh Haldea (Non Executive Director)
- Prof. Trilochan Sastry (Non Executive Director)
- Elaine Mathias (Non Executive Director)
- Siddhartha Mahavir Acharya (Non Executive Director)
- Yasmin Javeri Krishan (Non Executive Director)

## Notes forming part of the consolidated financial statements for the year ended 31 March 2024

- Prakash Chandra Kandpal (Non Executive Director) w.e.f. 12.02.2024
- Shekar Viswanathan (Non Executive Director) w.e.f. 12.02.2024
- Mark McCoy (Director, Subsidiary Company)

### Others :

#### Enterprise over which KMP or Directors are able to exercise significant influence

- Nucleus Software Foundation (Entity in which relatives of KMPs are trustees) (see note 2.41)
  - Praxis Consulting and Information services Pvt Ltd (Entity in which Non Executive Director is interested)
  - Indiafarm Foods Private Limited (Entity in which Non Executive Director is interested)
- \* Surya Prakash Kanodia appointed as CFO w.e.f. 08.05.2024

(Amount in ₹ Lacs unless otherwise stated)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>Transactions with related parties</b>		
<b>a. Salary and other benefits to Key managerial personnel</b>		
Short-term employee benefits	1,388	701
Contribution to provident and other funds	42	33
	<b>1,429</b>	<b>734</b>
<p>Note : Above employee benefits includes charge taken from subsidiary company Nucleus Software Solutions Pte. Ltd. for services by Whole time Director,COO and CFO)</p>		
<b>b. Remuneration to other Non Executive Directors</b>		
- Commission	212	148
- Sitting fees	109	96
	<b>321</b>	<b>243</b>
<b>c. Expenditure on Corporate Social Responsibility</b>		
- Nucleus Software Foundation	213	175
	<b>213</b>	<b>175</b>
<b>d. Legal and professional</b>		
- Praxis Consulting and Information services Pvt Ltd	5	5
	<b>5</b>	<b>5</b>
<b>e. Miscellaneous expenses</b>		
- Indiafarm Foods Private Limited	-	16
	<b>-</b>	<b>16</b>
<b>Outstanding balances As at year end</b>		
<b>a. Remuneration to Non Executive Directors</b>		
- Commission payable	212	148
	<b>212</b>	<b>148</b>

### Terms and conditions

All transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions and within the ordinary course of business. Outstanding balances at the year end are unsecured and settlement occurs in cash.



## Notes forming part of the consolidated financial statements for the year ended 31 March 2024

### 2.35 Research and development expenditure

Research and development expense recognised in the statement of profit and loss account for the year ended 31 March 2024 ₹ 2,801 lacs ( Previous year ended 31 March 2023 ₹ 2,433 lacs).

### 2.36 Segment reporting – Basis of preparation

#### a. 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 Ind AS 108. The segmentation is based on the geographies of Company's customers and internal reporting systems. Based on the "management approach" as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the company's performance and allocates resources based on an analysis of various performance indicators by geographical segments.

#### b. Composition of reportable segments

The Group operates in seven main geographical segments: India, Far East, South East Asia, Europe, Middle East, Africa and Australia which represent the reportable segments. These segments are based on location of customers of the Company.

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. Majority of 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 geographical segments. 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 reportable segments being geographies

#### a For the year ended 31 March 2024

(Amount in ₹ Lacs unless otherwise stated)

Description	India	Far East	South East Asia	Europe	Middle East	Africa	Australia	Others	Total
Revenue from operations	43,786	3,300	10,713	5,342	10,222	1,517	2,791	4,974	82,645
Expenses	14,017	3,286	11,486	3,509	8,015	722	1,069	2,759	44,863
<b>Segment result</b>	<b>29,769</b>	<b>14</b>	<b>(773)</b>	<b>1,833</b>	<b>2,207</b>	<b>795</b>	<b>1,722</b>	<b>2,215</b>	<b>37,782</b>
Unallocated corporate expenditure									17,292
<b>Operating profit before tax</b>									<b>20,490</b>
Other income									5,090
<b>Profit before tax</b>									<b>25,580</b>
Tax Expense									
Net current tax expense									5,750
Net deferred tax credit									670
<b>Profit for the year</b>									<b>6,420</b>
									<b>19,160</b>

**Notes forming part of the consolidated financial statements** for the year ended 31 March 2024

**b For the year ended 31 March 2023**

(Amount in ₹ Lacs unless otherwise stated)

Description	India	Far East	South East Asia	Europe	Middle East	Africa	Australia	Others	Total
Revenue from operations	33,029	2,315	9,734	3,237	7,529	1,460	1,831	4,311	63,446
Expenses	10,669	2,358	10,787	2,635	5,750	527	955	2,380	36,061
<b>Segment result</b>	<b>22,360</b>	<b>(43)</b>	<b>(1,053)</b>	<b>602</b>	<b>1,779</b>	<b>933</b>	<b>876</b>	<b>1,931</b>	<b>27,385</b>
Unallocated corporate expenditure									13,683
<b>Operating profit before tax</b>									<b>13,702</b>
Other income									3,406
<b>Profit before tax</b>									<b>17,108</b>
Tax Expense									
Net current tax expense									4,221
Net deferred tax credit									108
									<b>4,329</b>
<b>Profit for the year</b>									<b>12,779</b>

Revenue from top customers, who are contributing more than 10% of total revenue, are presented segmentwise as follows:

**For the year ended 31 March 2024**

(Amount in ₹ Lacs unless otherwise stated)

Description	India	Far East	South East Asia	Europe	Middle East	Africa	Australia	Others	Total
No customer individually accounted for more than 10% of the total revenue.	-	-	-	-	-	-	-	-	-

**For the year ended 31 March 2023**

No customer individually accounted for more than 10% of the total revenue.	-	-	-	-	-	-	-	-	-
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## Notes forming part of the consolidated financial statements for the year ended 31 March 2024

Assets and liabilities of reportable primary segment are as follows:

a. As at 31 March 2024

(Amount in ₹ Lacs unless otherwise stated)

Description	India	Far East	South East Asia	Europe	Middle East	Africa	Australia	Others	Total
Segment assets	11,521	509	3,559	1,789	2,519	311	41	389	20,638
Unallocated corporate assets									90,764
<b>Total assets</b>									<b>111,402</b>
Segment liabilities	16,823	1,106	4,893	453	3,964	193	364	662	28,458
Unallocated corporate liabilities									5,200
<b>Total liabilities</b>									<b>33,658</b>
<b>Capital employed</b>									<b>77,744</b>

b. As at 31 March 2023

(Amount in ₹ Lacs unless otherwise stated)

Description	India	Far East	South East Asia	Europe	Middle East	Africa	Australia	Others	Total
Segment assets	13,138	1,171	2,697	503	1,628	553	74	862	20,626
Unallocated corporate assets									66,792
<b>Total assets</b>									<b>87,418</b>
Segment liabilities	9,290	745	4,748	308	2,361	468	1,776	1,172	20,868
Unallocated corporate liabilities									5,484
<b>Total liabilities</b>									<b>26,352</b>
<b>Capital employed</b>									<b>61,066</b>

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

a. For the year ended 31 March 2024

(Amount in ₹ Lacs unless otherwise stated)

Description	India	Far East	South East Asia	Europe	Middle East	Africa	Australia	Others	Total
Capital expenditure	2,130	-	12	-	-	-	-	-	2,142
Total capital expenditure									2,142
Depreciation and amortisation expenditure	1,349	45	61	-	-	-	-	-	1,455
Total depreciation									1,455
Segment non-cash expense other than depreciation	1	242	298	-	16	130	-	0	687
<b>Total non cash expenditure other than depreciation</b>	<b>1</b>	<b>242</b>	<b>298</b>	<b>-</b>	<b>16</b>	<b>130</b>	<b>-</b>	<b>0</b>	<b>687</b>

## Notes forming part of the consolidated financial statements for the year ended 31 March 2024

### b. For the year ended 31 March 2023

(Amount in ₹ Lacs unless otherwise stated)

Description	India	Far East	South East Asia	Europe	Middle East	Africa	Australia	Others	Total
Capital expenditure	1,051	10	8	-	-	-	-	-	1,069
Total capital expenditure									1,069
Depreciation and amortisation expenditure	1,739	12	123	-	-	-	-	0	1,873
Total depreciation									1,873
Segment non-cash expense other than depreciation	34	148	25	-	43	49	-	45	344
<b>Total non cash expenditure other than depreciation</b>	<b>34</b>	<b>148</b>	<b>25</b>	<b>-</b>	<b>43</b>	<b>49</b>	<b>-</b>	<b>45</b>	<b>344</b>

### Information in respect of secondary segment

#### Information for business segments

(Amount in ₹ Lacs unless otherwise stated)

Description	Products	Software projects and services	Total
<b>a. For the year ended 31 March 2024</b>			
Revenue	71,140	11,505	82,645
Carrying amount of segment assets	17,765	2,873	20,638
<b>b. For the year ended 31 March 2023</b>			
Revenue	53,693	9,753	63,446
Carrying amount of segment assets	17,455	3,171	20,626

**Note :** The carrying amount of segment assets has been allocated proportionately in ratio of revenue in the related secondary segment.

