NUCLEUS SOFTWARE

Annual Report
2024-25

Beyond Boundaries

Smarter Solutions, Stronger Impact



NUCLEUS SOFTWARE

Building a Borderless Future for Financial Services

> **At Nucleus Software, our vision is clear and compelling –**
> **"Making Financial Services Access Easy and Enriching Worldwide."**

With over four decades of innovation and deep domain expertise, we are committed to building next-generation solutions that power the digital transformation journeys of banks and financial institutions across the globe.

As a publicly listed enterprise (BSE: 531209, NSE: NUCLEUS), we are proud to partner with 200+ financial institutions across 50 countries, delivering AI-powered, customer-centric platforms that are reshaping the future of lending and transaction banking.

Our flagship products, FinnOne Neo® and FinnAxia®, are at the core of this transformation -

- Enabling $15 trillion+ in transaction value annually
- Powering over 26 million transactions every day
- Managing $1.2 trillion+ in loan value globally
- Supporting 500,000+ daily users across our platforms

This Annual Report reflects our unwavering pursuit of excellence, innovation, and impact - as we continue to transform possibilities into progress.

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Message from the Chairman

Engineering Trust, Shaping the Future

Dear Stakeholders,

Nucleus Software Exports Limited (NSEL) acknowledges the trust and support of all its stakeholders for the chance to provide another year of exemplary services.

It is NSEL's constant endeavour to generate confidence among shareholders, customers, employees, suppliers, vendors, and the public that NSEL will maintain the standards it has set in the industry. NSEL recognises that we live in times of uncertainty in the market we operate in. NSEL's work remains a pillar of strength to reassure the banking and finance system that the product it provides will withstand the volatility that markets will experience by ensuring high quality and reliable software that protects financial transactions.

> Your company is acutely aware of the need to provide systems that are fail-safe, secure, reliable and effective – that makes it the best in the business. Care is taken to involve the entire NUCLEUS family to prepare to be the source of exceptional and innovative products to serve the industry worldwide.

The systems are the creation of a dedicated creative team, tested by a level of exceptional persons of imagination, approved by a level of uncompromising master craftsmen and women to provide safety of operation and security of data. Banking and financial software services is serious work. It is created to speed up, store, render accurate data and provide sensitive analytical material. NSEL ensures that this will remain inviolate and available only to its 200+ customers worldwide.

NSEL understands the need to keep a watch on the discipline that needs to be exercised to continuously provide high quality systems to the demanding customers. To keep pace to provide the best, NSEL is working on engaging its entire work team in lean management introducing the Japanese evolution of HOSHIN KANRI to approach product creation efficiently and with a collective mindfulness. The need to connect every contributor of a product of excellence, with each other individually and collectively is seen as being essential for providing a high-quality, high precision product.

Your company spares no expense in enhancing the skills of its employees to provide improved innovation and quality.

It is also seen that getting the entire team to work together recognising each other's roles and contribution would be the way forward to reach the rank of world leaders who provide creations of the highest quality.

NSEL has been increasingly intrigued by the immense possibility of Artificial Intelligence. Following a deeply instructive inhouse discussion to have an idea of how NSEL's work is likely to be impacted, a brave step was taken to introduce the same at the SYNAPSE conclave in Dubai in April 2025. The learning from this event is of significance as it is clear that NSEL has established with its customers that future of banking and finance software is safe in the knowledge gathered by NSEL of the impact Artificial Intelligence will have in this sector.

The Management looks forward to serving the industry with diligence and inspiration with an aim to render highest satisfaction.

S.M. Acharya

S.M. Acharya
Chairman, Nucleus Software



Message from the Managing Director & Co-Founder

Beyond Boundaries: Scaling New Heights, Creating Lasting Impact

This year has been one of resilience, agility, and transformation. We have strengthened partnerships, accelerated innovation, and redefined customer experiences.



As I look back on our journey, I am filled with immense gratitude - for the trust of our customers, the dedication of our people, and the impact we are creating on the financial ecosystem. Yet, I am even more energized by the road ahead.

At Nucleus Software, we are more than a company. We are a movement, a vision, and a relentless force for progress. As we expand our global presence, drive AI-powered financial solutions, and scale financial inclusion, our mission remains clear: to shape the future of finance with intelligence, responsibility, and purpose.

Empowering People, Driving Innovation

Technology is only as powerful as the people behind it. At Nucleus Software, we do not just invest in cutting-edge solutions, we invest in talent, learning, and a culture of innovation. Every Nucleite is empowered to think, create, and lead, driving ideas that disrupt industries and redefine possibilities.

Our commitment to Diversity, Equity & Inclusion (DE&I) fosters an environment where diverse perspectives fuel bold innovation. This inclusivity is our strength, making us more adaptive, forward-thinking, and resilient than ever before.

Beyond Business: Creating Meaningful Impact

Our success is not just measured in numbers-it is measured in the impact we create. Through Corporate Social Responsibility (CSR) and Environmental & Social Responsibility (ESR), we are building a more sustainable, inclusive, and digitally empowered world. Leveraging advanced technology, we make financial services more accessible, responsible, and transformative-ensuring that finance is a force for good.

Customer Centricity: The Core of Our Vision

At Nucleus Software, customer-centricity is our North Star. We do not just develop solutions; we co-create with our customers, ensuring our platforms are intuitive, hyper-personalized, and future-ready. Our strategic collaborations with global banks, fintechs, and industry leaders allow us to drive large-scale digital transformation that is both impactful and enduring.

A New Era of Global Financial Connectivity

We are proud to be a key player in the Global Financial Technology Network (GFTN) - a groundbreaking initiative that is transforming cross-border financial ecosystems. By facilitating seamless collaboration between regulators, banks, fintech firms, and technology providers, GFTN enables financial institutions to deliver secure, instant, and compliant digital lending and transaction banking solutions.

Shaping India's Digital Financial Future

As India accelerates towards a fully digitized financial ecosystem, Nucleus Software is at the forefront of this transformation. Viksit Bharat's vision of a connected, financially empowered nation is built on seamless, secure, and accessible financial services and we are proud to be an enabler of this vision. By aligning with national initiatives like Digital India, the Unified Lending Interface (ULI), and RBI's Digital Lending Guidelines, we are actively contributing to the evolution of financial inclusion.

Technology as a Catalyst for Growth

For over four decades, we have developed world-class financial technology on Indian soil, powering global lending and transaction banking. But our mission goes beyond software - it is about nation-building through innovation.
We believe technology must not only drive progress but uplift communities, bridge gaps, and create equitable access to financial services. Our vision is to ensure that every individual and business, regardless of size or location, has the financial tools needed to thrive.

A Future Built on Trust, Ethics, and Governance

Integrity, transparency, and accountability are the foundation of everything we do. At Nucleus Software, governance is not just about compliance - it is about setting new benchmarks in ethical leadership and sustainable business practices.

As we step into the next phase of our journey, our focus is clear:

- Expanding our global footprint with strategic partnerships.
- Harnessing AI and cloud-native solutions to revolutionize financial services.
- Strengthening financial inclusion through scalable, responsible innovation.
- Enhancing digital lending and transaction banking for the next generation of finance.

This is our moment. The opportunities ahead are limitless, and we are ready to seize them with boldness, agility, and an unyielding passion for innovation. Together, we will build, transform, and redefine what's possible.



Vishnu R. Dusad
Managing Director & Co-Founder,
Nucleus Software

Message from the CEO & Executive Director

Shaping the Future of Finance: Intelligent, Agile, and Impactful

The financial industry is experiencing an unprecedented shift - not just in technology but in expectations, experiences, and ecosystems.

At Nucleus Software, we are not just responding to change; we are orchestrating transformation. As trust, intelligence, and agility redefine financial services, our focus remains steadfast: creating intelligent solutions that drive real impact.

This year, we have redefined what's possible. Our AI-driven decisioning, cloud-ready platforms, and hyper-personalized banking solutions are enabling financial institutions to navigate complexity with clarity, turn speed into strategy, and transform data into decisive action. But technology alone is not our measure of success—it is the entrepreneurs we empower, the communities we uplift, and the seamless financial experiences we create.

Innovating with Purpose

"The best way to predict the future is to create it." – Peter Drucker

Innovation at Nucleus Software goes beyond technology - it is about delivering value. Our role is to enable financial institutions to serve better, grow faster, and operate with greater efficiency. We envision a future where finance is not only seamless and secure but also inclusive, intuitive, and deeply human.

A key milestone this year has been the successful General Availability (GA) releases of our products. These releases mark the beginning of a new era in intelligent banking—ensuring faster go-to-market, enhanced compliance, and an unmatched user experience. Each milestone reflects our commitment to ensuring that our customers remain ahead of the curve in an ever-evolving financial landscape.

Expanding Our Reach, Strengthening Our Presence

Our global expansion continues with Synapse, our flagship financial technology event in Singapore and India. This platform has become a hub for collaboration, bringing together banks, fintechs, and other stakeholders in the BFSI ecosystem to co-create next-generation financial solutions.

Additionally, our new office in Mumbai reinforces our presence in India's financial capital, bringing us closer to industry leaders and top-tier talent. With new sales leadership for the ANZ and SEA markets, we are strengthening our international footprint and building deeper partnerships.

Beyond conventional offerings, we have introduced specialized solutions, including Shariah-compliant Islamic banking, auto finance innovations, and lending enablement for underserved markets. These initiatives reflect our unwavering focus on delivering cutting-edge financial technology that drives meaningful change.



Operational Excellence: Our Foundation for Growth

Our success is built on a foundation of operational excellence. With Hoshin Kanri, Lean Engineering, ATDD (Acceptance Test-Driven Development), and CI/CD (Continuous Integration/Continuous Deployment), we have achieved faster deployments, superior software quality, and near-zero downtime.

As the financial industry navigates a rapidly evolving regulatory and cybersecurity landscape, we are investing in responsible AI, compliance, and cyber resilience to ensure financial institutions operate with confidence and agility.

Looking Ahead: Our Vision for the Future

As we enter the next phase of our journey, our focus is clear:

- Expanding our global reach by strengthening partnerships in key markets.
- Accelerating digital transformation with AI-driven, cloud-native, and hyper-personalized solutions.
- Enhancing customer experience by making financial services more intuitive, secure, and accessible.
- Investing in innovation to build solutions that anticipate future needs, not just solve present challenges.

At the heart of everything we do is our incredible team - driven, visionary, and deeply committed to our customers. Their passion ensures that we don't just deliver solutions, but build lasting partnerships.
I extend my deepest gratitude to our shareholders, customers, and partners. Your trust fuels our relentless pursuit of excellence. The road ahead is one of boundless opportunities, and together, we will continue to redefine financial technology with intelligence, agility, and impact.

Parag Bhise

Parag Bhise
CEO & Executive Director,
Nucleus Software

Beyond Boundaries: Smarter Solutions, Stronger Impact

Secure & Sustainable Solutions for a Better Tomorrow

In FY 2024–25, Nucleus Software reaffirmed its position as a catalyst for financial transformation across the globe. In an era where technology alone is no longer enough, we delivered solutions with strategy - smarter, faster, secure, and sustainable.

> Aligned to our theme, "Beyond Boundaries: Smarter Solutions, Stronger Impact", we broke new ground – empowering financial institutions to reimagine lending, payments, and transaction banking, while enabling inclusion, innovation, and resilience at scale.



At a time when banks must do more with less and do it faster, safer, and smarter - we emerged as trusted transformation partners to over 200 financial institutions across 50+ countries.

Whether it's enabling a micro-loan in Africa or powering embedded finance in Asia, our platforms are designed not just to perform but to make a difference.

Enabling Impact at Scale

METRIC	FY 2024–25
Revenue	₹832.3 crore
EBITDA	₹167.6 crore
PAT	₹163.0 crore
EPS	₹61.4
Clients	200+ across 50+ countries
Debt	Zero



Smarter Solutions: Innovation that Delivers

Our solutions, FinnOne Neo® and FinnAxia®, are built with agility at their core - powered by AI, ML, and next-gen architecture. In FY 2024–25, we delivered over 150 product enhancements, backed by strong engineering fundamentals like CI/CD, ATDD, and DevSecOps. The result? Smarter platforms, shorter release cycles, and meaningful customer outcomes.

Enabling Impactful Outcomes

- Reduced TAT for loan approval: From days to 1 hour
- 60% faster time-to-market for new product launches
- 35% increase in cross-sell and up-sell opportunities
- 90% pull-through rate achieved through intelligent automation
- 30% rise in loan collection efficiency
- 10% increase in Promise-to-Pay (PTP) conversions
- Rapid Go-to-Market for new digital and embedded finance offerings

By adopting Lean principles and Hoshin Kanri goal alignment across the organization, we boosted delivery velocity by 40% - accelerating outcomes without compromising on quality. Cross-functional teams worked in lockstep with strategic objectives, turning long-term vision into short-term, measurable wins.

Platform Performance at a Glance

$15 trillion+
Value of yearly transactions managed

26 million+
Transactions processed per day

$1.2 trillion+
Loans managed annually

500,000+
Daily platform users

Global Digital Transformation: A Strategic Imperative

The global financial landscape is undergoing a profound digital transformation, reshaping how institutions operate and deliver services.

Key trends include:

Digital Banking Growth: The digital banking market is projected to reach $22.3 trillion by 2026, with 3.6 billion users globally by 2025. In the U.S., 68% of transactions are expected to be digital by 2025.

Fintech Investment Trends: Global fintech investment fell to a seven-year low of $95.6 billion in 2024, influenced by macroeconomic challenges and geopolitical tensions. Despite this, the sector remains resilient, with a projected CAGR of 23.58% from 2021 to 2028.

AI Integration: Over 60% of banks worldwide have integrated AI and ML technologies into their operations, enhancing efficiency and customer experience.

Cloud Adoption: 55% of banks plan to migrate core banking systems to the cloud by 2025, aiming for scalability and flexibility.

Digital Lending Expansion: The global digital lending market is anticipated to exceed $17.56 trillion by 2026, driven by increased adoption of digital platforms and services.

These trends underscore the urgency for financial institutions to embrace digital transformation to remain competitive and meet evolving customer expectations.

Progress through Partnerships and Global Collaboration

This year, our purpose-led progress was amplified through global strategic engagements. At the heart of our success lies collaboration - with customers, governments, industry bodies, and diplomatic allies:

Hosted His Excellency Mr. Sibi George, Ambassador of India to Japan - strengthening Indo-Japan fintech partnerships

Engaged with CII-led delegations from the United States and Mauritius on responsible fintech, ESG-aligned digitization, and financial inclusion

Led international collaboration dialogues with New Zealand through our MD & Co-founder Mr. Vishnu R. Dusad and CEO & Executive Director Mr. Parag Bhise - expanding the global footprint of Indian fintech innovation.

These partnerships reflect our growing global influence - not just as a platform provider, but as a thought leader in secure, inclusive, and future-ready finance.

Sustainable. Secure. Scalable.

In a world marked by rising cyber risks and ESG urgency, we continued to embed sustainability into our platforms, from architecture to outcomes.

Security & ESG Highlights

- Adhered to ISO 27001, GDPR, and DevSecOps frameworks
- Reduced data center carbon impact through virtualization and optimization
- Enabled ESG-linked loan products and fully digital workflows
- Supported global clients in achieving green finance compliance



Aligned with UN SDG Goal 8 (Decent Work and Economic Growth), our platforms became enablers of inclusive prosperity - especially in underserved markets.

Looking Ahead: A Future Fueled by Purpose

As digital finance evolves, so do we - moving from disruption to direction.

Strategic Focus Areas for FY 2025–26:

- Responsible AI to power conversational banking and credit decisioning
- Composable platforms and open finance APIs for rapid integration
- Embedded finance models across marketplaces, ERP systems, and digital apps
- Sustainable engineering and Lean DevOps for long-term agility

With every sprint, release, and global collaboration, we're setting the pace for tomorrow - responsibly, securely, and with enduring purpose.

Conclusion: Progress Without Limits

FY 2024–25 was a year of bold growth, deeper impact, and strategic clarity. Our journey, driven by customers and guided by purpose, shows what's possible when innovation meets intent. From enabling $15 trillion+ in transactions to transforming lives through digital credit - we are building a better tomorrow, today.

Let's continue to go beyond boundaries - together.

Board of Directors



Mr. S.M. Acharya

Chairman & Non-Executive, Independent Director

M M M C



Mr. Vishnu R. Dusad

Managing Director and Co-founder

M M



Mr. Parag Bhise

Chief Executive Officer and Executive Director

M M



Dr. Ritika Dusad

Executive Director

M M

BOARD COMMITTEES

M Member C Chairperson

Audit Committee

Nomination & Remuneration / Compensation Committee



Mrs. Yasmin Javeri Krishan

Non-Executive, Independent Director

C M M M



Mr. Shekar Viswanathan

Non-Executive, Independent Director

M C M M



Mr. Prakash Chandra Kandpal

Non-Executive, Independent Director

M C M C



Mr. Anurag Mantri

Chief Operating Officer and Executive Director

M

C – Corporate Social Responsibility Committee
M – Risk Management Committee
M – Stakeholder Relationship Committee

Performance at a Glance

Revenue

$ 98.35 Mn

₹ 832.3 Cr

Earnings Per Share

$ 0.73

₹ 61.4

Net Worth

$ 95.28 Mn

₹ 814.2 Cr

Profit Before Tax

$ 25.89 Mn

₹ 219.1 Cr

Profit After Tax

$ 19.26 Mn

₹ 163.0 Cr

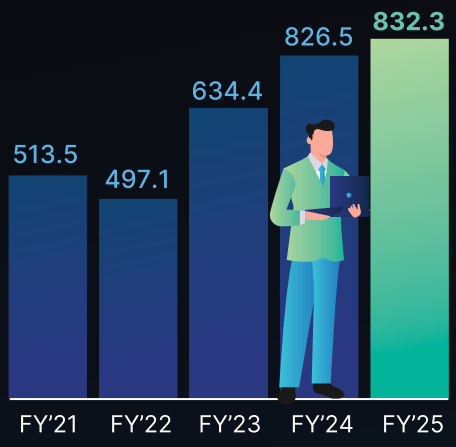
Operating Profit (EBITDA)

$ 19.81 Mn

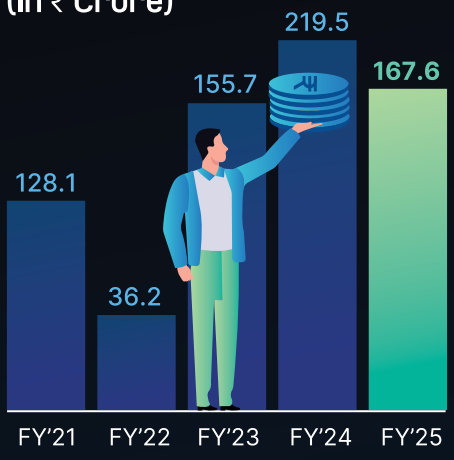
₹ 167.6 Cr



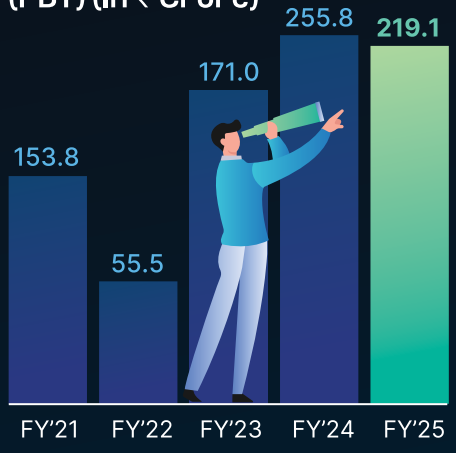
Revenue (In ₹ Crore)