### 2.37 Disaggregation of revenue

The table below presents disaggregated revenues from contracts with customers by geography and products and services. The Company believe that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

#### (A) Revenues by geography\*

##### a (i) For the year ended 31 March 2024

(Amount in ₹ Lacs unless otherwise stated)

Description	India	Far East	South East Asia	Europe	Middle East	Africa	Australia	Others	Total
Revenue from operations	43,786	3,300	10,713	5,342	10,222	1,517	2,791	4,974	82,645

## Notes forming part of the consolidated financial statements for the year ended 31 March 2024

### (ii) For the year ended 31 March 2023

(Amount in ₹ Lacs unless otherwise stated)

Description	India	Far East	South East Asia	Europe	Middle East	Africa	Australia	Others	Total
Revenue from operations	33,029	2,315	9,734	3,237	7,529	1,460	1,831	4,311	63,446

\* Disclosure relating to revenues by geography has been made with respect to location of customers.

### (B) Revenues in products and services \*

(Amount in ₹ Lacs unless otherwise stated)

Description	Products	Other services	Total
<b>a. For the year ended 31 March 2024</b>			
Revenue	71,140	11,505	82,645
<b>b. For the year ended 31 March 2023</b>			
Revenue	53,693	9,753	63,446

\* Revenue from product comprises of revenue generated from company's own developed software and from third party software supplied along with own software. It also includes services such as enhancements to the product, maintenance of the product and any other related service on the product. Revenue other than the above is categorized under revenue from other services.

## 2.38 Employee Benefit Obligations

### Defined contribution plans

An amount of ₹ 2,243 lacs for the year ended 31 March, 2024 (Year ended 31 March, 2023 ₹ 1,852 lacs), have been recognized as an expense in respect of Group's contribution towards Provident Fund and ₹ 0.19 lacs (Year ended 31 March, 2023 ₹ 3 lacs) has been recognised as an expense in respect of Employee State Insurance Fund & ₹ 355 lacs year ended 31 March 2024 ( Year ended 31 March 2023 ₹ 253 lacs ) has been recognized as an expense in respect of National Pension scheme and has been shown under Employee Benefits expense in the Consolidated statement of Profit and Loss.

In relation to the judgement of the Honourable Supreme Court of India (SC) on 28 February 2019 related to provident fund, there are considerable interpretative challenges including its retrospective implications due to which the impact of the retrospective period cannot be reliably estimated. Pending further clarity, the Group had, based on this judgement, paid ₹ 21 lacs during the year ended 31 March 2020 in respect of the year ended 31 March 2019.

Further, with effect from 1 April 2019, the Group has aligned its salary structure in accordance with the (SC) judgement.

### Defined benefit plans

The Gratuity scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days basic salary payable for each completed year of service or part thereof in excess of 6 months subject to a maximum limit of ₹ 20 lacs in terms of the provisions of the Payment of Gratuity Act, 1972. Vesting occurs upon completion of 5 years of service.

Provision in respect of gratuity and compensated absence has been determined using the Projected Unit Credit method, with actuarial valuations being carried out at the balance sheet date 31 March 2024.

The Company had made contributions to Nucleus Software Export Limited Employees Group Gratuity Assurance Scheme, which has made further contributions to Employees Group Gratuity Scheme of Life Insurance Corporation of India.

## Notes forming part of the consolidated financial statements for the year ended 31 March 2024

Reconciliation of opening and closing balances of the present value of the defined benefit obligation as on 31 March 2024 :

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>a. Change in defined benefit obligations (DBO)</b>		
Obligation at beginning of the year	5,064	5,114
Current service cost	512	522
Interest cost	337	269
Remeasurement due to:	-	-
Actuarial loss/(gain) arising from change in financial assumptions	60	(323)
Actuarial loss/(gain) arising from change in demographic assumptions	(58)	144
Actuarial loss/(gain) arising on account of experience changes	442	(168)
Benefits paid	(310)	(494)
Obligation at year end	<b>6,047</b>	<b>5,064</b>
<b>b. Change in Plan Assets</b>		
Plan assets at year beginning, at fair value	4,078	3,782
Expected return on asset plan	272	195
Contributions by employer	834	536
Remeasurement due to :	-	-
Actuarial return on plan assets less interest on plan assets	38	59
Benefits paid	(310)	(494)
Plan assets at year end, at fair value	<b>4,912</b>	<b>4,078</b>
<b>c. Net asset / (liability) recognised in the Balance Sheet</b>		
Present value of defined benefit obligation	6,047	5,065
Fair value of plan assets	4,912	4,079
Funded status- Surplus/ (Deficit)	(1,135)	(986)
Unrecognised past service costs	-	-
<b>Net liability recognised in the Balance Sheet</b>	<b>(1,135)</b>	<b>(986)</b>
<b>d. Expected employer's contribution next year</b>	<b>200</b>	<b>200</b>
<b>e. Expense recognised in Profit or Loss</b>		

(Amount in ₹ Lacs unless otherwise stated)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Current service cost	512	522
Interest cost	65	74
Net gratuity cost	<b>577</b>	<b>596</b>



**Notes forming part of the consolidated financial statements** for the year ended 31 March 2024

**f. Remeasurements income recognised in other comprehensive income:**

(Amount in ₹ Lacs unless otherwise stated)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Actuarial (gain) loss on defined benefit obligation	444	(347)
Return on plan assets excluding interest income	(38)	(59)
	<b>406</b>	<b>(406)</b>

**Actuarial assumptions for  
gratuity and long-term  
compensated absences**

	As at 31 March 2024	As at 31 March 2023
--	------------------------	------------------------

**g. Economic assumptions :**

Discount rate	7.20%	7.35%
Salary escalation rate	10.00%	12% until year 1 inclusive, then 10%

**Discount rate:**

The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

**Salary escalation rate:**

The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

Expected return on plan assets:

The expected rate of return on plan assets is determined after considering several applicable factors such as the composition of the plan assets, investment strategy, market scenario, etc.

**h. Demographic assumptions**

Retirement age	58 years	58 years
Mortality table	IALM Mortality (2006-08)	IALM Mortality (2006-08)

**i. Withdrawal rates**

Ages - Withdrawal Rate (%)	
21-50 years - 11%	21-50 years - 16%
51-54 years - 8%	51-54 years - 8%
55-57 years - 8%	55-57 years - 8%

**j. Category of asset**

Insurer Managed Funds	4,912	4,079
-----------------------	-------	-------

The Group does not invest directly in any property occupied by the Group nor in financial security issued by the Group.

## Notes forming part of the consolidated financial statements for the year ended 31 March 2024

### k. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding and other assumptions constant, would have affected the defined benefit obligation by the amount shown below:

Particulars :	Year ended 31 March 2024		Year ended 31 March 2023	
	Increase	Decrease	Increase	Decrease
Increase/(Decrease) in obligation with 0.5% movement in discount rate	(190)	216	(128)	142
'Increase/(Decrease) in obligation with 0.5% movement in future rate of increase in compensation levels	100	(98)	79	(76)

### 2.39 FUNCTION WISE CLASSIFICATION OF STATEMENT OF PROFIT AND LOSS

The Group has provided following function wise results of operations on a voluntary basis.

The Management has presented below function wise results because it also monitor its performance and it believe that this information is relevant to understanding Group financial performance.