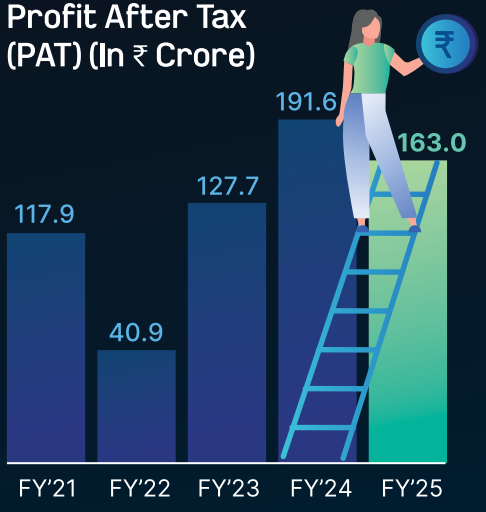
Operating Profit (EBITDA) (In ₹ Crore)



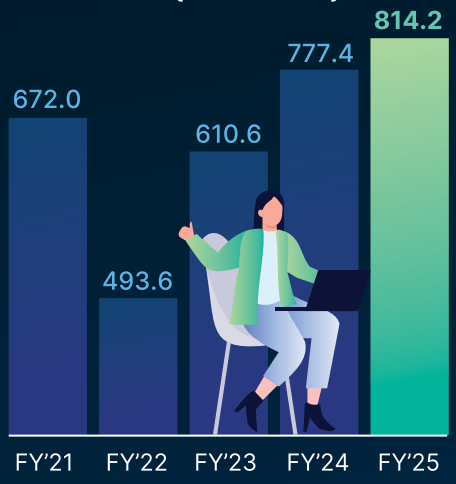
Profit Before Tax (PBT) (In ₹ Crore)



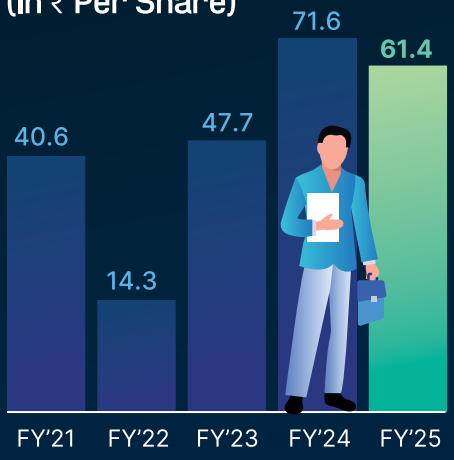
Profit After Tax (PAT) (In ₹ Crore)



Net Worth (In ₹ Crore)



Earnings Per Share (In ₹ Per Share)



Key Innovations Achieved So Far

Transforming the Lending Ecosystem with Proven Solutions

AI/ ML

We expanded our capabilities in Intelligent document handling with notable progress in precision of our Document Blur Detection and accuracy of our Document Classification systems.

Key Benefits:

- **Faster Processing Time:** Early detection of blurry documents reduces lead rejection rates.
- **Improved Accuracy:** Reduces delays and enhances document verification.
- **Enhanced Customer Experience:** Ensures quick, reliable processing for loan or account applicants.
- **Reduced Human Intervention:** Minimizes the need for manual classification, lowering operational costs.
- **Enhanced Accuracy:** Ensures consistent and accurate categorization of documents.

These features not only optimize the experience for customers but also empowers bank employees at the lead generation stage, enhancing overall efficiency.

Technology-Stack Upgrade

Nucleus is strategically advancing a robust technology stack modernization initiative to future-proof our digital infrastructure and accelerate innovation. This transformation is focused on enhancing system performance, ensuring seamless scalability, and enabling real-time data capabilities.

By embracing next-generation technologies and modern development enhancements, Nucleus is optimizing operational efficiency, driving product agility, and delivering resilient, high-performance solutions.

These forward-looking investments reflect our commitment to technical excellence, long-term value creation, and sustained competitive advantage for our clients, partners, and stakeholders.



ATDD

To accelerate product releases, eliminate defects, and automate product testing, we have implemented Acceptance Test-Driven Development (ATDD) across our product development lifecycle. This strategic shift has delivered measurable improvements of product quality, agility and delivery efficiency.

Regulatory

In alignment with RBI mandates and regulatory requirements across the globe, FinnOne Neo® continues to evolve with compliance-driven enhancements that ensure transparency, operational efficiency, and risk mitigation. Nucleus is committed to delivering these updates to customers in a timely manner, backed by a dedicated regulatory team that ensures all global and local regulatory needs are effectively addressed.

Islamic Finance

FinnOne Neo® Islamic Finance in GA 8.0 offers Shariah-compliant, ethical financing solutions tailored for global markets such as Murabaha, Ijarah, Commodity Murabaha (Tawarruq) and Istisna. These solutions are structured as asset-backed lending and leasing mechanisms, tailored to meet diverse customer needs while strictly adhering to Islamic principles.

FinnOne Neo® Islamic Finance is a comprehensive suite of retail financing solutions - including personal finance, home finance, and auto finance - fully aligned with Islamic principles. By eliminating all interest-based elements (Riba), these offerings promote equitable financial inclusion and contribute to the development of a robust, Shariah-compliant financial ecosystem.

Strategic Launch of Payout Module

Payout Management System helps compute incentives and commissions for agencies and business partners working within a financial institutions network. The system is designed to increase efficiency and productivity by automating the process of computing eligible commissions. It is a comprehensive, cost-effective, and customizable system that meets the needs of any lending organization and helps its business succeed.



Key Upcoming Innovations

Shaping the Future of the Lending Ecosystem

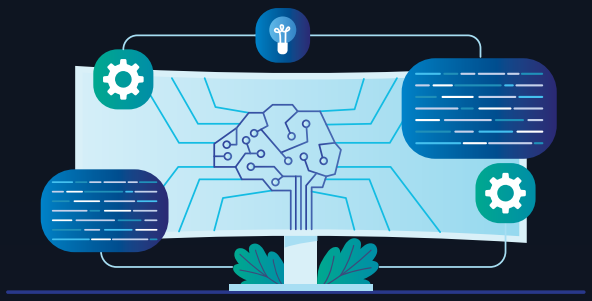
Co-Lending

Co-lending is currently a key focus in the lending industry, and Nucleus Software is actively developing a co-lending feature within FinnOne Neo®.



Extensive market research, including discussions with multiple potential customers and internal brainstorming sessions, has guided its development.

Key Ongoing R&D in AI/ML: Driving Continuous Innovation in the Lending Ecosystem



Moving ahead, our strategic roadmap emphasizes the integration of Generative AI & Natural Language Processing aiming to unlock new levels of automation and personalized customer experiences.

> We are engineering the future of finance - where platforms are not just built to scale, but to evolve. By harnessing the power of data, leveraging AI, adopting cloud-first design, and embedding real-time intelligence, we're creating systems that continuously learn, adapt, and respond - transforming technology into a dynamic enabler of innovation in tomorrow's financial world.

Mukesh Bangia
Vice President – Neo PMG

PCI DSS Compliant



Nucleus Software is actively aligning with PCI DSS compliance to enhance the security of environments that store, process, or transmit cardholder and sensitive authentication data, and will achieve data masking and encryption as part of this compliance initiative.

Additionally, we are actively working on adapting PII compliance to further strengthen data privacy and protection.

In line with PCI Council, all secrets and encryption keys are being moved out of applications and integrated with secure key management systems.

This initiative applies not only to systems directly handling card data but also to environments that can impact its security, including those with outsourced payment operations.

The Next Frontier in Global Financial Technology

With innovation and precision at scale, we are transforming global lending and transaction banking, keeping financial enterprises ahead in a rapidly evolving world.

Intelligent Solutions for the Digital Age

FinnOne Neo®
AI-Enabled Digital Lending for a Seamless Customer Experience

FinnAxia®
Intelligent Transaction Banking for a Connected World

Digital Services
Agile, Scalable Solutions for Modern Financial Institutions



FinnOne Neo®

AI-enabled Digital Lending Platform

FinnOne Neo® revolutionizes end-to-end digital lending for financial institutions, delivering superior product selection, enhanced efficiency, reduced costs, minimized errors, and increased margins – all adding up to maximized portfolio performance, driving growth and success.

With over 40 years of global lending experience, FinnOne Neo® offers unparalleled value by being the only solution that truly understands the intricacies of lending. With over 540+ ready APIs, it seamlessly integrates all your lending processes.

The recent GA 8.0 marks the achievement of our 18th released version till date. In today's fast-paced, technology-driven financial ecosystem, Artificial Intelligence (AI) and Machine Learning (ML) are revolutionizing the way financial services operate. With their ability to drive efficiency and foster innovation, these technologies are becoming essential to the industry. As part of GA 8.0, FinnOne Neo® has integrated powerful AI/ML capabilities aimed at improving operational efficiency and customer experience.

Key AI/ML Features in FinnOne Neo® GA 8.0

Blur Detection API: Enhancing Document Quality

The Blur Detection API automatically identifies blurry documents, streamlining the document verification process. Upon upload, documents are quickly flagged as either "Pass" or "Fail," allowing banks to filter out unusable images at the earliest stage.

Document Classification API: Streamlining Document Organization

Leveraging AI, the Document Classification API automates the categorization of various documents, including identification documents. This AI-powered solution eliminates manual errors and enhances operational efficiency.

Harnessing Artificial Intelligence: Unlocking the Future of Finance with FinnOne Neo® GA 8.0

In today's fast-paced, technology-driven financial ecosystem, Artificial Intelligence (AI) and Machine Learning (ML) are revolutionizing the way financial services operate. With their ability to drive efficiency and foster innovation, these technologies are becoming essential to the industry. As part of GA 8.0, FinnOne Neo® has integrated powerful AI/ML capabilities aimed at improving operational efficiency and customer experience.



FinnOne Neo® Product Suites

Customer Acquisition System (CAS)

Our Loan Origination system is a robust solution designed to oversee the entire loan lifecycle, from customer onboarding to loan disbursals, allowing for easy scalability and accelerated growth. The solution makes Lending Agile, Scalable, and Transparent, unlocking new opportunities for expansion and profitability.

Loan Management System (LMS)

FinnOne Neo® Loan Management System simplifies and enhances loan management, transforming financial institutions lending business into an efficient, customer-centric operation. Discover a gateway to advanced loan servicing capabilities designed to elevate customer experience and streamline operations.

With FinnOne Neo® LMS, manage the loan servicing lifecycle, launch tailored products swiftly, reduce time-to-market, enhance productivity, and improve service across channels—all while ensuring superior risk management.

Collections

A next-gen solution that empowers financial institutions with extensive collection strategies and an automation-ready framework. FinnOne Neo® Collections supports end-to-end customer follow-up activities and communication. It is highly configurable and customer-centric, requires zero manual intervention, and provides the collection team with a 360-degree customer exposure view.

Sales Assist

A digital loan / card sourcing front end web channel module used by sales staff for complete application entry, triggering credit checks through fintech integrations, getting eligibility/serviceability, offers and status of loan application, query module, loan calculators, packaged and split loans, multiple LOB support with business flow orchestration and intelligent dashboard.

Lines of Business (LOB) Supported by FinnOne Neo®

- Retail Lending
- Corporate Lending
- SME Lending
- Automotive Finance
- Captive Automotive Finance
- Islamic Finance
- MicroFinance



Transforming Global Lending

- **2700+** Lending Variants in use
- **178** Global Customers are using the system for Personal Loan LOB
- **91** Corporate Loan LOB in use
- **49** Home Loan LOB in use
- **30** Rural Growth Loan LOB in use
- **24** Credit Card LOB in use
- **16** Automotive Loan LOB in use



Collateral Management System (CMS)

FinnOne Neo® Collateral Management System is a robust and scalable solution designed to manage the complete collateral lifecycle across all financial institution platforms. Acting as a centralized repository, it provides users with a comprehensive view of all collaterals, serving as the single source of truth for collateral data.

With a 360-degree view of collaterals, the system integrates seamlessly with various external systems including loan origination, servicing, and collections through built-in APIs. This integration ensures a seamless user experience, allowing for process standardization that reduces turnaround time (TAT) and enhances control across different platforms.

Enterprise Content Management (ECM)

The solution is designed to streamline document management and processing for enterprise operations. Its intuitive, workflow-based processing ensures ease of use, making operations more efficient.

FinnOne Neo® Enterprise Content Management can seamlessly integrate with existing applications or function independently as a powerful document management tool. It enhances operational efficiency by managing, storing, archiving, and indexing documents effortlessly. Capable of handling documents from various sources, it maintains a consistent workflow, simplifying the entire document processing cycle.

Portal: eApply and eServe

The FinnOne Neo® Internet Channel suite provides web-based applications for customer self-application (eApply) and customer self-service (eServe).

Mobility Apps: mCAS, mApply, mCollect & mServe

The FinnOne Neo® Mobility suite is a portfolio of mobile solutions aimed at digitizing various lending business processes – loan origination by field staff (mCAS), loan origination by prospect customers (mApply), loan self-servicing (mServe), & field collection management (mCollect). The suite offers functional areas for use by end customers and by staff of banks and finance companies.

The Ultimate Digital Lending Experience

Multi-Channel / Omnichannel Banking – Offer loans via web, mobile, WhatsApp & wearables.

Zero Paperwork – Digitized onboarding and document processing.

Cloud & On-Premise Ready – Scalable, secure, and future-proof.

Seamless API Integrations - 540+ ready APIs to connect with your ecosystem effortlessly.

Core Modules and Capabilities

A Lending Platform for Every Need

Retail & Personal Loans
Seamless loan origination, disbursal, and servicing for retail customers.

Corporate & SME Lending
Streamlined credit assessment and risk management for businesses.

Auto & EV Finance
Digital financing solutions tailored for traditional and electric vehicles.

Islamic Banking
A fully Shariah-compliant lending solution for the $2.2 trillion Islamic finance market.

Microfinance
Digital inclusion for underserved markets with AI-driven credit decisions.



Enabling Impactful Outcomes

- Reduced TAT for Loan Approval Process - from days to an 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 PTP
- Faster Go-to-Market for new business offerings

FinnOne Neo® Retail Lending – End-to-end digital transformation

Nucleus Software is shaping the future of retail lending with its globally acclaimed, award-winning platform, 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, Google home, wearable devices and voice instantly
- Supports both Cloud and on-premise deployments

FinnOne Neo® Corporate Lending – Enhanced Agility via Digitizing SME and Corporate Lending

FinnOne Neo® Corporate is designed to ensure financial institutions and banks stay customer centred. Our Corporate Lending solution supports multi-branch, multi-product and multi-lingual implementations.

FinnOne Neo® Corporate Lending Solution allows Financial Institutions to:

- **Unlock Growth –** enabling quick and easy creation of new products within multiple lines of businesses.
- **Handle Complex Products –** integrated and global approach within corporate and SME lending.
- **Achieve Business Agility -** a one-stop solution for all SME & Corporate lending driven by best-in-class roadmap practices.
- **Stay Ahead with an advanced technology platform -** Cloud ready, Scalable, Secure & Available with a Strong API layer.

FinnOne Neo® Automotive Finance– An End-to-end 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 disbursals, offering an adaptable framework for accelerated growth, expanded horizons, and heightened profitability.

Manage Dealership Network & Relationships Efficiently. Enhanced product designed to cater equipment, automobile, EVs, and charging station financing needs.

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. The system supports risk-based pricing strategy and provides Integrated support for Residual Value calculations.

FinnOne Neo®for Islamic Finance – Interest Free Banking Governed by Shariah Principles

Islamic Finance holds a significant share in the global banking space. Nucleus Software has been at the centre of innovation in Islamic Finance for the last two decades. 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.

The solution provide seamless Shariah compliant banking experience to end customers and help offer tailored products rapidly, across every channel at an optimised cost.

FinnAxia®

Integrated Transaction Banking Suite

Overview and Value Proposition

FinnAxia® is an advanced, modular transaction banking platform that redefines how financial institutions serve their corporate clients.

Designed to support the entire transaction banking spectrum – including receivables, payments, liquidity, supply chain finance, and trade finance – FinnAxia® delivers unmatched agility and scalability. It empowers banks to begin with what they need today and expand at their pace, module by module.

FinnAxia® provides a clear value proposition: to enable banks to operate with precision, create compelling client experiences, increase revenue potential, and control risk proactively.

Standardized workflows improve turnaround time and reduce dependency on manual processes. A unified omnichannel interface ensures a consistent and intuitive experience for end users.

With dynamic pricing and advanced billing engines, banks can monetize services intelligently while maintaining compliance and visibility across all client transactions.

Core Modules and Capabilities

Global Receivables Management

Accelerating collections and simplifying reconciliation. Through virtual account structures and real-time dashboards, banks can offer corporate clients a clearer picture of incoming funds across payment sources. Automation reduces manual workload and speeds up cash application.

Global Liquidity Management

Provides corporate treasuries with real-time insights into group-wide cash positions. Through automated sweeps, balance forecasting, and notional pooling, corporates can maintain optimal liquidity without operational disruptions across time zones.

Global Payments

Ensuring seamless management of both domestic and international transactions, it supports high-volume processing with real-time payment tracking, multi-currency handling, and ISO20022 and AML compliance. Features like dynamic currency conversion and instant settlement help banks offer differentiated value.



E-FSCM (Financial Supply Chain Management)

Strengthens financing processes across the supply chain by supporting supplier onboarding, invoice discounting, PO financing, and distributor funding. It transforms working capital management from a static function to a dynamic, data-led process that balances cost, risk, and liquidity.

EBPP (Electronic Bill Presentment and Payment)

Brings efficiency and flexibility to billing. It enables banks to support corporates with e-invoice delivery, diverse payment modes, auto-reconciliation, and a self-service portal that reduces dependency on bank staff.

Trade Finance

Digitizes the full trade lifecycle, including Letters of Credit, Bank Guarantees, Open Account Trade, and Documentary Collections. A centralized dashboard ensures faster processing, reduces paperwork, and improves customer responsiveness.

Virtual Account Management (VAM)

Enables corporates to rationalize account structures and streamline reconciliation. With VAM, banks can offer account-level granularity without physically opening new accounts, improving control and visibility over fund flows.

Key Integrated Capabilities

FinnAxia® offers unified access across web, mobile, API, email, and file services.

The Product Workbench lets banks design and deploy new offerings without IT bottlenecks. Real-time MIS dashboards deliver actionable insights to both banks and corporate treasuries.

New Capabilities in GA 8.6

Multifactor Authentication

Strengthens login and transaction security with layered authentication, protecting against unauthorized access.