(Amount in ₹ Lacs unless otherwise stated)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Income from software product and services	82,645	63,446
Software development expenses *	51,100	40,529
<b>Gross Profit</b>	<b>31,545</b>	<b>22,917</b>
Selling and marketing expenses	3,659	2,146
General and administration expenses	5,941	5,196
<b>Operating profit before depreciation</b>	<b>21,945</b>	<b>15,575</b>
Depreciation and amortisation expense	1,455	1,873
<b>Operating profit after depreciation</b>	<b>20,490</b>	<b>13,702</b>
Other income	5,090	3,406
<b>Profit before tax</b>	<b>25,580</b>	<b>17,108</b>
Tax expense:		
Net current tax expense	5,750	4,221
Net deferred tax credit	670	108
	<b>6,420</b>	<b>4,329</b>
<b>Profit for the year</b>	<b>19,160</b>	<b>12,779</b>

\* Includes indirect expenses which have been allocated on a reasonable basis.

**Notes forming part of the consolidated financial statements** for the year ended 31 March 2024

**2.40 Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013**

(Amount in ₹ Lacs unless otherwise stated)

Name of the entity in the	Net assets, i.e., total assets minus total liabilities		Share in profit or loss	
	Amount in ₹ Lacs	As % of consolidated net assets	Amount in ₹ Lacs	As % of consolidated profit or loss
<b>Holding Company</b>				
Nucleus Software Exports Limited	74,906	96%	18,595	97%
<b>Domestic Subsidiary</b>				
1. Nucleus Software Ltd.	1,345	2%	(90)	0%
<b>Foreign Subsidiaries</b>				
1. Nucleus Software Inc., USA	374	0%	(4)	0%
2. Nucleus Software Australia Pty. Limited	486	1%	56	0%
3. Nucleus Software Netherlands B.V.	(6)	0%	(5)	0%
4. Nucleus Software Japan K.K	418	1%	92	0%
5. Nucleus Software Solutions Pte. Ltd, Singapore	1,683	2%	474	2%
6. Nucleus Software South Africa Pty. Ltd.	35	0%	2	0%
Adjustment arising out of consolidation	(1,497)	-2%	40	0%
<b>Nucleus Software Exports Limited (Consolidated)</b>	<b>77,744</b>		<b>19,160</b>	

(Amount in ₹ Lacs unless otherwise stated)

Name of the entity in the	Share in Other comprehensive Income (net of taxes)		Share in Total comprehensive Income	
	Amount in ₹ Lacs	As % of consolidated other comprehensive Income	Amount in ₹ Lacs	As % of consolidated Total comprehensive Income
<b>Holding Company</b>				
Nucleus Software Exports Limited	199	102%	18,794	97%
<b>Domestic Subsidiary</b>				
1. Nucleus Software Ltd.	-	-	(90)	-
<b>Foreign Subsidiaries</b>				
1. Nucleus Software Inc., USA	-	-	(4)	0%
2. Nucleus Software Australia Pty. Limited	-	-	56	0%
3. Nucleus Software Netherlands B.V.	-	-	(5)	0%
4. Nucleus Software Japan K.K	-	-	92	0%
5. Nucleus Software Solutions Pte. Ltd, Singapore	-	-	474	2%
6. Nucleus Software South Africa Pty. Ltd.	-	-	2	0%
Non-controlling Interests in all subsidiaries	(3)	-1%	37	0%
<b>Nucleus Software Exports Limited (Consolidated)</b>	<b>196</b>		<b>19,356</b>	

## Notes forming part of the consolidated financial statements for the year ended 31 March 2024

### 2.41 EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY

(Amount in ₹ Lacs unless otherwise stated)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
a. Gross amount required to be spent by Group during the year ended 31 March, 2024 / 31 March, 2023 :	213	175
b. Amount approved by the Board to be spent during the year	213	175
c. Amount spent during the year		
(i) Construction/acquisition of any asset	-	-
(ii) Purposes other than Construction/acquisition of any asset		
- Contribution paid to Nucleus Software Foundation	213	175
d. Shortfall at the end of the year	-	-
e. Total of previous year short fall	-	-
f. Reason for shortfall	NA.	NA.
g. Nature of CSR contribution	(Education, Health and Medical care , Community at large and Environment)	
h. Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard.		
- Contribution paid to Nucleus Software Foundation	213	175

**2.42** No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of its subsidiaries incorporated in India to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Holding Company or any such subsidiaries (Ultimate Beneficiaries). The Company or any such subsidiary has not received any fund from any party(s) (Funding Party) with the understanding that the Company or any such subsidiary shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

As per our report of even date attached

For **ASA & Associates LLP**  
Chartered Accountants  
Firm Registration Number : 009571N/N500006

**Sd/-**  
**NITIN GUPTA**  
Partner  
Membership number : 122499

Place: New Delhi  
Date: 23 May 2024

For and on behalf of the Board of Directors  
**NUCLEUS SOFTWARE EXPORTS LIMITED**  
CIN : L74899DL1989PLC034594

**Sd/-**  
**VISHNU R DUSAD**  
Managing Director  
DIN : 00008412  
**Sd/-**  
**SURYA PRAKASH KANODIA**  
Chief Financial Officer

Place: Noida  
Date: 23 May 2024

**Sd/-**  
**PARAG BHISE**  
CEO & Whole-time Director  
DIN-08719754  
**Sd/-**  
**POONAM BHASIN**  
AVP (Secretarial) & Company Secretary  
Membership number : 10865

### FORM AOC -1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries

#### Part A : Subsidiaries

1	Name of the subsidiary	NUCLEUS SOFTWARE AUSTRALIA PTY LTD
2	Reporting period for the subsidiary :	1 April, 2023 to 31 March, 2024
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year :	AUD = INR 54.11

	AUD	INR	
4	Share capital	1,00,000	54,11,000
5	Reserves & surplus	7,98,998	4,32,33,782
6	Total assets	12,01,071	6,49,89,952
7	Total Liabilities	3,02,073	1,63,45,170
8	Investments	-	-
9	Turnover	11,84,544	6,40,95,676
10	Profit/(Loss) before taxation	1,20,389	65,14,249
11	Provision for taxation	27,549	14,90,676
12	Profit/(Loss) after taxation	92,840	50,23,572
13	Proposed Dividend	-	-
14	% of shareholding	100%	100%

1	Name of the subsidiary	NUCLEUS SOFTWARE NETHERLANDS B.V.
2	Reporting period for the subsidiary :	1 April, 2023 to 31 March, 2024
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year :	Euro = INR 89.87

	Euro	INR	
4	Share capital	7,50,000	6,74,02,500
5	Reserves & surplus	(7,56,615)	(6,79,96,990)
6	Total assets	2,297	2,06,431
7	Total Liabilities	8,912	8,00,921
8	Investments	-	-
9	Turnover	-	-
10	Profit/(Loss) before taxation	(5,907)	(5,30,862)
11	Provision for taxation	-	-
12	Profit/(Loss) after taxation	(5,907)	(5,30,862)
13	Proposed Dividend	-	-
14	% of shareholding	100%	100%

1	Name of the subsidiary	NUCLEUS SOFTWARE INC.
2	Reporting period for the subsidiary :	1 April, 2023 to 31 March, 2024
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year :	USD = INR 83.40

	<b>USD</b>	<b>INR</b>
4	Share capital	2,91,90,000
5	Reserves & surplus	81,32,167
6	Total assets	3,77,22,404
7	Total Liabilities	4,00,237
8	Investments	-
9	Turnover	-
10	Profit/(Loss) before taxation	(6,36,676)
11	Provision for taxation	(2,15,089)
12	Profit/(Loss) after taxation	(4,21,587)
13	Proposed Dividend	-
14	% of shareholding	100%

1	Name of the subsidiary	NUCLEUS SOFTWARE SOLUTIONS PTE LTD
2	Reporting period for the subsidiary :	1 April, 2023 to 31 March, 2024
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year :	SGD = INR 61.74

	<b>SGD</b>	<b>INR</b>
4	Share capital	3,85,87,500
5	Reserves & surplus	12,97,53,587
6	Total assets	35,02,30,399
7	Total Liabilities	18,18,89,312
8	Investments	-
9	Turnover	93,16,67,837
10	Profit/(Loss) before taxation	6,53,80,067
11	Provision for taxation	(1,39,68,428)
12	Profit/(Loss) after taxation	5,14,11,639
13	Proposed Dividend	-
14	% of shareholding	100%

1	Name of the subsidiary	NUCLEUS SOFTWARE JAPAN KABUSHIKI KAISHA
2	Reporting period for the subsidiary :	1 April, 2023 to 31 March, 2024
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year :	JPY = INR 0.5509

	<b>JPY</b>	<b>INR</b>
4	Share capital	55,09,000
5	Reserves & surplus	3,62,21,739
6	Total assets	6,17,58,835
7	Total Liabilities	2,00,28,096
8	Investments	-
9	Turnover	16,37,76,188
10	Profit/(Loss) before taxation	2,04,39,856
11	Provision for taxation	1,06,82,413
12	Profit/(Loss) after taxation	97,57,444
13	Proposed Dividend	-
14	% of shareholding	100%



1	Name of the subsidiary	NUCLEUS SOFTWARE SOUTH AFRICA PTY. LTD.
2	Reporting period for the subsidiary :	1 April, 2023 to 31 March, 2024
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year :	ZAR = INR 4.37

	<u>ZAR</u>	<u>INR</u>
4	Share capital	26,74,440
5	Reserves & surplus	8,71,387
6	Total assets	35,45,827
7	Total Liabilities	-
8	Investments	-
9	Turnover	-
10	Profit/(Loss) before taxation	1,49,576
11	Provision for taxation	-
12	Profit/(Loss) after taxation	1,49,576
13	Proposed Dividend	-
14	% of shareholding	100%

1	Name of the subsidiary	NUCLEUS SOFTWARE LIMITED
2	Reporting period for the subsidiary :	1 April, 2023 to 31 March, 2024

	<u>INR</u>	
3	Share capital	15,00,00,000
4	Reserves & surplus	(1,54,57,309)
5	Total assets	13,41,20,226
6	Total Liabilities	4,99,86,681
7	Investments	5,04,09,146
8	Turnover	-
9	Profit/(Loss) before taxation	(90,10,647)
10	Provision for taxation	-
11	Profit/(Loss) after taxation	(90,10,647)
12	Proposed Dividend	-
13	% of shareholding	100%

# Shareholders'

# Referencer

## A. Corporate

- Nucleus was incorporated in New Delhi in 1989 as Nucleus Software Exports Private Limited, as per the Indian Companies Act, 1956. The Company became a Public Limited Company in 1994.
- The Company made an IPO in August 1995. 1,168,900 equity shares, face value ₹ 10/-each were issued to Indian public at a premium of ₹ 40/- per share and 3,31,500 equity shares, face value ₹ 10/-each, were issued to Non-Resident Indians at a premium of ₹ 50/- per share. -

History of Bonus issues at Nucleus is as follows:

Allotment Date	Ratio	No. of Shares
September 24, 1994	60:1	876,000
December 27, 1994	57:100	576,270
October 22, 2001	1:2	2,637,050
August 10, 2004	1:1	8,045,406
August 8, 2007	1:1	16,182,312

- The Company's Registered Office is situated at 33-35, Thyagraj Market, New Delhi-110003, India and Corporate office at A-39, Sector 62, Noida 201 301, India.

## B. Preferential Issue

The Company had allotted 1,875,500 equity shares of ₹ 10/- each on preferential basis to the promoter/associates and permanent employees of the Company at a price of ₹ 103.15/- per share inclusive of share premium on June 22, 2001.

## C. Share Related Data

- Shares of Nucleus are listed on The National Stock Exchange of India Limited and BSE Ltd.
- SYMBOL of Nucleus on NSE is NUCLEUS and Scrip code on BSE is 531209. The Company's shares are traded in "Group B" category at the BSE Ltd.
- International Securities Identification Number (ISIN code- NSDL and CDSL) is INE096B01018.
- Face value of the Company's equity shares is ₹ 10.
- Shares of the Company are compulsorily traded in demat form.

### Share Transfers, Demat and Remat:

The details of shares transferred in physical form, dematerialized and rematerialized during the year ended March 31, 2024 are given below:

No. of shares	
Transferred in physical form	Nil
Dematerialized	4093
Rematerialized	Nil

## D. Dividend Related Data

### I. Dividend Recommended for FY 24

The Board of Directors at their meeting held on May 23, 2024 has recommended a Final Dividend of ₹ 12.50/- per share (on equity share of par value of ₹ 10 each). The Proposed Final Dividend is subject to the approval of shareholders at the forthcoming Annual General Meeting.

## ii. Dividend History

The Dividend declared and paid in the previous financial years is given below:

Financial Year	Dividend		
	Percentage (%)	Per Share (in ₹)	Pay out (In ₹ crore)
2022-23	100%	10.00	26.77
2021-22	70%	7.00	18.74
2020-21	60%	6.00	17.42
2020-2021* (Interim)	30%	3.00	8.71
2018-19	90%	9.00	26.13
2017-18	80%	8.00	23.23
2016-17	50%	5.00	16.19
2015-16	50%	5.00	16.19
2014-15	50%	5.00	16.19
2013-14	60%	6.00	19.44
2012-13	30%	3.00	9.72
2011-12	25%	2.50	8.10
2010-11	25%	2.50	8.10
2009-10	25%	2.50	8.10
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 and 2007-08 was on the enhanced capital consequent to 1:1 bonus issue made during the respective years.)

### Note:

1. The Board had not recommended any Dividend prior to FY 2000-2001.
2. For FY 2019-20, there was no Dividend declared by the Company.

## iii. Investor Education & Protection Fund (IEPF)

As per Section 124(5) and 124(6) of the Act read with the IEPF Rules as amended, any dividend which remains unpaid or unclaimed for a period of seven years, shall be transferred by the Company to the IEPF fund.

Also, all shares in respect of which dividend has remained unpaid/unclaimed for seven consecutive years or more are required to be transferred to an IEPF Demat Account. The Company has sent notice to all the members who's Dividends are lying unpaid / unclaimed against their name and also those members whose dividends are lying unpaid/unclaimed for seven consecutive years or more.

Members are requested to claim the same on or before the respective dates as mentioned in the reminder letters. In case the dividends are not claimed by the said date, necessary steps will be initiated by the Company to transfer such dividend and/or shares without further notice. No claim shall lie against the Company in respect of the shares so transferred to IEPF Demat Account. In the event of transfer of shares and the unclaimed dividends to IEPF, members are entitled to claim the same from IEPF Authority by submitting an online application in the prescribed Form IEPF-5 available on the website [www.iepf.gov.in](http://www.iepf.gov.in) and sending a physical copy of the same duly signed to the Company along with the requisite documents enumerated in the Form IEPF- 5.

Unclaimed dividends for the financial years, 2001-2002, 2002-03, 2003-04, 2004-05 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13, 2013-14, 2014-15 and 2015-16 have been transferred to the IEPF.

The dates for declaration of dividend for each financial year and due dates for transfer to IEPF Account is mentioned herein below:

Financial Year	Date of Declaration of Dividend	Last date for claiming unpaid Dividend	Due date for transfer to IEPF
2016-17(Final)	July 8, 2017	July 07, 2024	August 06, 2024
2017-18(Final)	July 02 ,2018	July 01, 2025	July 30, 2025
2018-19(Final)	July 08, 2019	July 07, 2026	August 06, 2026
2020-21(Interim)	July 30, 2020	July 29, 2027	August 28, 2027
2020-21(Final)	July 23, 2021	July 22, 2028	August 21, 2028
2021-22(Final)	July 08, 2022	July 07, 2029	August 06, 2029
2022-23 (Final)	July 14, 2023	July 13, 2030	August 12, 2030

Shareholders who have not encashed their dividend warrant(s) relating to one or more of the financial year(s) are requested to claim such dividend from Registrars of the Company at the following address:

**Kfin Technologies Ltd.**

Karvy Selenium Tower B, Plot number 31 & 32,  
Financial District, Nanakramguda, Serilingampally Mandal,  
Hyderabad – 500032, India  
Tel: 040-4067162222/18003094001  
E-mail: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)