Beneficiary Limits Tracking

Allows corporates to set daily and maximum limits for beneficiaries, enabling tighter control over payment activity.

Beneficiary Validation – NRE Flag

Ensures compliance for NRE transactions through automated validations and restrictions.

Improved Client Experience

- **Free Format Payments**
  Supports flexible payment formats to accommodate diverse corporate needs and reduce manual handling.
- **Email Notification**
  Sends automated alerts on payment status, improving transparency and reducing follow-ups.
- **Corporate Advice Generation**
  Enables clients to download payment advice directly from the portal for easy sharing and faster communication.
- **Account Statement Delivery**
  Automates statement delivery across multiple formats and channels for timely access.
- **Profile Switch**
  Simplifies navigation between multiple corporate profiles, enhancing user convenience and productivity.



Enhanced Operational Capabilities

Configurable Reverse MIS

Delivers real-time, automated visibility into uploaded payment files for better tracking and decision-making.

Statutory Payments

Delivers real-time, automated visibility into uploaded payment files for better tracking and decision-making.

Grievance Redressal

Provides a structured, responsive system for resolving client issues promptly.

DPSC – Grievance & Dispute

Facilitates compliant resolution of Digital Payment Service Charge disputes with comprehensive tools.

Value to Banks and Corporates

FinnAxia® delivers measurable impact to both banks and their corporate clients.

For banks, the platform reduces operational costs through automation and standardized workflows. It enables revenue growth via dynamic pricing and tailored offerings using the Product Workbench. Real-time monitoring, compliance tools, and beneficiary-level controls enhance regulatory alignment and risk management.

With its modularity, banks can differentiate their services and respond faster to changing market needs. Banks using FinnAxia® also gain a competitive edge by being able to offer comprehensive transaction banking solutions without prolonged implementation cycles for their corporate clients. By consolidating operations on a single platform, they improve IT manageability and long-term scalability.

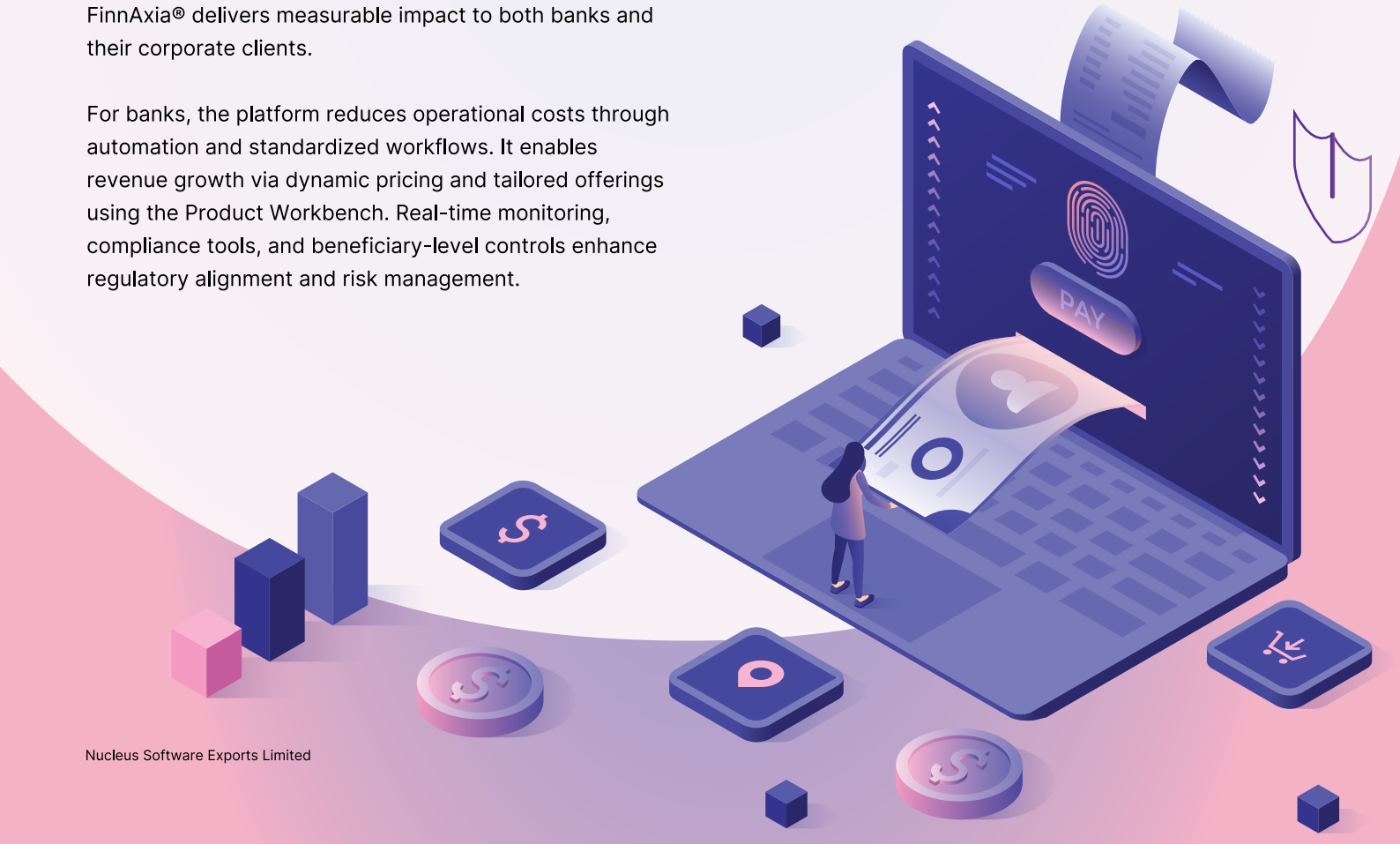
Corporate clients benefit from streamlined operations, faster transaction processing, and improved working capital efficiency.

Real-time dashboards, automated reconciliation, and cash visibility across global operations give treasuries the tools to make informed decisions. Risk is reduced through secure workflows, defined transaction limits, and audit-ready reporting.

Global corporations particularly benefit from FinnAxia®'s ability to standardize treasury operations while adhering to local compliance and payment formats.

In Summary

FinnAxia® simplifies operations, reduces risks, unlocks liquidity, and enhances both the bank's service capability and the corporate's financial agility.



Nucleus Software Digital Services

Offers banks and financial institutions a holistic approach to digital transformation, playing a crucial role in enabling organizations to deliver seamless customer experiences, operational and cost efficiencies, and actionable insights.

This division leverages a broad spectrum of disruptive digital services including Cloud Services, Application Modernization, Data Engineering, Virtualization & Analytics, Robotic Process Automation (RPA), Infra Services, and more.

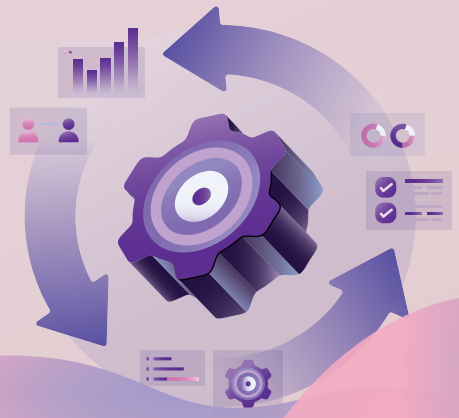
It has been highly active in delivering solutions across Modern Banking, Self Service Onboarding Capabilities, Straight Through Processing, Data Virtualization, Data Modelling, RPAs, Chatbots, Machine Learning, among others - along with bespoke services tailored for enterprise-level solution implementations.

The Digital Services wing has operations in India, Southeast Asia, Japan, Middle East, and Europe focussing on:

- Data Engineering & Analytics
- Application Modernization
- Cloud Services
- Infra Services

Enabling impactful outcomes

- 5 Year TCO of $21 million
- 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.





Pushing Boundaries, Earning Recognition

Honored by Gartner and Forrester for Innovation in Cash Management and Loan Origination

> We are proud to be recognized by two of the most influential research and advisory firms in the industry: Gartner and Forrester.

These recognitions highlight our commitment to delivering innovative solutions that drive success for our customers.

Forrester Recognition

The Cash Management Solution Landscape

Forrester's comprehensive report on cash management solutions positions us as a key player in this dynamic landscape.

This recognition underscores our strength in providing advanced and effective solutions that support businesses in optimizing cash management operations.

Gartner Recognition

2024 Market Guide for Commercial Loan Origination Solutions

Gartner's 2024 Market Guide for Commercial Loan Origination Solutions acknowledges our platform's robust capabilities in streamlining and enhancing the loan origination process. This recognition reflects our ability to meet the evolving demands of commercial banking institutions.

Market Guide for Commercial Banking Cash Management

Our inclusion in Gartner's Market Guide for Commercial Banking Cash Management reinforces our leadership in the field. It highlights our innovative cash management solutions that empower financial institutions to efficiently manage liquidity, improve cash flow, and support business growth.

These prestigious recognitions affirm our position as a leader in the industry, driving continuous innovation and providing valuable solutions to our customers. We are excited to continue building on this success and delivering exceptional results.



Leadership in Focus: From Boardrooms to Broadcasts

Business Today Banking & Economy Summit 2025

In a defining moment for Nucleus Software, our Managing Director and Co-founder, Vishnu R. Dusad, was invited to participate in the Business Today Banking & Economy Summit 2025, a prestigious gathering of India's most influential financial leaders and innovators. Held under the theme "Rewiring Banks: Emergence of the Digital Beast," the event spotlighted the profound impact of digital transformation on the banking ecosystem.

During the high-powered panel discussion, Mr. Dusad shared compelling insights on the future of fintech, the evolving role of AI and emerging technologies, and how traditional banking institutions must embrace innovation to stay relevant in an increasingly digital world.

His contributions resonated with the central narrative of the summit - that digital disruption is no longer optional; it's foundational.

In a rapidly evolving digital landscape, financial institutions need more than just technology-they need a trusted digital transformation partner. Nucleus Software's long-standing experience in building mission-critical lending and transaction banking platforms uniquely positions us to help banks reimagine customer journeys, drive operational efficiency, and deliver real-time, intelligent financial services.

We combine 40 years of domain leadership with a future-ready approach to product development, incorporating AI, ML, API-led architectures, and cloud-ready platforms.

Our participation in this prestigious forum underscored our commitment to shaping the next generation of digital banking, where innovation meets trust, scale meets speed, and intelligence drives impact. This participation was not only a testament to Nucleus Software's industry standing but also a celebration of our thought leadership and commitment to shaping the future of banking.

Looking Ahead

Our presence and active participation in such high-impact forums underline our strategic vision - to be at the forefront of digital transformation in global banking. Events like the Business Today Summit reinforce our belief that collaboration, innovation, and leadership are the pillars of progress.

We remain committed to pushing the boundaries of what's possible in fintech, helping our clients navigate digital disruption with confidence, and enabling them to build the next-generation financial ecosystems.



Banking Transformation Summit 2.0

Bharat's Banking Roadmap for the Future

Presented by Nucleus Software and CNBC TV18

Setting the Stage

Banking Bharat's Ascent

On August 30, 2024, at Taj Lands End, Mumbai, Banking Transformation Summit 2.0 convened the best minds across India's banking and financial ecosystem. Building on the inaugural edition's focus on achieving a $5 trillion economy, this year's summit addressed a bold new vision — enabling India's rise to a $10 trillion economy by 2047.

Against a backdrop of robust growth, regulatory evolution, and digital disruption, the summit sparked critical conversations around sustainable development, financial inclusion, and technology-driven transformation.

Keynotes that Mapped the Future

Strengthening the Foundations: J. Swaminathan, Deputy Governor, RBI

In his powerful keynote, "Transforming Financial Landscapes: Building Resilience for Economic Stability," Swaminathan emphasized:

- **Evolving Banking Models:** Traditional banking is being reshaped by innovation, demanding adaptability and regulatory foresight.
- **Financial Sector Resilience:** Sound financial institutions are central to sustaining economic expansion.
- **RBI's Enabling Role:** Through initiatives like the Regulations Review Authority 2.0, Innovation Hubs, and Regulatory Sandboxes, RBI fosters innovation while ensuring systemic safety.
- **Guardrails, not Roadblocks:** Regulation is not a barrier to innovation but a foundation for responsible growth.

> Innovation must thrive, but within well-designed guardrails that protect the broader financial ecosystem.

Fireside Chats: Wisdom from Banking Titans

Navigating Transformation: Dinesh Kumar Khara, Chairperson, SBI

In a candid conversation with CNBC-TV18's Shereen Bhan, Mr. Dinesh Kumar Khara reflected on:

- **SBI's early bets** on digitization and centralized banking systems.
- **Strategic Consolidation:** Mergers must add value - not merely scale.
- **Future Outlook:** Growth sectors like renewable energy and manufacturing will define India's economic trajectory.
- **AI in Banking:** SBI's collaboration with IIT Bombay is pioneering AI/ML use cases across risk modeling and customer service.

> Technology has changed banking forever - and we are leading that change with responsibility and innovation.



Future-Proofing Federal Bank

Shyam Srinivasan, CEO, Federal Bank

- **Transformation Journey:** Federal Bank's business has grown sevenfold under Srinivasan's leadership.
- **Smile Pay Innovation:** Using facial recognition for deviceless transactions, taking "DigiYatra" into banking.
- **Leadership Philosophy:** Inspired by Rahul Dravid - consistency, resilience, and humility.

> "Banking must be predictable and boring – that's where true strength lies."

Panels that Sparked Critical Conversations

Filling the Credit Gap to Fuel Growth

Panelists:
A.K. Tiwari (SBI), Prashant Kumar (Yes Bank), Ashok Vaswani (Kotak Mahindra Bank)

Key insights:

- **Deposit Growth Challenges:** Deposit growth lags credit growth; managing liquidity will be crucial.
- **Branch Evolution:** Digital banking is dominant, but physical branches still inspire depositor trust.
- **Bond Market Development:** A mature corporate bond market is essential to fund India's infrastructure ambitions.

> If we aim for a $10 trillion economy, credit growth must consistently exceed 15%.
>
> - Prashant Kumar

Smart Lending in Tightened Regulatory Conditions

Panelists:
Raul Rebello (Mahindra Finance), Y.S. Chakravarti (Shriram Finance), Jairam Sridharan (Piramal Capital), Aseem Dhru (SBFC Finance)

Key takeaways:

- **Funding Access Inequity:** Smaller NBFCs face funding hurdles, unlike their higher-rated counterparts.
- **Urban vs Rural Credit Health:** Stress observed in urban SMEs, while rural sectors remain relatively resilient.
- **Credit Risk Watch:** Consumer credit is rising faster than incomes, demanding stricter underwriting.

Fintech Race for Bharat

Panelists:
Lizzie Chapman (Swiffylabs), Srinivasu MN (BillDesk), Shinjini Kumar (Salt), Anand Kumar Bajaj (PayNearby), Kunal Shah (Cred)

Highlights:

- **Tailored Solutions for Bharat:** One-size-fits-all fintech models will not work; deep local understanding is key.
- **Financial Inclusion beyond Income:** Empowering women and marginalized groups is crucial.
- **Regulatory Collaboration:** Strong, collaborative guardrails are necessary to enable responsible innovation.

> Financial services must respect Bharat's realities – simplicity, trust, & accessibility.
>
> - Anand Kumar Bajaj



Nucleus Software's Vision: Shaping the Future of Banking

In his closing address, Parag Bhise, CEO & Executive Director of Nucleus Software, reinforced the company's unwavering commitment:

Empowering Financial Inclusion: Leveraging technology to make credit and financial services accessible to every citizen.

Building Resilient Systems: Partnering with banks to future-proof operations against emerging risks.

Driving Innovation: Continuing to lead with solutions like FinnOne Neo® and supporting India's digital transformation journey.

> The journey to Bharat@100 is underway - and banking transformation lies at its heart.

Closing Note

The Banking Transformation Summit 2.0 served not just as a platform for discussion, but as a catalyst for collective action.

As India advances towards its ambitious future, the partnerships and insights forged at this summit will pave the road for a more inclusive, innovative, and resilient banking ecosystem.















Sustained Partnerships, Shared Success

Empowering Growth and Innovation

At Nucleus Software, we are committed to nurturing enduring partnerships that drive digital transformation, foster innovation, and create long-term value. Our strategic collaborations with key clients such as United Finance Company (UFC), United Overseas Bank (UOB), and National Finance Company (NFC) stand as powerful examples of how shared vision and cutting-edge technology can transform the financial services landscape.

United Finance Company (UFC)

22 Years of Growth and Technological Excellence

Our partnership with United Finance Company in Oman, spanning over two decades, reflects the strength of our long-term collaboration. Since 2003, Nucleus Software's FinnOne™ lending platform has been at the heart of UFC's digital transformation, empowering the company to optimize lending operations, enhance customer experiences, and drive operational efficiency. This partnership has not only reshaped the financial services landscape in Oman but has also positioned UFC as a leader in the region's rapidly evolving market. Looking ahead, we are excited to continue fostering innovation, driving financial inclusion, and ensuring sustainable growth.

United Overseas Bank (UOB)

A Decade of Strategic Synergy

Our 12-year partnership with United Overseas Bank (UOB) underscores the value of mutual trust, collaboration, and innovation. Built on a shared commitment to digital transformation, this alliance has enabled UOB to leverage cutting-edge technologies like automation and artificial intelligence, transforming its operations and enhancing customer experiences. Nucleus Software's role as a strategic partner has been critical in supporting UOB's ongoing efforts to remain at the forefront of financial services innovation, driving efficiency and ensuring future-readiness in an increasingly digital-first world.

National Finance Company (NFC)

15 Years of Transforming Finance in Oman

Over the last 15 years, Nucleus Software and National Finance Company have worked together to revolutionize Oman's financial sector. Through the deployment of FinnOne™, we've enabled NFC to deliver seamless, efficient, and customer-centric lending solutions. This partnership has driven significant growth in a dynamic market, positioning NFC as a key player in Oman's financial services industry. As we celebrate this milestone, we remain committed to further advancing digital transformation and financial empowerment for businesses and individuals across the region.

These milestones reflect the strength of Nucleus Software's ongoing commitment to building long-term, strategic alliances that drive meaningful impact across global financial markets. As we move forward, we will continue to support our partners in navigating the digital future, fostering innovation, and creating value that lasts.









Voicing the Future of Finance: Nucleus at Global Forums

At Nucleus Software, we are not just shaping the financial technology landscape – we are leading it.

Our thought leaders are engaging with global industry experts, sharing insights on AI-driven digital lending, sustainable finance, risk & compliance, and next-gen banking innovations.

Nucleus Software actively participated in global fintech forums, with our experts delivering keynotes, panel discussions, and fireside chats at premier industry events.

Our thought leadership spans regions - from Las Vegas to Tokyo, Dubai to Mumbai, and Sydney to Jakarta - ensuring that we are influencing the future of banking and financial services.