**E Investor Services:**

**Designated e-mail Address for Investor Services**

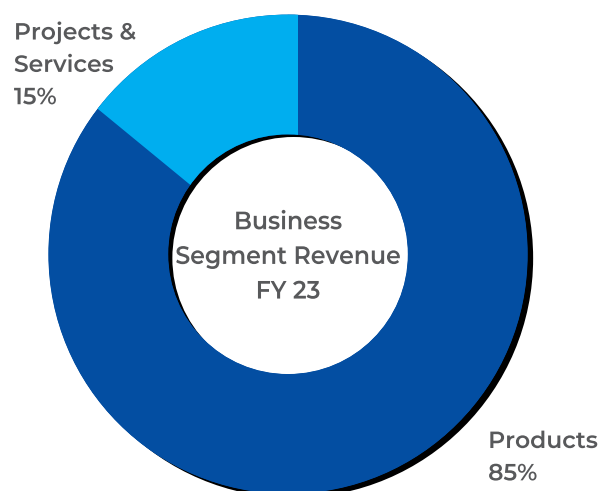
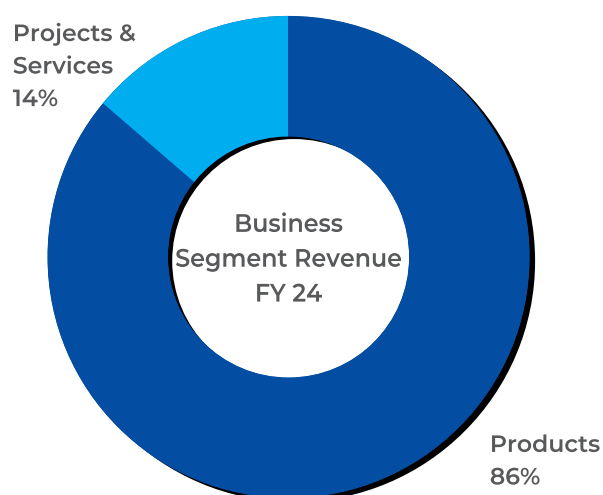
In terms of Regulations 13 and 46 of the SEBI (LODR) Regulations, 2015, the designated e-mail address for investor complaints is [investorrelations@nucleussoftware.com](mailto:investorrelations@nucleussoftware.com)

## Consolidated Segment Information of

# Nucleus Software Group

(₹ in crore)

REVENUE BY	2024	% of Revenue	2023	% of Revenue
<b>GEOGRAPHICAL SEGMENTS</b>				
India	437.86	52.98	330.29	52.06
Far East	33.00	3.99	23.15	3.65
South East Asia	107.13	12.96	97.34	15.34
Europe/ U.K.	53.42	6.46	32.37	5.10
Middle East	102.22	12.37	75.29	11.87
Africa	15.17	1.84	14.60	2.30
Australia	27.91	3.38	18.31	2.89
Rest of the World	49.74	6.02	43.11	6.79
<b>TOTAL</b>	<b>826.45</b>	<b>100.00</b>	<b>634.46</b>	<b>100.00</b>
<b>CURRENCY SEGMENT</b>				
Indian Rupee	437.86	52.98	330.29	43.35
US \$	252.00	30.49	194.85	30.71
Japanese Yen	9.94	1.20	8.06	1.27
Singapore \$	46.10	5.58	46.25	7.29
Malaysian Ringgit	8.34	1.01	6.42	1.01
Euro	8.59	1.04	7.99	1.26
British Pound	21.11	2.55	5.63	0.89
Australian \$	27.92	3.38	18.31	2.89
United Arab Emirates dirham	11.61	1.40	12.37	1.95
Qatari Riyal	0.64	0.08	0.73	0.11
Zuid - Afrikaanse Rand (South African Rand)	1.74	0.21	3.46	0.74
Swiss Franc	0.06	0.01	0.09	0.01
Saudi Riyal	0.54	0.07	-	-
<b>TOTAL</b>	<b>826.45</b>	<b>100.00</b>	<b>634.46</b>	<b>91.48</b>
<b>Products</b>	<b>711.40</b>	<b>86.08</b>	<b>536.93</b>	<b>84.63</b>
Own	709.54	85.85	535.99	84.48
Traded	1.86	0.23	0.94	0.15
<b>Projects &amp; Services</b>	<b>115.05</b>	<b>13.92</b>	<b>97.53</b>	<b>15.37</b>
<b>TOTAL</b>	<b>826.45</b>	<b>100.00</b>	<b>634.46</b>	<b>100.00</b>



# Ratio Analysis

## Consolidated Performance

Particulars	2024	2023	2022	2021	2020
<b>Ratios- Financial Performance</b>					
Export Revenue/ Revenue (%)	47.02	47.94	56.66	61.99	65.33
Domestic Revenue/ Revenue (%)	52.98	52.06	43.34	38.01	34.67
Total Operating Expenses/ Revenue (%)	73.45	75.45	92.71	75.05	82.12
Operating Profit/ Revenue (%)	26.55	24.55	7.29	24.95	17.88
Depreciation/ Revenue (%)	1.76	2.95	3.09	2.70	2.60
Other Income/ Revenue (%)	6.16	5.37	6.97	7.70	7.15
Tax/ Revenue (%)	7.77	6.82	2.94	6.98	5.34
Effective Tax Rate - Tax/ PBT (%)	25.10	25.30	26.30	23.31	23.80
PAT from Ordinary Activities/ Revenue(%)	17.02	14.77	1.26	15.27	9.94
PAT from Ordinary Activities/Net Worth(%)	18.10	15.35	1.27	11.67	9.23
<b>Ratios - Balance Sheet</b>					
Debt-Equity Ratio	-	-	-	-	-
Debtors Turnover (Days)	73	100	61	61	63
Asset Turnover Ratio	0.74	0.73	0.67	0.58	0.68
Current Ratio	2.07	2.07	2.09	3.11	2.36
Cash and Equivalents/Shareholders' funds (%)	51.65	45.43	69.27	74.82	59.22
Cash and Equivalents/ Revenue (%)	48.59	43.73	68.77	97.91	63.78
Depreciation/Gross Carrying Amount(%)	13.85	20.83	17.48	21.53	19.84
Technology Investment/ Revenue (%)	1.3	0.29	4.40	1.35	2.19
<b>Ratios - Growth (YoY)</b>					
Growth in Total Revenue (%)	30.26	27.61	(3.18)	(1.40)	7.60
Growth in Export Revenue (%)	27.76	7.98	(11.52)	(6.44)	1.55
Operating Expenses Growth (%)	26.80	3.85	19.60	(9.89)	5.54
Operating Profit Growth (%)	40.90	329.95	(71.73)	37.61	18.24
PAT Growth (%)	49.94	212.40	(65.32)	32.54	19.39
EPS Growth (%)	49.94	234.24	(64.84)	32.57	19.37
<b>Per- Share Data (Period End)</b>					
Earning Per Share from Ordinary Activities (₹)	62.95	35.01	2.33	26.99	17.82
Earning Per Share (Including Other Income) (₹)	71.56	47.73	15.28	40.62	30.64
Cash Earning Per Share from Ordinary Activities (₹)	53.02	42.00	8.08	31.77	22.49
Cash Earning Per Share (Including Other Income)(₹)	77.00	54.73	21.02	45.39	35.31
Book Value Per Share (₹)	290.38	228.09	184.35	231.41	193.14
Price/Earning (Annualized)	16.56	13.39	29.01	11.85	5.86
Price/ Cash Earning (Annualized)	15.39	11.68	19.71	10.60	5.09
Price/Book Value	4.08	2.80	2.25	2.08	0.93
Dividend Per Share (DPS)	12.50	10.00	7.00	9.00	-
Dividend (%)	125	100	70	90	-
Dividend Payout (In ₹ Crore)	33.47	26.77	18.74	26.14	-

- Note:** 1. While calculating the consolidated figures of group, inter group transactions have been ignored.  
2. Previous year figures have been regrouped/ reclassified wherever necessary.  
3. Cash and Equivalents includes cash, bank balances and current investments.