Recognition & Industry Influence

Our presence at global events has positioned Nucleus Software as an industry trailblazer, helping financial institutions navigate:

- AI & cloud-driven transformation in banking and NBFCs
- Sustainable lending & financial inclusion strategies
- Risk, compliance & regulatory advancements
- Banking innovation across MENA, APAC & Global markets



Shaping the Future, One Conversation at a Time

With our strategic global presence, Nucleus Software is leading conversations, setting new industry benchmarks, and delivering transformative financial solutions.

Our commitment to collaboration and knowledge-sharing ensures that we remain at the forefront of digital lending, AI-driven financial services, and customer-centric banking innovations.

MENA BFSI Leaders Conclave 2024 (Dubai, May 22-23, 2024)



Speaking Opportunity:
Anshul Khare – Crafting the Bank of the Future: A Customer-Centric Roadmap for Digital Transformation in MENA Banking

Panel Discussion: Vipin Mittal – GURU Retail Bankers

Panel: Future of Retail Banking in the Region

17th NBFC & Fintech Conclave & Awards (Chennai, July 16, 2024)



Panel Discussion:
Rohit Mathur – Digital Transformation in NBFCs: Infusing Intelligence Across Lending Processes

Speaking Opportunity:
Shashank Bhaskar – Lending: A View on the Future and Moves to Make Now

WFIS Philippines 2024 (Philippines, August 13-14, 2024)



Speaking Opportunity:
Ashish Khanna - Innovative API Solutions for the Philippine Banking Sector: Enhancing Customer Experience and Operational Efficiency

GFF 2024 (Mumbai, August 28-30, 2024)



Panel Discussion:
Bhupesh Kumar – Driving Financial Inclusion through Digital Lending: Opportunities and Strategies

CII Event 2024 (Mumbai, September 2-3, 2024)



Panel Discussion:
Parag Bhise – Unlocking the True Potential of MSMEs: Financing Options

FIBAC 2024 (Mumbai, September 5-6, 2024)



Panel Discussion:
Parag Bhise – Risk & Compliance: Embracing Emerging Risks and Regulatory Complexity

MEBIS 2024 (Dubai, September 18-19, 2024)



Speaking Opportunity:
Anshul Khare – The Future of Lending: Embracing Innovation and Navigating Change

Roundtable – India (Mumbai, September 26, 2024)

Panel Discussion:
Nitin Singhal & Vipin Mittal – Rural to Urban: Lending in a Box Solution for the Growth of NBFCs

FST 2024 (Sydney, October 24-25, 2024)



Keynote Address: Parag Bhise – The Next Era of Lending: Embracing Innovation & Adapting for Future Success

Fireside Chat: Ashwani Arora & Rob Wilson (Group CTO, BOQ Group) – Navigating Australia's Banking Revolution

Singapore Fintech Festival 2024 (Singapore, November 6-8, 2024)



Speaking Opportunity:
Anurag Mantri – Sustainable Lending: Pioneering Green Finance in the Digital Era

WFIS Indonesia 2024 (Jakarta, November 12-13, 2024)



Speaking Opportunity:
Syed Hamid Ali – Bridging Indonesia's Credit Access Gap: Empowering Financial Inclusion with Digital Lending Platforms

The GFTN Forum, Japan (Tokyo, March 3-7, 2025)



Panel Discussion: Parag Bhise & Ashish Khanna – Future Shapers: Rationalizing Sustainable Finance – Asia's Perspective Amidst Rising Global Polarization

Panel Discussion:
Ashish Khanna – Cloud Computing in the Era of AI: Empowering Financial Services with Next-Gen Solutions

Roundtable Discussion:
Pawan Bhat – The New World of Data: Challenges & Opportunities for the Payments Ecosystem and Fintechs

Global Accolades

Nucleus Software's Award-Winning Journey

At Nucleus Software, our unwavering commitment to innovation, customer-centric solutions, and transformative financial technology has been recognized globally. This year, we have been honored with multiple prestigious awards, reinforcing our leadership in digital lending and fintech excellence.



"The Fintech Partner Award" for our flagship solution FinnOne Neo®, revolutionizing digital lending with AI-powered automation and seamless integrations.



"Best Fintech & NBFC Collaboration", in partnership with TATA Capital Ltd., showcasing our role in strengthening the fintech ecosystem through strategic alliances.



"Best FinTech of the Year", recognizing our unparalleled contributions to the financial services industry and our impact on digital transformation.



"Best Digital Lending Implementation: Best Tool & Practices Adopted", for our cutting-edge work with Ambit Finvest, delivering efficiency, compliance, and next-gen digital lending experiences.

These accolades are a testament to our dedication to empowering financial institutions with future-ready technology, driving operational excellence, and redefining the digital lending landscape. As we continue our journey of innovation, we remain committed to enabling seamless, intelligent, and customer-focused financial solutions worldwide.



Leading Change

Sustainability and Social Impact at Nucleus Software

At Nucleus Software, we believe that innovation and sustainability must go hand in hand to build a future that is not only digitally advanced but also environmentally responsible.

> In FY24-25, we took bold steps to enhance our sustainability footprint, reduce our carbon impact, and contribute to a greener, more inclusive world.



Sustainability Milestones

Our Commitment to a Greener Future

As part of our sustainability strategy, we have successfully integrated renewable energy solutions and resource optimization initiatives, leading to substantial environmental benefits.

Total In-House Solar Energy Production

149.82 MWh

Harnessing clean, renewable energy to power our operations, reducing reliance on conventional energy sources.

CO2 Emissions Saved

176,265.02 kg (equivalent to planting 5,260.97 trees)

A tangible contribution to carbon neutrality, reinforcing our commitment to a cleaner planet.

Water Conservation through In-House Sewage Treatment Plant (STP)

236.6 KL treated

Ensuring water sustainability by recycling and reusing water resources, contributing to environmental conservation.

Driving Corporate Social Responsibility (CSR)

Empowering Communities

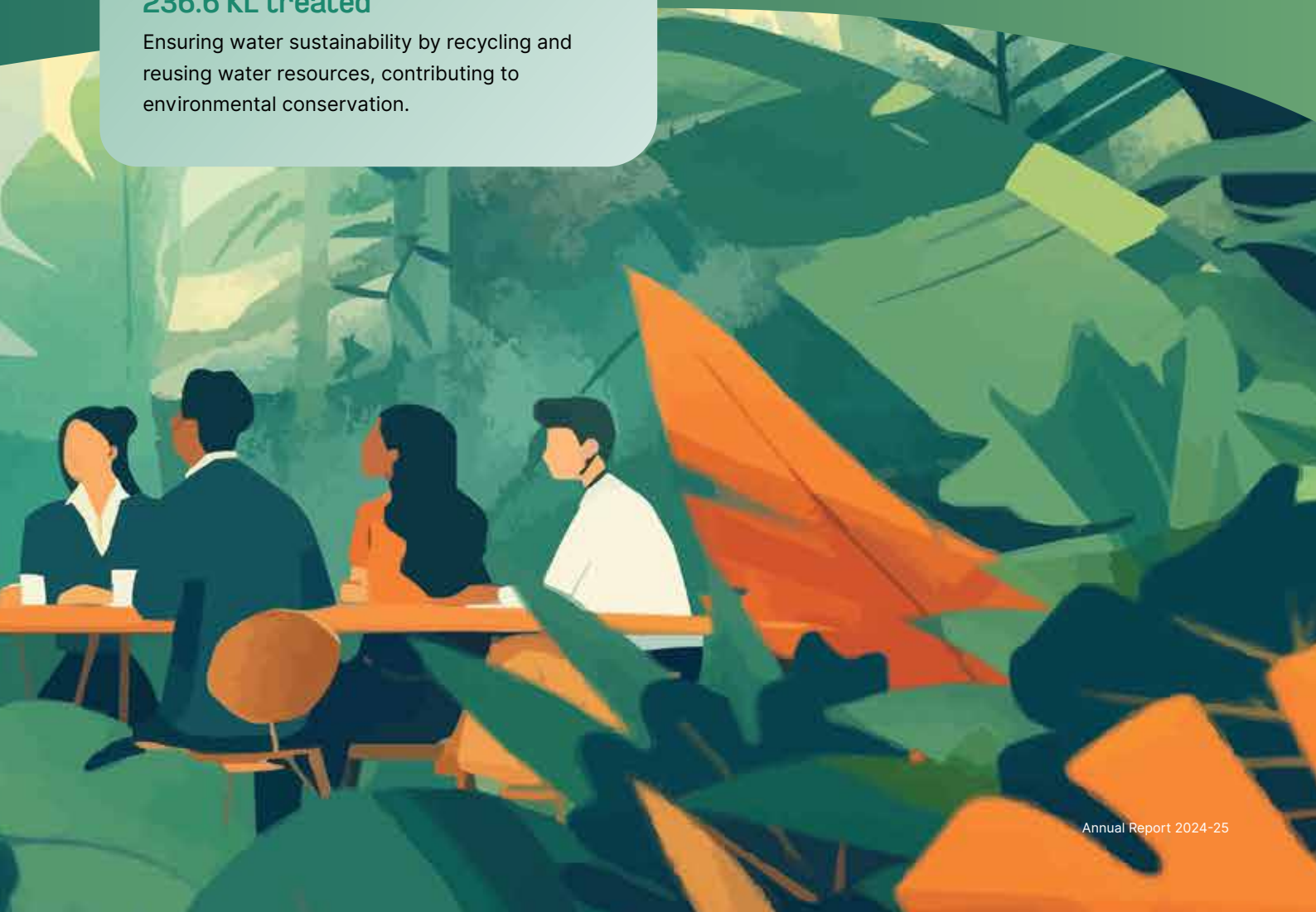
Beyond sustainability, we remain committed to corporate social responsibility (CSR), fostering financial inclusion, digital literacy, and community development. Through strategic initiatives, we aim to empower underprivileged communities and bridge the digital divide.

Innovation with Purpose

Shaping the Future Responsibly

As we continue to lead the transformation of global banking and lending, we recognize that our responsibility extends beyond technology - it is about creating a lasting impact. From AI-driven financial solutions to eco-conscious operations, we are dedicated to building a future where progress and sustainability go hand in hand.

At Nucleus Software, we don't just embrace change - we lead it.



Empower. Enable. Elevate.

Our CSR Focus This Year – Transforming Lives Through Skill Development, Inclusion, and Education

This financial year, our CSR focus was clear and purposeful to drive empowerment at the grassroots level by nurturing skills, fostering inclusion, and enabling access to quality education. Across diverse geographies and communities, we remained committed to creating opportunities that spark confidence, self-reliance, and a brighter future.

Our initiatives reflect this vision - transforming lives, building capabilities, and inspiring change where it matters most.







Celebrating Talent, Inclusion & Unstoppable Spirit – Sports & Art Day at Samriddhi School

This year, our focus extended beyond skills — towards fostering inclusivity and celebrating every individual's potential.

At Samriddhi School, Vaishali, we hosted a spirited Sports Day for 65 students and an Art Competition for 17 specially-abled children and their siblings. It was a day filled with energy, creativity, and moments of pride — proving once again that talent knows no barriers.

With the presence of Mr. Anil Joshi from the Down's Syndrome Parents Society, the event became a celebration of diversity, courage, and hope.





Sparking Curiosity, Transforming Classrooms – Experiential Science Learning in Sandalpur, Dewas (MP)

Education is at the heart of progress - and this year, we partnered with Parivaar NGO to take science beyond textbooks.

Through Experiential Science Teaching workshops by Butterfly Edu Fields, Hyderabad, we empowered teachers with innovative tools to make learning science exciting and hands-on. Over 800+ students from classes 6th to 9th participated in live experiments on Electricity and Light - building curiosity, clarity, and a passion for learning.

By enabling teachers and inspiring young minds, we are paving the way for a generation that not only learns - but loves to learn.





Moving Forward with Purpose

This financial year, every initiative undertaken by Nucleus Software Foundation echoed our core belief - that real change begins with empowering people. As we move forward, we remain deeply committed to driving inclusive growth, building skills, and enabling brighter futures - one life, one community at a time.











Ground-Level Impact: Words of Appreciation from Beneficiary Institutions

At Nucleus Software Foundation (NSF), our belief in the transformative power of education guides us to support schools in underserved communities through para-teacher programs, remedial education, and capacity building.

Over the years, these interventions have not only enabled academic continuity but also significantly enhanced student learning outcomes especially in rural areas.

One such testament comes from Prathamik Vidyalaya, Kachhehda Varsabad, Gautam Buddh Nagar (U.P.), where an NSF-appointed para-teacher, Ms. Ritika Prajapati, was engaged during the academic session 2024–25.

In a heartfelt letter addressed to NSF, the school's principal and faculty expressed their sincere gratitude for the positive academic and behavioral impact Ritika made in a short span of time.Her consistent efforts, commitment to child-centric learning, and integration with the local school ecosystem contributed to visible improvements in the students' learning levels.

The school has formally requested an extension of her tenure for the 2025–26 academic session, recognizing her as an asset to their teaching staff.

Such appreciation not only validates the effectiveness of NSF's grassroots partnerships but also strengthens our resolve to deepen our commitment to equitable education access. These letters of acknowledgment are emblematic of the trust, collaboration, and impact that Nucleus Software's CSR initiatives are fostering across regions. They reinforce our core purpose - to empower underprivileged communities with meaningful educational opportunities that lay the foundation for a better future.



प्राथमिक विद्यालय
कनेहरा खारसवाद, गौतमबुद्धनगर
(बेसिक शिक्षा परिषद उत्तर प्रदेश द्वारा संचालित)

पत्रांक ..... दिनांक 03/05/25

सेवा में,
श्रीमान प्रबन्धक
Nucleus Software Foundation
नोएडा.

विषय - सहयोगी शिक्षक का शैक्षिक सत्र 2025-26 हेतु कार्यकाल नवीनीकरण

महोदय, निवेदन यह है कि कु. रितिका प्रणामित (पुत्री श्री विनोद नि० ग्राम कनेहरा खारसवाद) हमारे प्राथमिक विद्यालय में आपके N.G.O के सहयोग से शैक्षिक सत्र 2024-25 में सहयोगी शिक्षक के रूप में नियुक्त की गई थी। इनका कार्य अच्छा रहा है एवं इनके प्रयासो से बच्चों के शैक्षिक स्तर में भी सुधार हुआ है। आपसे सादर अनुरोध है। कि कृपया नवीन सत्र 2025-26 हेतु विद्यालय में इनका कार्यकाल बढ़ाने की कृपा करें समस्त विद्यालय परिवार आपका आभारी रहेगा।

धन्यवाद

विकास तिवारी
(प्र० अ०)
प्रा० वि० कनेहरा खारसवाद
मो० नं०- 9810638416

उच्च प्राथमिक विद्यालय कुलेसरा
(कम्पोजिट विद्यालय)

Date 31/8/25

सेवा में,
N.S.F Foundation
Gautambuddhnagar

महोदय,
आपकी संस्था द्वारा हमारे कम्पोजिट विद्यालय कुलेसरा में दो शिक्षिका श्रीमती संगीता सिंह एवं कु० आरती नियुक्त किये गये थे, जिनके द्वारा हमारे विद्यालय में कक्षा-1 व कक्षा-2 में नियुक्त कार्य किया गया, तथा इनके द्वारा अन्य कक्षाओं में भी रिमेडियल कार्यों में कार्य किया जाता, इनके द्वारा विद्यालय की प्रत्येक गतिविधियों पर सराहनीय कार्य किया गया।
महोदय हमारे विद्यालय में छात्र संख्या के अनुरूप शिक्षकों की कमी है, अतः आपसे निवेदन है कि आगामी सत्र 2025-26 में इन शिक्षिकाओं को पुनः नियुक्त करने की कृपा करें।
विद्यालय परिवार सदैव आपका आभारी रहेगा।

धन्यवाद





सेवा में,
डायरेक्टर,
न्यूक्लियस सॉफ्टवेयर फाउंडेशन
नई दिल्ली।

विषय - क० वि० विशनुली में NGO द्वारा भेजे गए शिक्षको का कार्यकाल बढ़ाए जाने के संबंध में।

महोदय,
सविनय निवेदन है कि विगत सत्र 2024-26 में NGO द्वारा भेजे गए शिक्षको (कु साक्षी व कु मीनाक्षी) द्वारा विद्यालय के सभी कार्यो में सहयोग प्रदान किया गया तथा कक्षा 1 व 2 निपुण बनाने में अहम भूमिका निभाई जिस कारण विद्यालय समय से पहले ही निपुण घोषित हुआ। आपसे विनम्र निवेदन है कि वर्तमान सत्र 2025-26 के लिए उक्त दोनो शिक्षिकाओं को क० वि० विशनुली में ही कार्यरत रहने की अनुमति प्रदान करें।

धन्यवाद।

प्रमाणित किया जाता है कि सुमन रानी ने प्रा० वि० खाकलपुर नं० 1 में दि० 01-07-2024 कार्य ग्रहण किया इस दौरान इन्होंने कक्षा-शिक्षण में सहयोग प्रदान किया व विद्यालय को निपुण बनाने में व विद्यालय की सभी गतिविधियों में सुनी सहयोग प्रदान किया इस दौरान इनकी उपस्थिति सुनी रही तथा इनका व्यवहार-शालीन तथा कार्य शैली उत्तम रही हम इनके उज्ज्वल भविष्य की कामना करते हैं।

लक्ष्मी सिंह प्रधा...



Diversity, Equity & Inclusion

Driving Meaningful Change

At Nucleus Software, Diversity, Equity, and Inclusion (DE&I) are at the heart of our culture, leadership, and innovation. We believe a diverse workforce drives business excellence, fosters innovation, and strengthens our commitment to equity and inclusion.

Our structured DE&I strategy focuses on building a diverse talent pipeline, enabling inclusive leadership, and fostering a workplace culture where every individual can thrive.

Our DE&I Progress

Key Milestones



Prioritizing Well-being & Work-Life Balance

- **State-of-the-art Creche Facility at our Noida Campus**, supporting working parents with childcare solutions.
- **Well-being Leave & Mental Health Programs**, ensuring access to psychologist-led wellness sessions and flexible work policies.
- **Holistic Wellness Program (STABLE)**, featuring weekly yoga, mindfulness, and Zumba sessions for employees' physical and mental well-being.

Fostering an Inclusive Workplace Culture

- **Company-wide Gender Sensitization & Unconscious Bias Training**, fostering an equitable and open work environment.
- **Open Dialogue for Change & Leadership Engagement Forums**, creating safe spaces for candid discussions on diversity and inclusion.
- **Enabling Persons with Disabilities (PwDs)** through inclusive workplace policies, infrastructure enhancements, and dedicated support programs.

Empowering Women & Underrepresented Talent

- **Executive Leadership for Women Program -** Building a pipeline of future-ready women leaders through mentorship and career acceleration.
- **Financial Literacy for Women -** Over 175 women empowered through financial management training, strengthening their economic independence.
- **Women in Tech & Technical Roles -** Investing in skill development and career pathways to increase female representation in STEM and technology leadership.

Advancing Workforce Diversity

- **23.4% of our workforce comprises women, with 6% holding leadership roles** - a testament to our leadership development and mentorship programs.
- **Targeting 30% DE&I representation by FY28**, prioritizing hiring from diverse talent pools, including institutions like IGDTUW and BVRTSE.