## Nucleus Software Exports Limited

CIN : L74899DL1989PLC034594

Regd. Office: 33-35, Thyagraj Nagar Market,

New Delhi - 110003. Tel : +91 - 120 - 4031400; Fax : +91 - 120 - 4031672

Email : [investorrelations@nucleussoftware.com](mailto:investorrelations@nucleussoftware.com), Website : [www.nucleussoftware.com](http://www.nucleussoftware.com)

# Notice of the Annual General Meeting

Notice is hereby given that the **Thirty Fifth Annual General Meeting (AGM) of the Members of Nucleus Software Exports Limited will be held on Monday, 15<sup>th</sup> day July 2024, at 11.00 a.m. through Video Conferencing/ Other Audio-Visual Means (VC) to transact the following business:**

### Ordinary Business:

#### 1. Adoption of Financial Statements

To receive, consider and adopt:

- The audited financial statements of the Company for the year ended March 31, 2024, including Audited Balance Sheet and Profit and Loss account as on March 31, 2024, along with Cash Flow Statement on that date together with the reports of the Board of Directors and Auditors thereon and
- The audited consolidated financial statements of the Company for the year ended March 31, 2024.

#### 2. Declaration of Dividend

To declare a final dividend of ₹ 12.50 per Equity Share for the financial year ended March 31, 2024.

#### 3. To Re-appoint

- To re-appoint Mr. Parag Bhise (DIN: 08719754), as Director of the Company who retires by rotation and being eligible offers himself for re-appointment.
- To re-appoint Mr. Anurag Mantri (DIN: 09002894), as Director of the Company who retires by rotation and being eligible offers himself for re-appointment.

### Special Business:

#### 4. Payment of Commission to Non-Executive Directors of the Company

To consider and if thought fit, to pass with or without modification(s), the following resolution as ORDINARY RESOLUTION:

**"RESOLVED THAT** pursuant to applicable provisions of Sec 149(9) and Section 197 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules made thereunder and applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and based on the recommendation of Nomination and Remuneration/Compensation Committee

and approval of the Board of Directors, the consent of the members of the Company be and is hereby accorded to pay remuneration by way of commission, a sum not exceeding one percent per annum of the net profits of the Company calculated in accordance with the provisions of Section 198 of the Act, to the Non-Executive Directors of the Company in such amounts or proportions and in such manner and in all respects as may be directed by the Board of Directors of the Company and such payments shall be made in respect of the profits of the Company for each of five financial years commencing from April 1, 2024.

**RESOLVED FURTHER THAT** the total overall managerial remuneration payable to all the Directors of the Company in any financial year shall not exceed the limits prescribed under Section 197 and other applicable provisions of the Act;

**RESOLVED FURTHER THAT** the Board of Directors, Key Managerial Personnel and any other person authorized by the Board of Directors of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be deemed necessary to give effect to this resolution."

**By Order of the Board of Directors  
For Nucleus Software Exports Limited**

**Sd/-  
Poonam Bhasin**

**Company Secretary**

**(Membership No.: A10865)**

**Place: Noida**

**Date: May 23, 2024**

**Registered Office:**

**33-35, Thyagraj Nagar Market,**

**New Delhi 110 003**

**CIN: L74899DL1989PLC034594**

**e-mail: [investorrelations@nucleussoftware.com](mailto:investorrelations@nucleussoftware.com)**

### Notes:

- Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ('the Act'), which sets out details relating to Special Business (being considered unavoidable by the Board of Directors) at the meeting, is attached with this Notice of AGM.
- All documents referred to in the accompanying Notice and the Explanatory Statement are available on website of the Company for inspection by the Members up to the date of AGM.
- The Ministry of Corporate Affairs ("MCA") has vide its General Circular nos. 14/2020 and 17/2020 dated April 8, 2020 and April 13, 2020 respectively, in relation to "Clarification on passing of ordinary

## AGM Notice

- and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by COVID-19”, General Circular no. 20/2020 dated May 5, 2020, and subsequent circulars issued in this regard, the latest being 09/2023 dated September 25, 2023 in relation to “Clarification on holding of Annual General Meeting (“AGM”) through Video Conferencing (VC) or Other Audio Visual Means (OAVM)”, (collectively referred to as “MCA Circulars”) permitted the holding of the AGM through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars, the AGM of the Company is being held through VC /OAVM. The registered office of the Company shall be deemed to be the venue for the AGM.
4. Since the AGM is being held in accordance with the Circulars through VC/ OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
  5. In accordance with the aforesaid MCA Circulars and Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 and SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 7, 2023 issued by Securities Exchange Board of India (collectively referred to as “SEBI Circulars”), the Notice of the AGM along with the Annual Report for FY 2023-24 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/National Securities Depository Limited (“NSDL”) and the Central Depository Services (India) Limited (“CDSL”), collectively “Depositories”
  6. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM through VC. Corporate members intending to authorize their representatives to participate and vote at the meeting are requested to upload a certified copy of the Board resolution / authorization letter on the VC portal / e-voting portal.
  7. Participation of members through VC will be reckoned for the purpose of quorum for the AGM as per section 103 of the Companies Act, 2013 (“the Act”).
  8. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM.
  9. The Register of Members and Share Transfer Books of the Company will be closed on July 9, 2024, to July 15, 2024
  10. We urge members to support our commitment to environmental protection by choosing to receive the Company’s communication through email. Members holding shares in demat mode, who have not registered their email addresses are requested to register their email addresses with their respective DP, and members holding shares in physical mode are requested to update their email addresses with the Company’s RTA, KFin Technologies Limited at [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com), to receive copies of the Annual Report 2023-24 in electronic mode. Members may follow the process detailed below for registration of email ID to obtain the report and update of bank account details for the receipt of dividend.

Type of Shareholder	Process to be followed	
PHYSICAL	For availing the following investor services, send a written request in the prescribed forms to the RTA of the Company, KFin Technologies Limited either by email to <a href="mailto:einward.ris@kfintech.com">einward.ris@kfintech.com</a> or by post to Selenium Tower B, Plot 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500032.	
	PAN	Form No. ISR-1
	Postal Address with PIN	
	Email Address	
	Mobile Number	
	Bank Account Details (Name of the Bank, branch, account number and IFS Code)	
	Update of signature of securities holder	Form No. ISR-2
	For nomination as provided in the Rules 19 (1) of Companies (Share capital and debenture) Rules, 2014	Form No. SH-13
	Cancellation of nomination by the holder(s) (along with ISR-3) / Change of Nominee	Form No. SH-14
	Declaration to opt out nomination	Form No. ISR-3
Form for requesting issue of Duplicate Certificate and other service requests for shares / debentures / bonds, etc., held in physical form	Form No. ISR 4	
The forms for updating the above details are available at <a href="https://www.nucleussoftware.com">https://www.nucleussoftware.com</a>		
DEMAT	Please contact your DP and register your email address and bank account details in your demat account, as per the process advised by your DP.	

11. Members who are holding shares in more than one folio are requested to intimate to the Company the detail of all folio numbers for consolidation into a single folio.
12. Members who have not yet encashed their dividend warrant(s) pertaining to the final dividend for the financial year 2017-18 onwards for the Company, are requested to lodge their claims, It may be noted that the unclaimed Final Dividend for the financial year 2016-17 declared by the Company on July 08, 2017, can be claimed by the Members on or before July 07, 2024. In case the Members don't claim then with a view to comply with the requirements of the said IEPF Rules, it will be Transferred to Investor Education and Protection Fund on or before the due date i.e. August 06, 2024.
13. Details in respect of the Directors seeking appointment/re- appointment at the Annual General Meeting as required under the provisions of Secretarial Standards- 2 issued by the Institute of Company Secretaries of India and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
14. In compliance with the aforesaid MCA Circulars and SEBI Circular, Notice of the AGM along with the Annual Report 2023-24 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2023-24 will also be available on the Company's website [www.nucleussoftware.com](http://www.nucleussoftware.com), websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively.
15. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
16. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.
17. In case of joint Members attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
18. The facility for voting during the AGM will also be made available. Members present in the AGM through VC and who have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through the e-voting system during the AGM.
19. Members are requested to address all correspondence, including dividend-related matters, to RTA, KFin Technologies Limited, Unit: Nucleus Software Export Limited, Selenium Tower B, Plot 31-32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad 500 032.
20. In terms of Section 72 of the Companies Act, 2013 and related rules thereunder, a Member of the Company may nominate a person on whom the Shares held by him/ her shall vest in the event of his/her death. Member(s) desirous of availing this facility may submit nomination in the prescribed Form to the Company/RTA in case shares are held in Physical form and to their respective depository participant, if held in electronic form. Therefore those Members, whose email address is not registered with the Company or with their respective Depository Participant/s, and who wish to receive the Notice of the AGM and the Annual Report and all other communication sent by the Company, from time to time, can get their email address registered with the RTA.
21. SEBI vide Circular Nos. SEBI/HO/OIAE/OIAE\_IAD-1/P/CIR/2023/131 dated July 31, 2023, and SEBI/HO/OIAE/OIAE\_IAD-1/P/CIR/2023/135 dated August 4, 2023, read with Master Circular No. SEBI/HO/OIAE/OIAE\_IAD-1/P/CIR/2023/145 dated July 31, 2023 (updated as on August 11, 2023), has established a common Online Dispute Resolution Portal ("ODR Portal") for resolution of disputes arising in the Indian Securities Market.
22. The Board of Directors has appointed Mr. Ankit Singhi (CP No. 16274 Mem. No. F11685), Partner or failing him, Mr. Nitesh Latwal (CP No. 16276), Partner of M/s PI & Associates, Company Secretaries as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
23. The Scrutinizer shall, immediately after the conclusion of e-voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than two working days from the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairperson or a person authorised by him in writing, who shall countersign the same
24. The results of remote e-voting and voting during AGM on the resolutions shall be aggregated and declared on or after the AGM of the Company. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the AGM.
25. In terms of Regulation 40(1) of SEBI Listing Regulations, as amended from time to time, transfer, transmission and transposition of securities shall be effected only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialization, Members are advised to dematerialize the shares held by them in physical form. Members can contact the Company or KFinTech, for assistance in this regard.