Leadership Commitment & The Road Ahead

Our leadership is deeply invested in advancing DE&I beyond compliance - embedding it as a strategic pillar of growth. Looking ahead, we are:

Strengthening Women's Leadership

Identifying and mentoring 50-60 emerging women leaders to accelerate their career progression.

Enhancing DE&I Data-Driven Insights

Leveraging AI-driven analytics to track, refine, and enhance diversity hiring strategies.

Deepening Employee Engagement

Scaling our DE&I feedback framework to incorporate real-time insights and continuous improvements.

> At Nucleus Software, DE&I is more than a goal – it is a commitment to creating an equitable, inclusive, and thriving workplace for all.



Global Partnerships, Personal Interactions

Collaborative Partnerships Driving Innovation

At Nucleus Software, we are committed to fostering long-term partnerships that drive innovation, operational excellence, and sustainable growth. In 2024, we had the privilege of hosting leadership teams from several key partners, reinforcing the strength of our strategic alliances and our shared commitment to co-innovation and success.

GM Financial Leadership Visit

Reinforcing a Legacy of Trust

We were honored to host the leadership team from GM Financial, marking an important moment in our enduring partnership. This visit emphasized our mutual commitment to creating value across the global financial ecosystem. Over two days of engaging discussions, both teams focused on deepening collaboration and exploring new opportunities for co-innovation.



A key highlight was the Townhall session, where leaders from both organizations reflected on our shared journey, which has flourished since the early 2000s. This moment highlighted the strength of our partnership, built on mutual trust, vision alignment, and a shared dedication to excellence. The visit also included a friendly cricket match and a sand art performance symbolizing the evolution of our collaboration. It concluded with the recognition of our internal Hackathon winners, underscoring our joint commitment to fostering innovation and nurturing talent.

Roha Housing Finance

Empowering Financial Inclusion

We were also privileged to host the MD & CEO of Roha Housing Finance, who shared insights into the company's purpose-driven journey of financial inclusion and innovation. This visit highlighted the critical role Nucleus Software plays in enabling Roha's growth, providing adaptable and scalable technology solutions that support their mission of enhancing financial access.

As Roha continues to expand its operations, our partnership remains central to their vision. Through our robust platforms, we continue to support their efforts in driving inclusive growth and empowering underserved communities, reinforcing our role as a trusted technology partner.







Accelerating Innovation

The Nucleus Software Hackathon

At Nucleus Software, innovation is at the heart of our strategic vision for growth. We recognize that to stay ahead in the competitive financial technology sector, continuous improvement and product evolution are essential. In line with this commitment, we hosted a transformative hackathon in the month of October, 2024, under the theme "Accelerate Product Upgrades."

Cultivating a Culture of Innovation

The Nucleus Software Hackathon is more than just an event - it is a key element of our innovation ecosystem. By providing a platform for cross-functional collaboration, it empowers our teams to break free from daily routines and explore creative, cutting-edge solutions. The hackathon focuses on driving enhancements within our product suite, helping to improve customer experience, streamline operations, and enable greater scalability.

This event fosters a spirit of experimentation, where employees from across the organization come together to tackle complex problems, test new technologies, and develop solutions that directly contribute to the company's technology roadmap. Through this initiative, we reaffirm our commitment to building a culture where innovation is not just encouraged, but actively pursued.

The Hackathon Journey

From Ideas to Impact

The hackathon experience begins with a structured briefing session, ensuring participants are aligned on key objectives, technology stacks, and evaluation criteria. Teams are then given the opportunity to ideate, prototype, and refine their solutions, with guidance from mentors who provide both technical and strategic insight.

Over two days, teams develop working prototypes that align with our long-term vision of enhancing our products and services. The process is dynamic, involving constant feedback loops, collaboration, and iteration, which mirrors the agile approach we champion in our product development cycles.

Strategic Alignment

Innovation as a Driver of Growth

The hackathon represents more than just a burst of creativity - it is strategically aligned with Nucleus Software's broader goals of accelerating product upgrades, improving operational efficiency, and delivering cutting-edge solutions to our customers. Each solution developed during the event reflects the ongoing drive to stay ahead of market trends, adapt to emerging needs, and maintain our leadership in the fintech space.

By fostering a collaborative environment where diverse perspectives converge, the hackathon is instrumental in accelerating the pace of innovation within the company. It helps identify new opportunities, refine existing solutions, and ensure that our products continue to evolve in ways that benefit both our clients and the business as a whole.



Looking Forward

Embedding Innovation into Our DNA

The hackathon is a powerful reminder that innovation is not confined to specific moments in time; it is an ongoing process.

> As Parag Bhise, CEO & Executive Director of Nucleus Software, highlighted in his final thoughts, the real value of innovation comes when ideas are translated into tangible, real-world improvements.











The energy and solutions generated during the hackathon are stepping stones for future advancements in our products, services, and overall business strategy.

Looking ahead, the hackathon continues to be a vital part of Nucleus Software's commitment to continuous improvement. It exemplifies how we embrace innovation as a core value, not just in technology development, but as a mindset that permeates every aspect of our operations. Through this, we will continue to shape the future of financial technology and deliver exceptional value to our customers.



Leadership and Development Initiatives

Driving Excellence, Innovation, and Agility

At Nucleus Software, we are committed to cultivating a culture of continuous improvement and operational excellence, where leadership development, Lean thinking, and capability-building initiatives intersect to foster innovation, agility, and sustainable growth. Throughout the year, we have advanced our strategic objectives through a series of transformative programs aimed at empowering our workforce and aligning efforts towards corporate goals.

Lean Development Initiative

Transforming the Way We Work

Our Lean Transformation journey has been a cornerstone of our strategy to create a high-performance culture where continuous improvement is embedded in everyday operations. Through our collaboration with the Lean Enterprise Institute (LEI) USA and industry experts, we have adopted Lean principles to enhance operational efficiency, foster problem-solving.

Key Initiatives:

- **Strategic Alignment through Hoshin Kanri:** The Hoshin Kanri framework has become the backbone of our corporate strategy, ensuring that every team's efforts are aligned with organizational goals. A centralized Obeya room was established to facilitate real-time collaboration, decision-making, and problem-solving, ensuring continuous execution of our objectives.
- **Regular PDCA & Catchball Reviews:** To drive a culture of continuous improvement, we hold weekly horizontal catchball sessions and monthly PDCA (Plan-Do-Check-Act) reviews to ensure that our business strategies are aligned and adapted in real-time to emerging challenges.
- **P&L Hoshin Integration:** By aligning P&L objectives with corporate goals, we are ensuring that business outcomes are strategically guided by financial and operational efficiency.
- Developing Lean Leaders: As part of our Lean Leadership development, we have rolled out the A3 Problem-Solving Methodology across leadership teams, empowering leaders to address key business challenges while coaching their teams to solve complex problems independently.

Lean Leader Development

Building Future-Proof Leadership

To drive the successful adoption of Lean practices, our leadership teams have engaged in the LEI-A3 Lean Leader Program, a comprehensive journey designed to develop problem-solving and coaching capabilities.

Program Highlights:

- Round 1: Leader as Problem-Solver – Leaders immerse themselves in the A3 methodology to address real-world business challenges, enhancing their strategic decision-making.
- Round 2: Leader as Coach – In this phase, leaders coach their teams to implement the A3 process, driving deeper integration of Lean thinking throughout the organization.

Through continuous external and internal coaching, leaders are developing the capability to not only solve problems but also empower their teams to deliver sustained performance improvements.



Mastering Feedback
Elevating Team Performance

Effective feedback is at the heart of high-performing teams. This year, we focused on equipping 350+ managers with essential tools to deliver impactful feedback through our Mastering Feedback Workshops. These sessions have had a tangible effect on fostering engagement, boosting team morale, and reinforcing a culture of continuous improvement.

Leadership Development Programs

LEAD Program
Empowering Mid-Level Managers

The LEAD Program is a targeted leadership development initiative for mid-level managers who play a critical role in translating strategic objectives into actionable outcomes. This program focuses on:

- Self-awareness & Emotional Intelligence
- Influencing Clients & Stakeholders
- Collaborative Leadership across Business Units
- Coaching Teams for Higher Performance

By fostering a culture of accountability, leadership, and results-driven collaboration, our mid-level managers are primed to lead their teams through change and innovation.

Young Leaders Program (YLP)
Enabling First-Time Managers

Transitioning from an individual contributor to a team leader is one of the most pivotal career shifts. The Young Leaders Program (YLP) is designed to equip first-time leaders with the skills necessary to make this transition effectively. Key outcomes include:

- Leadership Competency Development
- Performance & Team Management
- Stakeholder Influence and Communication
- Shifting from “Doing Work” to “Leading Work”



Project & Program Management Excellence

Driving Impactful Results

To ensure that our leaders excel in managing high-stakes projects and programs, we introduced Project & Program Management Development sessions based on the PMBOK framework. These sessions cover essential topics such as Risk Management, Schedule Management, Budgeting, and Agile Project Execution. With a mix of instructor-led training and live project coaching, our teams are empowered to deliver projects with precision and agility.

Sales and Product Enablement

Building Expertise for Success

We recognize that our Sales Teams and Product Teams play a pivotal role in driving our growth. To empower them, we conducted comprehensive Sales Enablement and Product Enablement sessions to ensure that employees have the right knowledge and skills to deliver value to our customers.

- Sales Enablement focused on sales processes, product knowledge, and customer engagement strategies, helping sales teams close deals with confidence.
- Product Enablement focused on enhancing our employees' knowledge of the FinnOne Neo® ecosystem, ensuring they are equipped to deliver superior customer service and implement solutions effectively.

NucVerse

Revolutionizing Learning & Development

As part of our Product Agility initiative, we launched NucVerse, an innovative Learning Portal designed to drive structured learning and career growth. With personalized learning paths, gamified assessments, and live instructor-led sessions, NucVerse is empowering employees with the skills and knowledge they need to thrive in an increasingly dynamic work environment.

The Road Ahead

Scaling Lean Excellence & Leadership Development

As we look ahead, we remain committed to expanding our Lean Leadership pipeline and advancing our Hoshin Kanri and A3 problem-solving frameworks. We will also scale our coaching and mentorship programs and harness the full potential of NucVerse to provide AI-driven learning analytics, ensuring our teams are equipped to lead in an agile and innovative environment.

By continuing to nurture our culture of collaboration, learning, and leadership, we are not only building a high-performance organization but also laying the foundation for long-term innovation and excellence.

Our People, Our Power

Empowering Innovation

At Nucleus Software, we believe in the power of our people. With continuous learning, strategic leadership, and a culture rooted in Lean Thinking, we are driving impactful outcomes that shape the future of our organization and the industry as a whole.

We remain dedicated to empowering our teams to push boundaries, innovate, and make meaningful contributions toward achieving excellence and customer satisfaction at scale.



Life at Nucleus















Nucleus Day

A celebration of 38 years of excellence, purpose, and progress. From inspiring leadership moments to cultural vibrance and heartfelt recognitions - the spirit of Nucleus was on full display.

Nucleus Premier League

A high-energy cricket face-off that brought departments together - promoting fitness, fun, and fierce team spirit.

Nucleus Badminton Premier League

An electrifying mix of rallies, rivalries, and teamwork - where sportsmanship met celebration on and off the court.

























Corporate Awards Ceremony

An evening of honouring brilliance - celebrating those who go the extra mile with innovation, leadership, and dedication that drives our collective success.

Nucleus Diwali

A vibrant evening of togetherness and tradition, celebrating diversity and unity through cultural performances and festive joy.

Nucleus Outing

A refreshing getaway with families — strengthening bonds, recharging spirits, and creating memories beyond the workplace.

Years at a Glance

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

Consolidated Performance

For the Year Ended March 31,	2025	2024	2023	2022	2021
Revenue from Operations	832.25	826.45	634.46	497.19	513.53
Operating Profit (EBITDA)	167.60	219.45	155.75	36.22	128.12
Depreciation	14.81	14.55	18.73	15.38	13.87
Other Income (inclusive of foreign exchange gain/loss)	66.26	50.90	34.06	34.66	39.56
Tax expense	56.05	64.20	43.29	14.59	35.86
Profit After Tax (PAT)	163.00	191.60	127.79	40.91	117.95
EBITDA as a % of Revenue from Operations	20.14	26.55	24.55	7.29	24.95
PAT as a % of Revenue from Operations	19.59	23.18	20.14	8.23	22.97
As at March 31,	**2025**	**2024**	**2023**	**2022**	**2021**
Share Capital	26.33	26.77	26.77	26.77	29.04
Reserves and Surplus	787.89	750.67	583.89	466.83	642.98
Net Worth	814.22	777.44	610.66	493.60	672.02
Property, Plant and equipment and Other intangible assets	41.88	36.83	26.59	38.20	24.97
Cash & Cash Equivalents including Current Investments and Other Bank Balances	359.73	401.56	277.43	341.94	502.82
Working Capital	261.81	316.42	250.42	237.71	417.03
No. of Shares (Face Value of ₹10.00)*	2,63,25,306	2,67,73,324	2,67,73,324	2,67,73,324	2,90,40,724
Market Capitalisation	2,113.13	3,172.37	1,109.01	1,108.95	1,397.29
No. of Shareholders	44,686	29,900	31,606	38,713	28,170
Ratios-Per Share					
Earning Per Share (in ₹)	61.40	71.56	47.73	14.28	40.62
Dividend Per Share (in ₹)	12.5	12.50	10.00	7.00	9.00
Book Value Per Share (In ₹)	309.29	290.38	228.09	184.35	231.41

Notes:

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

* *The Company completed the Buyback of 4,48,018 equity shares in FY 2024-25.*

Years at a Glance

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

Consolidated Performance

For the Year Ended March 31,	2025	2024	2023	2022	2021
Revenue from Operations	98,351	99,777	78,746	65,601	69,593
Operating Profit (EBITDA)	19,806	26,494	19,331	4,779	17,363
Depreciation	1,750	1,757	2,325	2,029	1,880
Other Income (inclusive of foreign exchange gain/loss)	7,830	6,146	4,228	4,573	5,361
Tax Expense	6,624	7,751	5,373	1,926	4,860
Profit After Tax (PAT)	19,263	23,132	15,860	5,398	15,985
EBITDA as a % of Revenue from Operations	20.14	26.55	24.55	7.29	24.95
PAT as a % of Revenue from Operations	19.59	23.18	20.14	8.23	22.97
US$ Exchange Rate (In ₹)*	84.62	82.83	80.57	75.79	73.79
As at March 31,	**2025**	**2024**	**2023**	**2022**	**2021**
Share Capital	3,081	3,210	3,258	3,599	3,972
Reserves and Surplus	92,194	90,008	71,059	62,746	87,947
Net Worth	95,275	93,218	74,317	66,345	91,919
Property, Plant and equipment and Other intangible assets	4,901	4,416	3,574	5,134	3,415
Cash Equivalents & Current Investments	42,093	48,149	33,763	45,960	68,776
Working Capital	30,635	37,940	30,476	31,950	57,041
No. of Shares (Face Value of ₹10.00)	2,63,25,306	2,67,73,324	2,67,73,324	2,67,73,324	2,90,40,724
Market Capitalisation	247,266	380,380	134,965	149,053	191,122
US$ Exchange Rate (In ₹)#	85.46	83.40	82.17	74.40	73.11
Ratios - per share					
Earning Per Share	0.73	0.86	0.59	0.19	0.58
Dividend Per Share	0.15	0.15	0.12	0.09	0.13
Book Value Per Share	3.66	3.51	2.83	2.43	3.14

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.*

Board's Report

Dear Members,

We are pleased to present your Company's Thirty-sixth Annual Report, together with the Audited Statement of Accounts, for the year ended March 31, 2025.

1. RESULTS OF OPERATIONS AND STATE OF AFFAIRS- FINANCIAL RESULTS

a) Consolidated Operations

Revenue from consolidated operations for the year was ₹ 832.25 crore, as compared to ₹ 826.45 crore in the previous year, an increase of 0.70%. The overall Operational Expense for the year was ₹ 664.65 crore, against ₹ 607.00 crore in the previous year. The Operating Profit (EBITDA) was lower at ₹ 167.60 crore, 20.14% of revenue, against ₹ 219.45 crore, 26.55% of revenue in the previous year. Profit after Tax for the year was at ₹ 163.00 crore, 19.59% of revenue, against ₹ 191.60 crore, 23.18%, of revenue in the previous year.

Consolidated financial results are as below: *₹ in crore*

For the Year Ended March 31,	2025	% of Revenue	2024	% of Revenue	Growth (%)
Revenue From Operations	**832.25**	**100.00**	**826.45**	**100.00**	**0.70**
Expenses					
a) Employee benefit expense	534.64	64.24	491.06	59.42	8.87
b) Operating and other expenses	129.26	15.53	114.99	13.91	12.41
c) Finance costs (Bank charges)	0.75	0.09	0.95	0.11	(21.05)
Total Expenses	**664.65**	**79.86**	**607.00**	**73.45**	**9.50**
Operating Profit (EBITDA)	**167.60**	**20.14**	**219.45**	**26.55**	**(23.63)**
Depreciation & Amortization	14.81	1.78	14.55	1.76	1.79
Operating Profit after Interest and Depreciation	**152.79**	**18.36**	**204.90**	**24.79**	**(25.43)**
Other Income	66.26	7.96	50.90	6.16	30.18
Profit Before Tax	**219.05**	**26.32**	**255.80**	**30.95**	**(14.37)**
Taxation	56.05	6.73	64.20	7.77	(12.69)
Profit After Tax	**163.00**	**19.59**	**191.60**	**23.18**	**(14.93)**
Other Comprehensive Income	(3.52)	(0.42)	1.96	0.24	(279.59)
Total Comprehensive Income for the year	**159.48**	**19.16**	**193.56**	**23.42**	**(17.61)**

b) Standalone Operations

Revenue from the standalone operations for the year was ₹ 768.66 crore against ₹ 766.12 crore in the previous year, an increase of 0.33%. Total Operational Expense for the year was ₹ 609.08 crore against ₹ 553.31 crore in the previous year, an increase of 10.08 %. The Operating Profit (EBITDA) for the year was lower at ₹ 159.58 crore, 20.76% of revenue, against ₹ 212.81 crore, 27.78% of revenue, in the previous year. Profit after Tax for the year was at ₹ 161.76 crore, 21.04% of revenue, against ₹ 185.95 crore, 24.27 % of revenue in the previous year.

Standalone financial results are as below: *₹ in crore*

For the Year Ended Mar 31,	2025	% of Revenue	2024	% of Revenue	Growth (%)
Revenue from Operations	**768.66**	**100.00**	**766.12**	**100.00**	**0.33**
Expenses					
a) Employee benefit expense	472.35	61.45	427.22	55.76	10.56
b) Operating and other expenses	136.18	17.72	125.37	16.36	8.62
c) Finance costs	0.55	0.07	0.72	0.09	(23.27)
Total Expenses	**609.08**	**79.24**	**553.31**	**72.22**	**10.08**
Operating Profit (EBITDA)	**159.58**	**20.76**	**212.81**	**27.78**	**(25.01)**
Depreciation & Amortization	13.84	1.80	13.16	1.72	5.13
Operating Profit after Interest and Depreciation	**173.42**	**22.56**	**199.65**	**26.06**	**(13.14)**
Other Income	70.04	9.11	49.47	6.46	41.57
Profit Before Tax	**215.78**	**28.07**	**249.12**	**32.52**	**(13.38)**
Taxation	54.02	7.03	63.17	8.25	(14.48)
Profit After Tax	**161.76**	**21.04**	**185.95**	**24.27**	**(13.01)**
Other Comprehensive Income	(4.83)	(0.63)	1.99	0.26	(342.67)
Total Comprehensive Income for the year	**156.93**	**20.42**	**187.94**	**24.53**	**(16.50)**

A detailed analysis on the Company's performance 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, 2025, as per financial statements are as under:

Retained Earnings

₹ in crore

Particulars	2025	2024
Opening balance	704.09	548.34
Add: Profit for the year	161.76	185.95
Less: Appropriations	-	-
Final dividend paid	(33.47)	(26.77)
Buyback of Equity Shares	(72.35)	-
Tax on Buyback of Equity Shares	(16.86)	-
Remeasurement of the defined benefit plans, net	(2.90)	(3.43)
Closing balance	**740.27**	**704.09**

3. CHANGES IN THE CAPITAL STRUCTURE

At the beginning of the Financial year 2024-25, the share capital structure of the Company was as follows:

Particulars	Equity Shares of ₹ 10/- each
Authorised Share Capital (₹)	45,10,00,000
Issued Share Capital (₹)	26,77,61,240
Subscribed and Paid-up Share Capital (₹)	26,77,33,240

During the period under review, the Company had completed Buyback of its 4,48,018 equity shares of ₹ 10/- each. At the end of the financial year ended March 31, 2025, the share capital structure of the Company is as follows:

Particulars	Equity Shares of ₹ 10/- each
Authorised Share Capital (₹)	45,10,00,000
Issued Paid-up share Capital (₹)	26,32,81,060
Subscribed and Paid-up share Capital (₹)	26,32,53,060

The Company has not issued shares with differential voting rights or sweat equity shares during FY'25.

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, 2,62,84,338 shares (99.84 %) are in dematerialized form as of March 31, 2025. The International Securities Identification Number (ISIN) allotted to the Company's shares is INE096B01018.

4. BUY BACK OF EQUITY SHARES

The Board of Directors at their meeting held on August 22, 2024, approved, subject to the approval of regulatory authorities, Companies Act 2013, the Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018, as amended (the "Buyback Regulations") and such applicable acts or rules including amendments if any, a Buyback of up to an aggregate amount not exceeding ₹ 72.35 crore (representing 9.90% and 9.57% of the aggregate of the total paid-up equity capital and free reserves of the Company based on the Audited Standalone and Consolidated Financial Statements of the Company, for the financial year ended on March 31, 2024) ("Maximum Offer Size") at a price not exceeding ₹ 1,615/- per equity share ("Maximum Buyback Price"), from the existing equity shareholders of the Company.

The Company bought back 4,48,018 equity shares, aggregating to representing 1.67% of the total paid-up Equity Share capital of the Company through the Tender Offer route at a price of ₹ 1,615/- per equity share for an aggregate consideration of ₹ 72.35 crore.

The Shareholders' payout with respect to Buyback including tax on Buyback (excluding transaction costs, other incidental and related expenses) aggregated to ₹ 89.21 crore resulting in a payout of 57% of the standalone profits of the Company

The Buyback size was 9.90% and 9.57% of the aggregate of the total paid-up equity capital and free reserves of the Company based on the Audited Standalone and Consolidated Financial Statements of the Company, for the financial year ended on March 31, 2024, the Buyback process was completed, and the shares were extinguished on September 30, 2024. Further details/documents relating to the Buyback are available on our website at http://nucleussoftware.com/investors/

5. 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

6. 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:

a. 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.

b. Maintain sufficient cash as reserves that will aid the Company in capturing meaningful business opportunities.

c. Invest surplus funds in low-risk fixed deposits with banks and Public financial Institutions, debt & arbitrage 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 ₹ 359.73 crore, constitute 44% of the shareholders' funds at the year end, against ₹ 401.57 crore, 52% 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.

7. DIVIDEND

The Board of Directors of the Company at their meeting held on May 16, 2025, have recommended a final dividend for its shareholders. The proposed final dividend is 125% (₹ 12.50 per equity share of ₹ 10 each), for FY 2024-25. This dividend is subject to the approval of shareholders at the forthcoming Annual General Meeting. If approved, the total Dividend pay-out for FY 2024-25 will be ₹ 32.91 crore.

The record date for the purposes of the final dividend will be July 11, 2025, and payment will be made within 30 days from the date of declaration of dividend.

8. 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.

9. 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.

10. 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_subsidiaries.zip and 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 Board's Report.

11. 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.

12. MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION OF THE COMPANY BETWEEN THE END OF FINANCIAL YEAR 2025 AND DATE OF THIS REPORT

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

13. CHANGE IN THE NATURE OF BUSINESS

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

14. MANAGEMENT DISCUSSION & ANALYSIS

In terms of the provisions of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), the Management's discussion and Analysis is set out in this Annual Report.

15. REVIEW OF BUSINESS & OUTLOOK

The global fintech ecosystem continues to evolve at an unprecedented pace, driven by transformative technologies, shifting customer expectations, and a renewed emphasis on digital-first experiences. Amid economic uncertainties, regulatory shifts, and geopolitical complexities, the financial services industry has shown remarkable resilience. At the center of this resilience is innovation powered by platforms, ecosystems, and agile mindsets.

Your Company, Nucleus Software, stands at the vanguard of this transformation. With a legacy of delivering mission-critical lending and transaction banking solutions to financial institutions worldwide, your Company continues to lead the charge toward digital empowerment and customer-centric innovation. Our flagship products, *FinnOne Neo*® and *FinnAxia*®, are trusted by some of the world's most progressive banks and financial service providers.

Over the past year, your Company has amplified its strategic direction by embracing a multi-pronged approach focused on technology innovation, digital delivery, market expansion, and customer success. Leveraging Artificial Intelligence (AI), Machine Learning (ML), Cloud-Ready Architecture, and advanced data analytics, we are reimagining how financial institutions serve, engage, and empower their customers.

Through initiatives such as our AI-powered Smart Onboarding, real-time credit decisioning, and API-first platform enhancements, we are helping clients build more intuitive, automated, and compliant financial journeys. The introduction of AI in *FinnOne Neo*® Collections, has been a breakthrough—enabling lenders to personalize recovery strategies while improving efficiency and compliance.

As part of its structured approach to strategy execution, Nucleus Software has adopted Hoshin Kanri approch, ensuring that long-term strategic objectives are effectively cascaded into actionable goals across all levels of the organization. This alignment enables your Company to synchronize cross-functional initiatives, track progress rigorously, and swiftly adapt to changing market dynamics—all while maintaining a clear focus on customer-centric innovation and operational excellence.

In alignment with strategic priorities, your Company has made significant investments in R&D and continuous delivery (CI/CD). We have adopted Acceptance Test-Driven Development (ATDD) and embedded agile product development into our culture, ensuring accelerated innovation cycles and faster time-to-market. These efforts are reinforced through structured internal training programs, technology workshops, and leadership mentoring that enable continuous learning and technical excellence across our engineering teams. Your Company actively encourages certification programs and hands-on learning, ensuring our teams stay ahead of evolving technology trends and development methodologies.

Your Company's go-to-market strategy continues to be strengthened by forging high-impact partnerships. This year saw new collaborations with cloud partners, fintech ecosystems, and regional system integrators. These alliances not only expand our reach but also bring co-innovation opportunities to address specific market needs—be it in embedded finance, green mobility financing, or digital-first treasury.

Our presence on online channels and thought leadership platforms has grown significantly. From hosting webinars on *Digital Lending in Emerging Markets* to sharing insights via LinkedIn on *Composable Banking* and *Sustainable Finance*, we have deepened our engagement with the global fintech community. These initiatives position your Company not just as a solution provider, but as a strategic thought partner.

Talent remains a cornerstone of our sustained growth. We have bolstered our workforce through strategic hiring, cross-functional upskilling, and leadership development programs. With a renewed focus on Diversity & Inclusion, we are building teams that reflect the global markets we serve—creative, resilient, and future-ready.

Looking ahead, Nucleus Software is strengthening its strategic roadmap with a sharp focus on innovation, regional expansion, and specialized financing solutions. The Company is advancing in ESG-linked financing and intelligent automation, empowering financial institutions to embrace sustainable practices and streamline operations through technologies like Robotic Process Automation (RPA). Alongside these initiatives, the Company is investing in automated

code review systems to boost developer productivity, reduce cognitive load, and ensure consistent code quality—allowing its engineering teams to focus more on innovation.

In response to evolving market demands, Nucleus Software is also placing greater emphasis on Islamic financing, particularly in retail segments, while conducting fitment analysis for complex corporate Islamic finance solutions to be addressed in the next financial cycle. Strategic efforts in co-lending have led to significant enhancements in digital collaboration between lenders, and the Company's education loan offering continues to evolve in line with India's maturing lending ecosystem.

Enhancements in the collections module, including a fully integrated legal repo settlement capability, are being actively deployed across regions, with tailored optimizations for markets such as Vietnam and the Middle East. Compliance with regional regulations, such as Payment Card Industry Data Security Standard (PCIDSS), has also enabled Nucleus Software to expand its footprint in the Middle East, supported by innovations like the recently launched payout module designed specifically for the region.

Looking toward the future, the Company's roadmap includes geographic expansion, advanced reporting dashboard capabilities, introduction of leasing solutions under priority financial lending (PFL), and gold loan offerings.

Through a combination of domain-driven product innovation, regulatory alignment, and continuous technology upgrades, Nucleus Software remains committed to enabling smarter, faster, and more inclusive banking experiences for its clients around the world.

Looking to the future, Nucleus Software is also closely monitoring developments in Digital Public Infrastructure (DPI), Global Financial Technology Networks (GFTN), and other collaborative frameworks shaping the next phase of fintech. By staying attuned to the evolving needs of financial institutions and regulators, your Company is well-positioned to explore future opportunities in areas such as digital identity and Central Bank Digital Currencies (CBDCs) as these technologies mature and regulatory clarity emerges.

We are actively tapping into emerging geographies across Africa, Australia, North America, Southeast Asia, Europe and Latin America, tailoring solutions to local regulatory environments and cultural nuances.

In conclusion, Nucleus Software is navigating the future with clarity, confidence, and commitment. By fusing technology excellence with deep domain expertise, by listening to our customers and learning from every engagement, we are building not just software—but a smarter, more inclusive, and future-ready financial ecosystem.

16. 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. The latest release of FinnOne Neo® GA 8.0 marks a significant leap forward in digital lending transformation. Designed to meet the evolving demands of financial institutions worldwide, this cutting-edge solution enhances customer acquisition, loan management, and debt collections with greater speed, intelligence, and flexibility.

With AI-driven automation, seamless integrations, and advanced analytics, FinnOne Neo® GA 8.0 empowers lenders to accelerate decision-making, optimize risk management, and deliver superior borrower experiences.

In a financial landscape shaped by rapid technological advancements and evolving regulatory frameworks, financial institutions must adapt to maintain their competitive edge. As financial institutions navigate an increasingly digital-first world, this latest version reinforces Nucleus Software's commitment to driving innovation and redefining the future of lending.

This latest release introduces transformative capabilities across three key areas: Customer Acquisition (CAS), Loan Management (LMS) and Debt Collections. These enhancements are designed to streamline workflows, eliminate manual interventions, enhance customer trust, deliver seamless and quick onboarding as well as faster recoveries. By fostering innovation and leveraging the latest technologies, FinnOne Neo® GA 8.0 enables financial institutions to meet the demands of a rapidly changing marketplace while adhering to strict compliance standards.

This latest release introduces transformative capabilities across three key business process areas:

- **Customer Acquisition (CAS):** Faster onboarding, enhanced compliance, and seamless borrower experiences.
- **Loan Management (LMS):** Improved transparency, regulatory compliance, and flexible loan servicing.
- **Debt Collections:** AI-powered automation for faster recoveries and enhanced operational efficiency.

These enhancements streamline workflows, reduce manual interventions, improve compliance, and drive superior customer engagement.

The latest General Availability (GA) 8.6 release of FinnAxia® introduces several enhancements that address evolving market needs and regulatory requirements. These new features strengthen the platform's capabilities across multiple dimensions:

- Multifactor Authentication- Strengthens login and transaction security with layered authentication, protecting against unauthorized access.
- Beneficiary Limits Tracking- Allows corporates to set daily and maximum limits for beneficiaries, enabling tighter control over payment activity.
- Beneficiary Validation – NRE Flag- Ensures compliance for NRE transactions through automated validations and restrictions.

As digital financial ecosystems continue to evolve, your Company remains a strategic technology partner—dedicated to building next-generation platforms that help financial institutions thrive in the age of innovation.

17. NOTABLE ACCOLADES RECEIVED DURING THE YEAR

At Nucleus Software, we continue to be recognized globally for our commitment to delivering cutting-edge technology, fostering industry collaboration, and driving meaningful innovation in the financial services sector. During the year, we received prestigious accolades as below, that validate our purpose-driven approach and relentless pursuit of excellence:

- **Asia Fintech Awards – "The Fintech Partner Award"-** We were honoured to receive this award for our flagship digital lending solution, FinnOne Neo®. This recognition reflects how FinnOne Neo® continues to redefine lending through AI-powered automation, intelligent workflows, and seamless API integrations—enabling our customers to deliver smarter, faster, and more inclusive lending experiences.
- **17th NBFC & Fintech Conclave and Awards – "Best Fintech & NBFC Collaboration"** Our strategic collaboration with **TATA Capital Ltd.** was recognized as an exemplary model of innovation-driven partnership. The award highlights how our co-created solutions empower financial institutions to scale efficiently, respond to market dynamics, and enhance customer value.
- **17th NBFC & Fintech Conclave and Awards – "Best Fintech of the Year"** This accolade affirms our leadership as a trusted fintech partner. It acknowledges our ability to deliver comprehensive, future-ready platforms that drive end-to-end digital transformation, operational efficiency, and regulatory compliance across the loan lifecycle.
- **IBSi Global Fintech Innovation Awards 2024 – "Best Digital Lending Implementation: Best Tools & Practices Adopted"-**We were proud to be recognized for our impactful engagement with Ambit Finvest Pvt. Ltd. This award underscores our domain expertise and ability to implement robust, best-in-class digital lending solutions that enhance turnaround times, ensure compliance, and enable a future-ready lending ecosystem.
- **Annual Report Recognition FY 2023–24 -** Our Annual Report for FY 2023–24, themed "Building Trust, Driving Growth – Our Purpose-Driven Journey to Innovation and Impact," achieved an exceptional global rating of 97 out of 100. We were also honoured with the Technical Achievement Award, reaffirming our commitment to innovation, transparency, and excellence in corporate reporting.

These recognitions reflect the trust placed in us by our customers, partners, and industry stakeholders—and they continue to inspire us to push the boundaries of innovation in everything we do.

18. 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, 2025:

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 Board's 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 (NSJKK) is based in Tokyo, Japan. It was incorporated in 2001 to expand business in the country. NSJKK 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.

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.

19. 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, 2025, is detailed below:

Office Location		Area in sq. ft.	Seating Capacity - No. of Persons
India	Noida	2,08,122	1,850
	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	139	3
	Jakarta, Indonesia	Virtual Office	NA
	London, UK	Virtual Office	NA
	Amsterdam	Virtual Office	NA
	Total	**2,60,099**	**2,410**

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

20. QUALITY PROCESSES

At Nucleus Software, Quality Assurance functions as a cornerstone of our software product development and delivery lifecycle. Nucleus Quality Management System (NQMS) continues to enable outstanding value and experience to its external and internal customers. Quality Processes and Frameworks were further aligned and institutionalised as per the PMBoK (Project Management Body of Knowledge) Knowledge Areas and industry best practices.

In FY 2024-25, our Quality Assurance initiatives focused on strengthening project governance and continuous process optimization. We concentrated on automating key process workflows, including Multi-phase Planning Dashboards, Metrics Performance Dashboard, Project Canvas, and Rebaseline Dashboards etc. Significant efforts were made to enhance the data availability and visibility through automated & analytical dashboards for better project governance at all levels.

Quality Assurance team collaborates with delivery and product development teams to ensure that quality standards are adhered to meet business objectives. This team monitors quality compliance and improvements through regular project facilitations, trainings, audits, and reviews. The team's extended facilitation during retrospectives, root cause analysis, shift-left feedback loops helped in driving continuous improvement across projects. As we move forward, the Company focus remains on enhancing the delivery quality through continuous process enhancement and metrics driven insights.

21. MARKET POSITIONING AND BRAND DIFFERENTIATION TO BUILDING BRAND EQUITY

In FY 2024–25, your Company strategically intensified its efforts to enhance global brand presence and reinforce its distinct market positioning. Recognizing the critical role of perception in a competitive marketplace, your Company adopted a future-focused branding approach to resonate with both internal and external stakeholders. The goal: to be seen not just as a technology provider, but as a trusted digital transformation partner for financial institutions worldwide.

Driving Brand Prominence

This year marked a pivotal phase in our brand journey—marked by deeper market engagement, sharper positioning, and a renewed emphasis on excellence across all touchpoints.

Refining Brand Identity

Your Company further evolved its brand essence to reflect agility, innovation, and customer-centricity. Every communication was curated to reinforce our brand promise, nurturing stronger emotional and strategic connections with our global audiences.

Leadership Visibility

We strengthened executive visibility through active participation in global conferences, thought leadership content, and industry-led dialogues. Our leaders continued to be recognized as trusted voices in digital lending, banking technology, and financial transformation—solidifying our stature in the global fintech ecosystem.

Commitment to Product Excellence

Your Company sustained its focus on delivering superior products by embedding customer feedback into the product roadmap and elevating experiences through continuous innovation. The recognition and trust earned from customers stand testament to our unwavering commitment to product quality and service excellence.

Brand Outreach and Media Engagement

During the year under review, your Company continued to strengthen its global brand presence through a robust, multi-pronged marketing and communications strategy. These initiatives were aimed at enhancing stakeholder engagement, reinforcing our positioning as a trusted fintech innovator, and aligning our messaging with market-specific demands. Key highlights include:

1. *Editorial Excellence in Print Media*

   Your Company's thought leadership and solution expertise were prominently featured in reputed financial and technology publications such as The Economic Times, Business Today, and ETBFSI. These editorials not only showcased our flagship products and innovations but also reflected our perspectives on the evolving financial services landscape. Strategically crafted content ensured that our voice reached boardrooms, analyst desks, and policymaking circles across key markets.

2. *High-Impact Broadcast and Visual Media Engagement*

   Your Company engaged with premier broadcast platforms and digital video channels to share leadership interviews, technology conversations, and customer success stories. These high-visibility appearances played a pivotal role in humanizing our brand and reinforcing our credibility among business audiences through authentic, narrative-driven storytelling.