## AGM Notice

### 26. Instructions For Members For Attending the AGM through VC/OAVM are as under:

#### PROCEDURE FOR REMOTE E-VOTING

- (i) In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the SEBI Listing Obligations and Disclosure Requirements Regulations, 2015 ("SEBI Listing Regulations"), the Company is providing e-voting facility through KFin Technologies Limited ("KFinTech") on all resolutions set forth in this Notice, to Members holding shares as on Friday, July 5, 2024, being the cut-off date fixed for determine eligible members to participate in the remote e-voting process. The instructions for e-Voting are given herein below.
- (ii) As per the SEBI circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on "e-Voting facility provided by Listed Companies", and as part of increasing the efficiency of the voting process, e-voting process has been enabled to all individual shareholders holding securities in demat mode to vote through their demat account maintained with depositories/ websites of depositories / depository participants
- (iii) Individual demat account holders would be able to cast their vote without registering again with the e-Voting service providers (ESPs) thereby not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-Voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs to access e-Voting facility.
- (iv) The remote e-Voting period commences on Friday, July 12, 2024 (9:00 a.m. IST) and ends on Sunday, July 14, 2024 (5:00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on Friday, July 5, 2024, i.e. cut-off date, may cast their vote electronically. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.
- (v) Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at [evoting@Kfintech.com](mailto:evoting@Kfintech.com). However, if he/she/it is already registered with KFinTech for remote e-Voting then he/she/it can use his/ her/its existing User ID and password for casting the vote.

- (vi) The details of the process and manner for remote e-Voting and e-AGM are explained herein below:

**Step 1:** Access to Depositories e-Voting system in case of individual shareholders holding shares in demat mode.

**Step 2:** Access to KFinTech e-Voting system in case of shareholders holding shares in physical and non-individual shareholders in demat mode.

**Step 3:** Access to join virtual meetings (e-AGM) of the Company on KFin system to participate e-AGM and vote at the AGM.

**Details on Step 1 are mentioned below:**

- 1) **Login method for remote e-Voting for Individual shareholders holding securities in demat mode.**

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<p>1. <b>User already registered for IDeAS facility:</b></p> <p>Visit URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a></p> <p>Click on the "Beneficial Owner" icon under "Login" under 'IDeAS' section.</p> <p>(i) On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-Voting"</p> <p>(ii) Click on company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period.</p>
	<p>2. <b>User not registered for IDeAS e-Services</b></p> <p>To register click on link: <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a>.</p> <p>Select "Register Online for IDeAS" or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a>.</p> <p>Proceed with completing the required fields.</p> <p>Follow steps given in points 1.</p>

Type of shareholders	Login Method
	<p>3. <b>Alternatively by directly accessing the e-Voting website of NSDL</b></p> <p>Open URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a></p> <p>Click on the icon “Login” which is available under ‘Shareholder/Member’ section.</p> <p>(i) A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen.</p> <p>(ii) Post successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page</p> <p>(iii) Click on company name or e-Voting service provider name and you will be redirected to KFintech e-Voting website for casting your vote during the remote e-Voting period.</p>
Individual Shareholders holding securities in demat mode with CDSL	<p>1. <b>Existing user who have opted for Easi / Easiest</b></p> <p>Visit URL: <a href="https://web.cdslindia.com/myeasitoken/Home/Login">https://web.cdslindia.com/myeasitoken/Home/Login</a> or</p> <p>URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a></p> <p>(i) Click on New System Myeasi</p> <p>(ii) Login with your registered user id and password.</p>

Type of shareholders	Login Method
	<p>(iii) The user will see the e-Voting Menu. The Menu will have links of ESP i.e. KFintech e-Voting portal.</p> <p>(iv) Click on e-Voting service provider name to cast your vote.</p> <p>2. <b>User not registered for Easi/Easiest</b></p> <p>i. Option to register is available at <a href="https://web.cdslindia.com/myeasitoken/Registration/EasiestRegistration">https://web.cdslindia.com/myeasitoken/Registration/EasiestRegistration</a> Proceed with completing the required fields.</p> <p>ii. Post registration is completed, follow the steps given in point 1.</p> <p>3. <b>Alternatively, by directly accessing the e-Voting website of CDSL</b></p> <p>Visit URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a></p> <p>Provide your demat Account Number and PAN No.</p> <p>(i) System will authenticate user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account.</p> <p>(ii) After successful authentication, user will be provided links for the respective ESP, i.e. <b>KFintech</b> where the e-Voting is in progress.</p> <p>(iii) Click on company name and you will be redirected to KFintech e-voting website for casting your vote during the remote e-voting period.</p>



## AGM Notice

Type of shareholders	Login Method
Individual Shareholder login through their demat accounts / Website of Depository Participant	<p>I. You can also login using the login credentials of your demat account through your DP registered with NSDL / CDSL for e-Voting facility.</p> <p>II. Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/ CDSL Depository site after successful authentication, wherein you can see e-Voting feature.</p> <p>III. Click on options available against company name or e-Voting service provider –<b>Kfintech</b> and you will be redirected to e-Voting website of <b>KFintech</b> for casting your vote during the remote e-Voting period without any further authentication.</p>

**Important note:** Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e., NSDL and CDSL.

Login type	Helpdesk details
Securities held with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Securities held with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 22-23058542-43.

Details on Step 2 are mentioned below:

**II) Login method for e-Voting for shareholders other than Individual's shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

A. Members whose email IDs are registered with the Company/ Depository Participants (s), will receive an email from KFintech which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:

Launch internet browser by typing the URL: <https://evoting.kfintech.com>.

i. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) **8069** followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFintech for e-voting, you can use your existing User ID and password for casting the vote.

ii. After entering these details appropriately, click on "LOGIN".

iii. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

iv. You need to login again with the new credentials.

v. On successful login, the system will prompt you to select the EVEN for Biocon Limited and click on "Submit".

vi. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/



AGAINST” or alternatively, you may partially enter any number in “FOR” and partially “AGAINST” but the total number in “FOR/ AGAINST” taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either “FOR” or “AGAINST” it will be treated as “ABSTAIN” and the shares held will not be counted under either head.

- vii. Members holding multiple folios/ demat accounts shall choose the voting process separately for each folio/ demat accounts.
- viii. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
- ix. You may then cast your vote by selecting an appropriate option and click on “Submit”.
- x. A confirmation box will be displayed. Click “OK” to confirm else “CANCEL” to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).

Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email [info@cpassociates.com](mailto:info@cpassociates.com) with a copy marked to [evoting@kfintech.com](mailto:evoting@kfintech.com). The scanned image of the above- mentioned documents should be in the naming format “Nucleus Software Exports Ltd.”