3. *Industry Participation at Global Forums*

   We maintained a strong presence at leading fintech and banking conferences across Asia-Pacific, the Middle East, Africa, and Europe. These forums provided valuable platforms to showcase innovations across our lending and

transaction banking solutions. By engaging in panel discussions, keynote sessions, and product demonstrations, we strengthened connections with key decision-makers and explored new business opportunities.

4. *News Wire and PR Amplification*

   To ensure timely and consistent visibility, your Company leveraged global press wire services to disseminate major announcements. These included product launches, strategic partnerships, awards, and customer wins. Our public relations efforts were structured to maintain strong recall across media channels and ensure alignment with our strategic business goals.

5. *Geography-Specific Branding Initiatives*

   Recognizing the diverse needs and maturity levels of different markets, Nucleus Software adopted a hyperlocal branding strategy. Tailored campaigns were executed across India, Southeast Asia, Africa, Japan, Australia, Europe, and North America. We aligned our messaging to regional customer priorities, regulatory developments, and digital maturity—leveraging local events, industry alliances, influencer outreach, and multilingual digital content to maximize resonance and impact.

6. *Data-Driven Digital Brand Campaigns*

   Your Company amplified its presence across search engines, social media, and professional networks through insight-led digital campaigns. These campaigns were tailored to elevate product awareness, generate qualified leads, and reinforce our position as a technology leader. In addition to driving inbound interest, our digital marketing contributed to our employer branding and talent acquisition goals.

7. *Partner-Led Branding and Co-Marketing Initiatives*

   Strategic partnerships were central to our brand growth efforts during the year. Nucleus Software collaborated with leading technology and consulting firms on joint marketing programs. These included co-hosted webinars, joint solution whitepapers, and shared event platforms. Such initiatives not only extended our reach but also showcased the synergistic value delivered through collaborative innovation.

8. *Analyst Engagement and Market Visibility*

   We intensified our engagement with leading global and regional analyst firms. Regular briefings, product walk-throughs, and executive insights were shared with analysts from firms such as Gartner, Forrester, Celent, and IBS Intelligence. These efforts resulted in favorable coverage in several analyst reports and evaluations, further strengthening our visibility and influence among financial institutions.

9. *Customer-Driven Account-Based Marketing (ABM) Initiatives*

   Your Company adopted a targeted ABM approach to build deeper relationships with key enterprise customers and strategic prospects. By tailoring campaigns, content, and executive engagements to the specific needs and priorities of each account, we successfully enhanced engagement levels, strengthened partnerships, and accelerated opportunity conversion. These ABM initiatives also served as platforms for capturing voice-of-customer insights to drive continuous product enhancement.

These integrated branding and communication initiatives are instrumental in positioning Nucleus Software as a global fintech leader committed to driving customer success, innovation, and business impact.

Expanding Global Outreach

Driving Global Impact through Strategic Industry Engagements

Throughout the fiscal year 2023-24, Nucleus Software actively participated in a range of industry events across the globe, reinforcing our commitment to innovation, collaboration, and thought leadership within the financial services sector. With our strategic global presence, Nucleus Software is leading critical conversations, setting new industry benchmarks, and delivering transformative financial solutions. Our commitment to collaboration and knowledge-sharing ensures that we continue to lead the way in digital lending, AI-driven financial services, and customer-centric banking innovations.

Here's a summary of the Company's key engagements in major global events:

- **MENA BFSI Leaders Conclave 2024 (Dubai, May 22-23, 2024)-** At the MENA BFSI Leaders Conclave, Nucleus Software gained an invaluable platform to engage with key decision-makers and influential leaders from the BFSI sector across the MENA region. Through dynamic panel discussions, networking sessions, and knowledge-sharing forums, Nucleus Software exchanged insights on emerging industry trends, best practices, and strategies to foster inclusivity, sustainability, and collaboration within the financial services landscape.

  This event highlighted Nucleus Software's leadership in driving digital transformation and innovation in the region's banking sector, reinforcing our role as a strategic partner in shaping the future of MENA's financial services.

- **Banking Transformation Summit with CNBC TV18 (Mumbai, August 30, 2024)-** Nucleus Software proudly hosted the Banking Transformation Summit 2.0, bringing together the best minds from India's banking and financial ecosystem. Building on the success of the inaugural edition, which focused on achieving a $5 trillion economy, this year's summit introduced an ambitious new vision — enabling India to reach a $10 trillion economy by 2047. Set against the backdrop of robust growth, regulatory evolution, and digital disruption, the summit ignited crucial discussions around sustainable development, financial inclusion, and technology-driven transformation.

  Your Company provided a platform for renowned industry experts to engage in stimulating conversations on India's banking sector and its pivotal role in driving the nation's economy toward achieving these bold goals. Through insightful debates and strategic perspectives, Nucleus Software contributed to shaping the future of banking in India, reaffirming our commitment to innovation and leadership in the financial services sector.

- **Global Fintech Fest 2024 (Mumbai, August 28-30, 2024)-** At the Global Fintech Fest 2024, Nucleus Software reinforced its position as a fintech leader through an impactful presence at one of the industry's largest gatherings. Representing the Company, Bhupesh Kumar participated in a high-impact panel discussion on "Leveraging Digital Infrastructure for Transformation in Lending & Payments." The session offered valuable perspectives on how digital infrastructure is reshaping financial ecosystems—enabling greater speed, scalability, and inclusion. Bhupesh shared strategic insights on driving financial inclusion through digital lending, underlining Nucleus Software's commitment to empowering financial institutions with innovative, future-ready solutions.

- **WFIS Philippines 2024 (Philippines, August 13-14, 2024)-** At WFIS Philippines 2024, Nucleus Software engaged in strategic discussions with industry leaders and key stakeholders, delving into the evolving market dynamics, regulatory trends, and potential partnership opportunities within the Philippine financial sector. The event provided an excellent platform to showcase Nucleus Software's innovative solutions and services, specifically designed to meet the unique needs of the local market.

  This engagement reinforced Nucleus Software's commitment to driving digital transformation and innovation in the Philippines, fostering valuable partnerships, and further solidifying our position as a leader in global financial technology.

- **CII Event 2024 (Mumbai, September 2-3, 2024)-** This event offered a prime opportunity to engage with industry leaders and stakeholders, particularly in relation to India's banking sector's goals for MSMEs. Nucleus Software gained valuable insights into the unique challenges and opportunities facing the MSME sector, as well as the strategies being implemented to improve accessibility and convenience through digitalization. This event underscored Nucleus Software's commitment to driving financial inclusion and empowering MSMEs through technology-driven solutions that address their evolving needs.

- **FIBAC 2024 (Mumbai, September 5-6, 2024)-** This premier event provided a dynamic platform for networking with global experts and industry peers, facilitating valuable connections that fostered collaboration and knowledge exchange. The symposium served as a catalyst for refining Nucleus Software's strategies, offering fresh insights into the evolving IT landscape while reinforcing our commitment to staying at the forefront of risk management and compliance. This event emphasized Nucleus Software's dedication to addressing the most pressing challenges in risk and compliance, ensuring we remain a trusted partner in an increasingly complex financial ecosystem.

- **MEBIS 2024 (Dubai, September 18-19, 2024)-** Nucleus Software made a strong impact at MEBIS 2024, with a prominent presence throughout the event. In addition to our sponsorship, we were honored with a speaking opportunity, further cementing our leadership in the banking sector. The presentation underscored Nucleus Software's expertise in driving innovation and shaping the future of banking, establishing our position as a key player in the Middle East's financial ecosystem. This engagement highlighted Nucleus Software's commitment to delivering forward-thinking solutions and reinforcing our strategic role in the Middle East's rapidly advancing financial sector.

- **FST 2024 (Sydney, October 24-25, 2024)-** Nucleus Software made a significant impact at FST 2024, maintaining a prominent presence throughout the two-day event. Our participation provided a platform to showcase our thought leadership and commitment to driving innovation in the financial services sector. This event reinforced Nucleus Software's role as a leading enabler of innovation and transformation in the global banking industry, while also underscoring our dedication to shaping the future of financial services.

- **Singapore Fintech Festival 2024 (Singapore, November 6-8, 2024)-** Nucleus Software played an integral role at the Singapore Fintech Festival 2024, where our expert shared valuable insights on the rapidly evolving fintech landscape, particularly within the realm of green finance. Through dynamic panel discussions, keynote presentations, and networking sessions, we explored emerging trends, disruptive technologies, and strategies for driving sustainable lending in the financial services sector.

  This event highlighted Nucleus Software's leadership in advancing sustainable and responsible lending practices, further cementing our commitment to driving innovation and promoting a greener, more sustainable future within the fintech ecosystem.

- **WFIS Indonesia 2024 (Jakarta, November 12-13, 2024)-** Nucleus Software's participation at WFIS Indonesia 2024 provided an invaluable opportunity to engage with global stakeholders, exchange insights, and contribute to key discussions on fostering collaboration and driving innovation within Indonesia's financial services industry. The event offered a dynamic platform to share expertise on digital transformation and its impact on the region's financial landscape.

  This event reinforced Nucleus Software's commitment to advancing digital financial services in Indonesia, highlighting our leadership in creating inclusive and sustainable lending solutions that address the unique challenges of the region.

- **The GFTN Forum, Japan (Tokyo, March 3-7, 2025)-** At The GFTN Forum in Tokyo, Nucleus Software showcased its thought leadership in the evolving fintech landscape, contributing insights on emerging trends, disruptive technologies, and strategies driving the future of financial services. Our discussions centered around key topics such as the pivotal role of cloud computing, Asia's strategic influence in global finance, and the significance of data as the cornerstone for customer-centric innovation. This forum underscored Nucleus Software's commitment to advancing the future of financial services through cutting-edge solutions, while positioning us as a leader in driving innovation and collaboration across the global fintech ecosystem.

- **Women Product Champions Event by Nasscom - (New Delhi, , February 3, 2025)-** At the Nasscom Women Product Champions event, your Company's representative delivered an inspiring and insightful session titled "Beyond the Feature Factory: Engineering Impactful Solutions that Solve Real Problems", emphasizing the shift from simply adding features to creating user-centric, purpose-driven solutions that address real-world challenges, calling on tech professionals to move beyond just building products for the sake of functionality and focus on delivering products that truly make a difference by solving critical problems. Your Company's thought leadership reminded the audience of the importance of aligning product development with the broader goal of driving tangible, lasting impact. It's not just about innovation for innovation's sake—it's about building the right solutions that empower users and drive meaningful change.

- **Nasscom Confluence 2024 - (New Delhi, November 26, 2024):** Your Company representative participated in a high-impact panel discussion on "The Future of Payment Technology", sharing expert perspectives on the dynamic evolution of India's payment landscape, global advancements in payment systems, and the transformative trends influencing cross-border transactions. The discussion also delved into the critical role of AI and ML in strengthening payment security, particularly in fraud detection and overcoming cross-border constraints. This insightful session reinforced your Company's commitment to driving innovation in the digital payments' ecosystem.

- **Black Swan Summit – (Perth, March 25, 2025)-** Your Company's Head of Sales for Australia & New Zealand, was a featured speaker at the prestigious Black Swan Summit, held at the University of Western Australia in Perth. The event brought together leading industry experts to discuss the rapidly evolving payments ecosystem. Your Company representative participated in a panel discussion to explore the transformative role of AI in revolutionizing payment systems, enhancing financial inclusion, and enabling seamless, borderless transactions. His insights focused on how businesses and financial institutions could build future-proof payment infrastructures amidst the rise of embedded finance, digital currencies, and decentralized ecosystems. The session provided valuable perspectives on leveraging technology to drive efficiency, security, and accessibility in the global payments landscape, helping shape the future of finance in an increasingly digital economy.

- **Nucleus Synapse 2024| Singapore Edition – (Singapore, November 22, 2024**)

  Celebrating Innovation, Resilience, and the Future of Digital Finance in Singapore- Nucleus Synapse 2024 in Singapore was a defining

moment for the financial technology landscape, bringing together the brightest minds and influential leaders from the worlds of banking, technology, and innovation. The event began with an energetic and culturally rich opening ceremony, featuring a traditional Lion Dance, symbolizing good fortune and prosperity in Chinese culture. The captivating performance, with its rhythmic drumbeats and vibrant costumes, not only energized the audience but also perfectly set the stage for a gathering focused on progress, transformation, and the harmonious fusion of tradition with cutting-edge innovation. This global forum provided a platform for industry leaders, innovators, and visionaries to explore the future of digital finance, with Nucleus Software at the forefront, showcasing its commitment to driving sustainable growth and technological advancement. The Singapore Edition of Synapse further strengthened Nucleus Software's role as a catalyst for change in the global financial ecosystem, cementing its position as a leader in pioneering solutions that empower the future of finance.

- **Nucleus Synapse 2024: (Mumbai, December 6, 2024)**

  India's Path to Sustainable Growth – A Day of Insight, Innovation, and Commitment to Governance-Nucleus Synapse 2024, held at the Grand Hyatt in Mumbai, marked a landmark event that brought together some of the most influential leaders in finance, governance, and sustainable development. With its compelling theme, "India's Path to Sustainable Growth: Governance & Lending," the event catalyzed critical discussions on how robust governance frameworks and innovative lending practices are shaping India's trajectory toward a more sustainable and inclusive future. This high-impact forum offered a unique platform for thought leaders, industry experts, and policymakers to explore actionable solutions to the challenges and opportunities in driving sustainable growth. Nucleus Software's leadership in organizing this event underscores its commitment to advancing responsible business practices and contributing to India's economic and social transformation. By engaging with diverse stakeholders, the event reinforced Nucleus Software's role as a key player in shaping the future of India's financial ecosystem, promoting innovation, and fostering governance that drives long-term value.

  Your Company's participation in these events further reinforced its standing as a reliable partner and provider of innovative solutions within the industry. These gatherings presented valuable platforms for engaging with potential clients, partners, and key influencers, facilitating meaningful connections that could lead to future collaborations and business prospects. Additionally, these events allowed us to highlight our expertise, foster relationships, and contribute to driving positive change within the industry.

  By showcasing your Company's capabilities across diverse global markets, we reaffirmed our commitment to meeting the unique needs of clients across various sectors. This strategic, multi-regional approach not only strengthened our position as an industry leader but also set the stage for sustained growth and success in the years ahead.

22. HUMAN RESOURCE MANAGEMENT

FY 2024–25 was a defining year of transformation at Nucleus - where strategic clarity, empowered leadership, and a people-first culture came together to shape the future.

We began by embracing the Hoshin Kanri approach, anchoring our Lean journey in shared purpose and structured execution. This method enabled us to identify six enterprise-level priorities - each led by a senior leader - and cascaded them across teams through Obeya rooms, catchball dialogues, and PDCA (Plan, Do, Check and Act) reviews. These priorities now serve as our organization's "true north," driving alignment in learning, performance, and rewards. Among these priorities, "Enhance Nucleites' Experience" stood as a key focus, and it became our core goal throughout the year. We facilitated this through initiatives such as leadership development programs, targeted sales enablement, and a commitment to enhancing wellbeing and growth opportunities, creating a more inclusive and enriching environment for every Nucleite.

To deepen Lean capability, your Company partnered with the Lean Enterprise Institute (LEI), USA and rolled out high-impact interventions including:

- A3 Thinking for structured problem-solving
- Lean Leader Development, combining immersive workshops with 1:1 coaching
- Kaizen Campaigns to empower teams in grassroots innovation and real-time issue resolution

In parallel, your Company invested in building future-ready skills and leadership strength:

- **SkillsVault**, launched on our platform, introduced a dynamic framework for skill mapping, personalized learning journeys, and smarter talent deployment.

- **NucVerse**, our new age learning portal, delivered gamified, role-specific, and certification-driven experiences to accelerate product agility and core capabilities.

We nurtured leadership at every level through:

- The LEAD Program for mid-level managers, focusing on coaching, influence, and emotional intelligence.
- The Young Leaders Program (YLP) for first-time people managers.
- Mastering Feedback workshops, which trained 350+ managers in delivering effective, actionable feedback.
- Targeted Sales, Product, and Project Management Enablement, enhancing execution sharpness and customer-centricity.

In support of the Company's global growth strategy, the talent acquisition efforts this year were particularly focused on strengthening the leadership team by hiring key sales leaders in international regions such as Australia and Southeast Asia. These strategic appointments are aimed at enhancing our market presence, driving new opportunities, and accelerating growth in these critical regions.

Your Company wellness commitment stayed strong with StayWell, offering expert-led campaigns, counseling access, and holistic wellbeing resources to foster a culture of care and trust.

Your Company also introduced Career Catalyst—a talent marketplace designed to empower Nucleites to transform and reshape their professional journey by presenting opportunities for reskilling and upskilling, internal mobility, and participation in short- and long-term projects. This program is built on the principle of empowering every Nucleite to take a meaningful pause, explore their true interests, strengths, and passions, and align their unique talents with the organization's goals. This journey of self-discovery helps individuals reflect on where they want to go and how they can best contribute to the organization's success.

This holistic strategy marks a pivotal leap forward in cultivating a high-performance, high-trust culture—one where Nucleites are empowered to learn, lead, and thrive.

Transparent, two-way communication was a critical pillar of this transformation. We elevated internal messaging through standardized and professional templates and launched regular Open Houses to foster cross-functional alignment, recognition, and active listening. Multiple people policies were simplified for better clarity and accessibility—ensuring that our processes stay as agile and inclusive as our people.

This holistic strategy marks a pivotal leap forward in cultivating a high-performance, high-trust culture—one where Nucleites are empowered to learn, lead, and thrive.

23. 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 Requirements) 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 Requirements) Regulations, 2015, confirming compliance of the conditions of Corporate Governance, is provided as **Annexure C** to this Board's Report. The auditors' certificate for fiscal 2025 does not contain any qualifications, reservations, or adverse remark.

24. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

Your Company's Board consists of eight members comprising of four Executive Director including one Woman Director and four Non-Executive-Independent Directors including one Woman Independent Director.

The changes in composition of Board of Directors during the year under review are as below:

1. Mr. Prithvi Haldea retired as an Independent Director effective July 25, 2024, on completion of his second term of 5 consecutive years as an Independent Director.
2. Prof. Trilochan Sastry retired as an Independent Director effective July 25, 2024, on completion of his second term of 5 consecutive years as an Independent Director.
3. Mr. Ravi Pratap Singh retired as an Executive Director effective July 25, 2024, on completion of his tenure as an Executive Director.

4. Mrs. Elaine Mathias retired as an Independent Director effective September 19, 2024, on completion of her second term of 5 consecutive years as an Independent Director

The Board places on record its sincere appreciation for their invaluable contribution and guidance provided to the Company.

In accordance with the provisions of Companies Act 2013 and the Article of Association of the Company, Mr. Vishnu R Dusad , Managing Director and Dr. Ritika Dusad, 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.

Mrs. Yasmin Javeri Krishan was appointed as Independent Director of the Company to hold office for five consecutive years for a term up to July 29, 2025, not liable to retire by rotation. The Board of Directors at their meeting held on June 26, 2025, at the recommendation of Nomination and Remuneration/ Compensation Committee, recommended the reappointment of Mrs. Yasmin Javeri Krishan as an Independent Director for another term of five years, subject to approval of shareholders in the forthcoming Annual General meeting.