- B. Members whose email IDs are not registered with the Company/ Depository Participants(s)], will have to follow the following process:

- i. Members who have not registered their email address and in consequence the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, Members are requested to arrange to send the duly signed letter along with the ISR-1, ISR-2, SH13 or ISR3 (choice of nomination) to the Kfin Technologies Limited, Selenium Tower B, Plot Nos. 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500032 for updating the KYC Details. After updating the KYC Details, RTA will arrange to send a soft copy of the annual report to your register email id. soft copy of ISR documents can be downloaded by using the following weblink <https://ris.kfintech.com/clientservices/isc/isrforms.aspx>.
- ii. Alternatively, member may send an e-mail request at the email id [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) along with scanned signed copy of the request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Annual Report, Notice of AGM and the e-voting instructions.
- iii. After receiving the e-voting instructions, please follow all steps above to cast your vote by electronic means.

**Details on Step 3 are mentioned below:**

**III) Instructions for all the shareholders, including Individual, other than Individual and Physical, for attending the AGM of the Company through VC/ OAVM and e-Voting during the meeting.**

- i. Member will be provided with a facility to attend the AGM through VC/ OAVM platform provided by KFintech. Members may access the same at <https://emeetings.kfintech.com/> by using the e-voting login credentials provided in the email received from the Company/KFintech. After logging

## AGM Notice

- in, click on the Video Conference tab and select the EVEN of the Company. Click on the video symbol and accept the meeting etiquette to join the meeting. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned above.
- ii. Facility for joining AGM through VC/OAVM shall open at least 15 minutes before the commencement of the Meeting.
  - iii. Members are encouraged to join the Meeting through Laptops/ Desktops with Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge, Mozilla Firefox 22.
  - iv. Members will be required to grant access to the webcam to enable VC / OAVM. Further, Members connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
  - v. As the AGM is being conducted through VC / OAVM, for the smooth conduct of proceedings of the AGM, Members are encouraged to express their views / send their queries in advance mentioning their name, demat account number / folio number, email id, mobile number at [investorrelations@nucleussoftware.com](mailto:investorrelations@nucleussoftware.com). Questions / queries received by the Company till July 10, 2024 shall only be considered and responded during the AGM.
  - vi. The Members who have not cast their vote through remote e-voting shall be eligible to cast their vote through e-voting system available during the AGM. E-voting during the AGM is integrated with the VC / OAVM platform. The Members may click on the voting icon displayed on the screen to cast their votes.
  - vii. A Member can opt for only single mode of voting i.e., through Remote e-voting or voting at the AGM. If a Member cast votes by both modes, then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.
  - viii. Facility of joining the AGM through VC / OAVM shall be available for at least 2000 members on first come first served basis.
  - ix. Institutional Members are encouraged to attend and vote at the AGM through VC / OAVM.

### OTHER INSTRUCTIONS

- i. **Speaker Registration:** The Members who wish to speak during the meeting may register themselves as speakers for the AGM to express their views. They can visit <https://emeetings.kfintech.com> and login through the user id and password provided in the mail received from Kfintech. On successful login, select 'Speaker Registration' which will be opened from July 10, 2024 to July 12, 2024. Members shall be provided a 'queue number' before the meeting. The Company reserves the right to restrict the speakers at the AGM to only those Members who have registered themselves, depending on the availability of time for the AGM.
- ii. **Post your Question:** The Members who wish to post their questions prior to the meeting can do the same by visiting <https://emeetings.kfintech.com>. Please login through the user id and password provided in the mail received from Kfintech. On successful login, select 'Post Your Question' option which will be opened from July 10, 2024 to July 12, 2024.
- iii. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.kfintech.com> (Kfintech Website) or contact at [evoting@kfintech.com](mailto:evoting@kfintech.com) or call Mr. Suresh Babu at Kfintech's toll free No. 1-800-3094-001 for any further clarifications.
- iv. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for e-voting, he/she may obtain the User ID and Password in the manner as mentioned below:
  - i. If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399
  1. **Example for NSDL:** MYEPWD <SPACE> IN12345612345678

2. **Example for CDSL:** MYEPWD <SPACE> 1402345612345678
  3. **Example for Physical:** MYEPWD <SPACE> XXXX1234567890
- ii. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.kfintech.com/>, the member may click “Forgot Password” and enter Folio No. or DP ID Client ID and PAN to generate a password.
  - iii. Members who may require any technical assistance or support before or during the AGM are requested to contact KFintech at toll free number 1-800-309-4001 or write to them at [evoting@kfintech.com](mailto:evoting@kfintech.com).

**By Order of the Board of Directors  
For Nucleus Software Exports Limited**

Sd/-

Poonam Bhasin

Company Secretary

(Membership No.: A10865)

**Place: Noida**

**Date: May 23, 2024**

**Registered Office:**

**33-35, Thyagraj Nagar Market,**

**New Delhi 110 003**

**CIN: L74899DL1989PLC034594**

## **EXPLANATORY STATEMENT**

### **Item No. 4:**

The Company's Non-executive Directors are professionals with high level of expertise and have rich experience in functional areas such as business strategy, business development, corporate governance, finance & taxation, risk management amongst others.

Non-executive Directors are actively involved in various decision-making process and are making valuable contributions towards business development, governance, long term strategy and compliances.

Section 197 of the Act permits payment of remuneration to Non-Executive Directors (i.e. Directors other than Managing Director and other Whole-time Directors) of a Company by way of commission, if the Company authorises such payment by way of a resolution of Members. Regulation 17(6)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 authorises the Board of Directors to recommend all fees and compensation, if any, to Non-Executive Directors, including Independent Directors and shall require approval of Members in general meeting. The Members of the Company at the Annual General Meeting of the Company held on July 08, 2019, approved the payment of commission to Non-Executive Directors of the Company not exceeding one percent per annum of the net profits of the Company for a period of five years from April 1, 2019 to March 31, 2024.

Considering the rich experience and expertise brought to the Board by the Non-Executive Directors, the Board of Directors at their meeting held on May 23, 2024 recommended for the approval of the shareholders payment of remuneration by way of commission, not exceeding one percent per annum of the net profits of the Company calculated in accordance with provisions of Section 197 of the Act, be continued to be paid w.e.f. April 1, 2024 and distributed amongst the Non-Executive Directors of the Company.

Such payment will be in addition to the sitting fees for attending Board/ Committee meetings. The Board recommends the Resolution at Item No. 4 of the accompanying Notice for approval by the Members.

All the Directors of the Company (except the Chief Executive Officer, Whole Time Director, Key Managerial Personnel and Managing Director and their relatives) are concerned or interested in the Resolution at Item No. 4 of the Notice to the extent of the remuneration that may be received by each of these Directors.

None of the Key Managerial Personnel of the Company is concerned or interested in the Resolution at Item No. 4 of the Notice.

## AGM Notice

Details of Directors seeking appointment/re-appointment at the Annual General Meeting as per SS-2 and Schedule V of the Companies Act, 2013

Particulars	Mr. Parag Bhise	Mr. Anurag Mantri
Age	58 Years	54 Years
Qualifications	Master's degree in computer applications from BIT Mesra and MBA from the Management Development Institute– Gurgaon	Master's Degree in Statistics and Computer Science from Banaras Hindu University
Experience	As mentioned in profile in Corporate Governance Report	As mentioned in profile in Corporate Governance Report
Terms and Conditions of Appointment	As per Letter of Appointment	As per Letter of Appointment
Details of Remuneration Sought To be Paid	As per Letter of Appointment	As per Letter of Appointment
Date of first appointment On the Board	March 16, 2020	December 19,2020
The Remuneration Last Drawn	Details provided in Annexure H to the Directors' Report	Details provided in Annexure H to the Directors' Report
Number of shares held in the Company	28,959	Nil
Directorship held in other Companies	• Nucleus Software Japan Kabushiki Kaisha	NA
Inter-se relations between the Board members/ relationship with other Directors, Manager and other Key Managerial Personnel of the company.	NA	NA
Number of Meetings of the Board attended during the Year	7	7
Memberships/Chairmanships of committees of other companies (includes only Audit Committee and Stakeholders/Investor Grievance Committee	NA	NA
Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:	NA	NA





**NUCLEUS  
SOFTWARE**

Making Financial Services Access  
Easy and Enriching Worldwide