Mr. Parag Bhise was appointed as an Executive Director of the Company to hold office for five consecutive years for a term up to July 30, 2025. The Board of Directors at their meeting held on June 26, 2025, at the recommendation of the Nomination and Remuneration/Compensation Committee, re-commended the reappointment of Mr. Parag Bhise as an Executive Director for a further period of eight months i.e. from July 31, 2025, till March 31, 2026, subject to approval of shareholders in the forthcoming Annual General meeting.

Dr. Ritika Dusad was appointed as an Executive Director of the Company to hold office for five consecutive years for a term up to August 6, 2025. The Board of Directors at their meeting held on June 26, 2025, at the recommendation of the Nomination and Remuneration/Compensation Committee, re-commended the reappointment of Dr. Ritika Dusad as an Executive Director for another term of five years, subject to approval of shareholders in the forthcoming Annual General meeting.

The Board of Directors at their meeting held on March 25, 2025, had approved the request submitted by Dr. Ritika Dusad, Executive Director for extension of her sabbatical period for another term of maximum one year.

Mr. Surya Prakash Kanodia resigned as the Chief Financial Officer and KMP of the Company effective May 21, 2025. The Board placed on record its sincere appreciation for his contribution to the Company.

Your Company has received declarations from all the Independent Directors of your Company confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16(1) (b) of the SEBI Listing Regulations and there has been no change in the circumstances which may affect their status as an Independent Director. The Independent Directors have also given declaration of compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to their name appearing in the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs.

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

25. 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 Requirements) 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. A detailed Board effectiveness assessment questionnaire was developed based on the criteria and framework adopted by the Board.

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 results of the evaluation showed a high level of commitment and engagement in the Board and its various committees. The Chairperson of the Board/Committee also had interactions with each of the Directors and sought their feedback and suggestions on the overall Board Effectiveness and Directors 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 of NRC placed the Evaluation Summary before the NRC members. The same was discussed in detail, and the members recorded their satisfaction.

26. 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 Senior Management Personnel 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 Senior Management Personnel" is provided as **Annexure E** to this Board's 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 and https://investor.nucleussoftware.com/files/Nucleus_Remuneration_Policy_for_Board_Members.zip respectively.

27. 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.

28. 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

29. MEETINGS OF THE BOARD OF DIRECTORS

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

30. 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			√		√
Mrs. Yasmin Javeri Krishan	√	√		√	√
Mr. Shekar Viswanathan	√		√	√	√
Mr. Prakash Chandra Kandpal	√	√	√		√
Dr. Ritika Dusad				√	√
Mr. Parag Bhise				√	√
Mr. Anurag Mantri					√

31. 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.

32. 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.

33. REPORTING OF FRAUDS BY AUDITORS

During the year under review, neither the Statutory Auditors nor the Secretarial Auditors has reported to the Audit Committee, under Sec 143(12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees.

34. 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.

35. ADDITIONAL INFORMATION TO SHAREHOLDERS

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

36. 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 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.

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 Board's Report. The Secretarial Auditors' Report does not contain any qualification, reservation, or adverse remark.

Based on the recommendation of the Board in its meeting held on May 16, 2025, M/s. PI & Associates, Company Secretaries (Firm registration no: P2014UP035400), is proposed to be appointed as secretarial auditors of the Company to hold office for a term of five consecutive years commencing from financial year 2025-26 till financial year 2029-30 subject to the approval of shareholders as per the Listing Regulations read with Section 204 of the Act and Rules thereunder.

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.

37. 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 auditors. 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).

38. 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. The other members of the Committee are Mrs. Yasmin Javeri Krishan, Mr. S.M. Acharya, Mr. Parag Bhise and Dr. Ritika Dusad.

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

Your Company had set up Nucleus Software Foundation (NSF), a Trust for the purposes of undertaking CSR activities of the Company, in 2014 as a Section 25 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.

At Noida government schools the government focus shifted to program NIPUN. This is a focused 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 to support an NGO school "Samriddhi" 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 senior 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, Chhindwada, Dindori and Mandla is emerging as our biggest intervention. We are working there with the support of our implementing Partner organisation Parivaar.

NSF catered to 400 Learning centres (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 trainers (educational coordinators), who are working towards educational quality. NSF Knowledge Partners trained these coordinators through onsite 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.

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. NSF also held training camps for sanitary pad stitching.

NSF new partnerships in new geographies of Bihar and Chhattisgarh are training youth and girls of the community, 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 Ramakrishna Mission at Chennai to promote STEM 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.

39. 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		5,00,000
(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, 2025		–
(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, 2025		–

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.

40. 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 Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate **Annexure H**. Further, the report and the accounts are being sent/mailed to the Members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection and any Member interested in obtaining a copy of the same may write to the Company Secretary.

41. 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, 2025, 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 towards 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 2024-25.

42. EXTRACT OF ANNUAL RETURN

Extract of Annual Return of the Company is available on https://investor.nucleussoftware.com/files/Nucleus_MGT-9_FY2024-2025.zip

43. 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 Board's Report.

44. 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.

45. 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.

46. 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 external member from NGOs or a person 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 FY 24-25, 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.

47. 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.

48. 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, Central Board of Indirect Taxes Customs (CBI), Department of Scientific and Industrial 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

Sd/-
S.M. Acharya
Chairperson

Date: June 26, 2025
Place: Noida

ANNEXURES TO THE BOARD'S 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 Senior Management Personnel
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 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 From AOC-1 is attached at the end of consolidated financial statements of the Company.

For and on behalf of the Board of Directors

Sd/-
S.M. Acharya
Chairperson

Place: Noida
Date: June 26, 2025

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 2024-25 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

Sd/-
S.M. Acharya
Chairperson

Place: Noida
Date: June 26, 2025

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 June 28, 2024.

We have examined the compliance of conditions of Corporate Governance by Nucleus Software Exports Limited ("the Company"), for the year ended March 31, 2025, 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, 2025.

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, 2025.

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
Membership No. 122499
UDIN: 25122499BMKWME5955

Place: New Delhi
Date: June 26, 2025

Annexure D

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 APPOINMENT 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.

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/Chief Executive Officer:***

The Board shall appoint any person as a Managing Director, Chief Executive Officer 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/-
S.M. Acharya
Chairperson

Place: Noida
Date: June 26, 2025

Annexure E

REMUNERATION POLICY FOR BOARD MEMBERS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT PERSONNEL

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 Senior Management Personnel. 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 Personnel 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 Senior Management Personnel.
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 Personnel"** 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:
   - Fixed remuneration
   - Variable Pay
   - Incentives if any
   - Employee Stock Options (ESOP)
   - Reimbursement of expenses
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

Place: Noida
Date: June 26, 2025

Annexure F

FORM NO. MR – 3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2025

[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 31st, 2025 **("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

(ii) 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.

(iii) 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.

(iv) 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.

(v) 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;

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 the 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. Anurag Mantri stepped down from his position as CFO w.e.f. May 07, 2024, and continues to serve as the Executive Director and Chief Operating Officer of the Company.

b. That Mr. Surya Prakash Kanodia was appointed as the CFO of the company w.e.f. May 08, 2024.

c. That Mr. Prithvi Haldea and Prof. Sadhu Trilochan Sastry ceased to be Independent Directors w.e.f. close of business hours on July 25, 2024, upon completion of their second term of 5 consecutive years.

d. That Mr. Ravi Pratap Singh ceased to be Whole Time Director of the Company w.e.f. close of business hours on July 25, 2024, upon completion of his tenure.

e. That Mrs. Elaine Mathias ceased to be an Independent Director w.e.f. close of business hours on September 19, 2024, upon completion of her second term of 5 consecutive years.

(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 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 during the audit period, the following event occurred in the Company, having a major bearing on the Company's affairs :

i. That the Board, in its meeting held on August 22, 2024, approved the buyback of up to 4,48,018 (Four Lakh Forty-Eight Thousand Eighteen) fully paid-up equity shares of face value of ₹ 10/- each) at a price of ₹ 1,615/- (Rupees One Thousand Six Hundred Fifteen Only) per equity share, payable in cash, for an aggregate amount of up to ₹ 72,35,49,768/- (Rupees Seventy-Two Crores Thirty-Five Lakhs Forty Nine Thousand Seven Hundred Sixty Eight Only), on a proportionate basis through the tender offer process in accordance with the provisions of Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 ("Buyback Regulations"). Consequently, the Company bought back 4,48,018 fully paid-up equity shares of face value ₹ 10/- each in accordance with the Buyback Regulations.

For PI & Associates,
Company Secretaries

Sd/-
Nitesh Latwal
Partner
ACS No.: 32109
CP No.: 16276
Peer Review No.: 1498/2021
UDIN: A032109G000335381

Date: May 16, 2025
Place: New Delhi

Disclaimer

This report is to be read with our letter of even date which is annexed as "Annexure A" and forms an integral part of this report.

Annexure-A

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 regulations 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: A032109G000335381

Date: May 16, 2025
Place: New Delhi

ANNEXURE G

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 Board's 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	2	2
2	Mrs. Yasmin Javeri Krishan	Independent Director	2	2
3.	Prof Trilochan Sastry*	Independent Director	2	0
4.	Mr. S.M. Acharya	Independent Director	2	2
5.	Mr. Parag Bhise	CEO & Executive Director	2	2
6.	Dr. Ritika Dusad	Executive Director	2	0

**Prof Trilochan Sastry ceased to be member of the CSR committee w.e.f. July 25, 2024 upon completion of his second term of 5 consecutive years as an Independent Director.*

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)**: ₹ 138.40 crore

7. (a) **Two percent of average net profit of the company as per section 135(5)**: ₹ 2.77 crore

   (b) **Surplus arising out of the CSR projects or programmes or activities of the previous financial years:** Nil

   (c) **Amount required to be set off for the financial year, if any**: Nil

   (d) **Total CSR obligation for the financial year (7a+7b- 7c) :** ₹ 2.77 crore

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

Total Amount Spent for the Financial Year. (₹ in crore)	Amount Unspent (₹ in crore)				
	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
2.77	Nil	NA	NA	Nil	NA

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activ-ities in Scheu-dule VII to the Act	Local area (Yes / No).	Location of the project		Project duration	Amount allocated for the project (in crore)	Amount spent in the current financial Year (in ₹ crore)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹ crore)	Mode of Implementation-Direct (Yes /No)	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

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

1	2	3	4	5		6	7	8	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local Area (Yes/No)	Location of the project		Amount spent for the project (₹ in crore)	Mode of implementation Direct (Yes/No)	Mode of implementation – Through implementing agency.	
				State.	District.			Name	CSR registration number
1	Education of underprivileged kids (School for Underprivileged)	2	Yes	UP	Ghaziabad	0.17	No	Sandeepon music and educational society	CSR00025187
2	Education for underprivileged Kids Learning centres for Remediation	2	No	Uttarakhand	Dehradun	0.18	No	Mountain's children foundation	CSR00002578
3	Education for tribal kids (Educational quality improvement and remediation)	2	No	MP	Dewas, Khandwa, Mandla, Betul, Chhindwada, Sehore, Dindori	0.52	No	Parivaar Education Society	CSR00000052
4	Scholarships for Martyr kids	2	No	UP	Ghaziabad, Moradabad, Lucknow, Unnao, Meerut	0.14	Yes	Nucleus Software Foundation	CSR00002578
5	Remedial education at Government schools and local community centers	2	Yes	UP	Noida	0.19	No	Sandeepon music and educational society	CSR00025187
6	Women empowerment Tailoring and Embroidery course	2	No	Tamil Nadu	Chennai	0.28	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	0.13	Yes	Nucleus Software Foundation	CSR00013556
8	English Math remedial program design trainings and implementation (Shantanu, Manoj, Himanshu)	2	No	Madhya Pradesh, Uttarakhand, and Uttar Pradesh	Dewas, Khandwa, Mandla, Betul, Chhindwada, Dehradun, Noida	0.53	Yes	Nucleus Software Foundation	CSR00013556
9	Women empowerment & remedial education	2	No	Bihar	Jamui, Begusarai, Gaya, Bhagalpur, Muzzafarpur	0.10	No	I-Saksham Education and Learning Foundation	CSR00000430
10	Tribal Language content development for Early education	2	No	Chattisgarh	Sukma	0.10	No	Shiksharth Trust	CSR00018295

1	2	3	4	5		6	7	8	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local Area (Yes/No)	Location of the project		Amount spent for the project (₹ in crore)	Mode of implementation Direct (Yes/No)	Mode of implementation – Through implementing agency.	
				State.	District.			Name	CSR registration number
11	Youth support and remedial education	2	No	Uttarakhand	Haridwar	0.10	No	Edliv Samanta Foundation	CSR00005920
12	Vedic Education support	2	No	UP	Baghpat	0.09	No	Sri Gandhi Sham Samiti (Mahanand Sanskrit Madhyamik Vidyalaya)	CSR00074310
13	Science education support	2	No	Tamil Nadu	Chennai	0.04	No	Ramkrishna Mission	CSR00006101
14	Education for rehabilitated kids	2	No	Maharashtra	Ahmednagar	0.05	No	Snehalaya	CSR00001248
15	Supporting disabled artisans	2	Yes	Delhi	Delhi	0.01	No	Family of Disabled	CSR00032493
16	Support to school teachers for underprivileged	2	No	West Bengal	Howrah	0.10	No	Samaritan help mission	CSR00000896
Total						2.73			

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No)	Location of the project.		Amount spent for the project	Mode of implementation Direct (Yes/No)	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**: ₹ 0.04 crore

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

(g) **Total amount spent for the Financial Year (8b+8c+8d+8e)** : ₹ 2.77 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)	2.77
(ii)	Total amount spent for the Financial Year	2.77
(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)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in crore)	Amount spent on the project in the for the preceding Financial Year (in crore)	Cumulative amount spent at the end of reporting Financial Year (in crore.)	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: June 26, 2025
Place: Noida

Sd/-
Yasmin Javeri Krishan
Member CSR Committee
Date: June 26, 2025
Place: Noida

Sd/-
Shekar Viswanathan
Chairperson CSR Committee
Date: June 26, 2025
Place: Noida

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 (FY25)
Mr. S.M. Acharya	4.17
Mr. Prithvi Haldea	1.13
Mrs. Elaine Mathias	1.95
Prof. Trilochan Sastry	0.99
Mrs. Yasmin Javeri Krishan	4.17
Mr. Shekar Viswanathan	3.63
Mr. P C Kandpal	4.24

Executive directors	Ratio to median remuneration (FY25)
Mr. Vishnu R. Dusad	8.61
Mr. Ravi Pratap Singh	9.22
Mr. Parag Bhise	34.43
Dr. Ritika Dusad	1.13
Mr. Anurag Mantri	34.99

B. (1) The percentage increase in remuneration of each Director, CFO & Company Secretary

Name	Remuneration in fiscal 2025 (in ₹)	Remuneration in fiscal 2024 (in ₹)	No. of stock options / RSUs granted in fiscal 2025	% increase of remuneration in 2025 as compared to 2024	Excl. WTD	Incl. WTD	Ratio of remuneration to		
					Ratio of remuneration to MRE	Ratio of remuneration to MRE and WTD	Revenues (fiscal 2025)	Revenues (fiscal 2024)	Net Profit (fiscal 2025)
Mr. Vishnu R. Dusad	1,27,48,800	1,27,48,800	Nil	-	8.64	8.61	0.17	0.17	0.79
Mr. Ravi Pratap Singh	1,36,48,390	90,44,219	Nil	50.91	9.25	9.22	0.18	0.12	0.84
Mr. Parag Bhise	5,09,51,196	2,90,83,138	Nil	75.19	34.54	34.43	0.66	0.38	3.15
Dr. Ritika Dusad	16,66,668	1,51,17,446	Nil	(88.98)	1.13	1.13	0.02	0.20	0.10
Ms. Poonam Bhasin	62,05,394	56,17,210	Nil	10.47	4.21	4.19	0.08	0.07	0.38
Mr. Surya Prakash Kanodia#	1,67,35,361	-	Nil	-	11.34	11.31	0.22	-	1,03
Mr. Anurag Mantri	5,17,88,854*	6,68,37,574	Nil	(22.52)	35.11	34.99	0.67	0.87	3.20

RSU - Restricted Stock Units

WTD - Whole-time Director

MRE - Median Remuneration of Employees

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

#Mr. Surya Prakash Kanodia resigned as the Chief Financial Officer and KMP of the Company effective May 21, 2025.

(2) Remuneration paid to Independent Director

(Amount in ₹)

Name of the Director	Remuneration in fiscal 2025	Remuneration in fiscal 2024	Number of Stock Options/ RSU's granted in fiscal 2025	% increase of remuneration (2025 over 2024)
Mr. S.M. Acharya	61,68,026	63,24,482	-	(2%)
Mr. Prithvi Haldea#	16,70,386	59,24,482	-	(72%)
Mrs. Elaine Mathias#	28,87,124	63,24,482	-	(54%)
Prof. Trilochan Sastry#	14,70,386	55,24,482	-	(73%)
Mrs. Yasmin Javeri Krishan	61,68,026	58,24,482	-	6%
Mr. Shekar Viswanathan*	53,68,026	9,38,796	-	472%
Mr. P C Kandpal*	62,68,026	9,38,796	-	568%

* Mr. Shekar Viswanathan and Mr. P C Kandpal were appointed with effect from February 12, 2024

Mr. Prithvi Haldea, Prof. Trilochan Sastry and Mrs. Elaine Mathias retired from the Board during the FY 24-25

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 ₹ 14,75,252/- and ₹ 14,04,967/- in fiscal 2025 and fiscal 2024 respectively. The increase in MRE (excluding WTDs) in fiscal 2025, as compared to fiscal 2024 is 5%

The Median Remuneration of Employees (MRE) including Whole-time Directors (WTDs) was ₹ 14,79,979/- and ₹ 14,17,004/- in fiscal 2025 and fiscal 2024 respectively. The increase in MRE (including WTDs) in fiscal 2025, as compared to fiscal 2024 is 4.44%

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

The number of permanent employees on the rolls of the Company as of March 31, 2025 and March 31, 2024 was 1,917 and 1,890 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:

During the year, employees based in India received an average increment of 11% to 12%, which factored in both promotions and retention-related adjustments. Meanwhile, employees located outside India received a wage increase averaging between 3% to 4%.

While determining increments, we considered the internal percentile positioning of employees identified as top talent. This ensured that compensation decisions were aligned with both performance and potential, reinforcing our commitment to merit-based rewards.

No distinction was made between managerial and non-managerial roles in this evaluation—ensuring a consistent and equitable approach.

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 forming part of this report. 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

Sd/-
S.M. Acharya
Chairperson

Noida
June 26, 2025

Annexure I

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

A. Conservation of Energy

Your Company's approach to energy efficiency involves two strategies: promoting behavioral changes among our associates to encourage energy conservation and smart management of lighting, cooling, and integrating energy efficiency into our overall operations . As a responsible corporate, the Company believes that it has got accountability to the future and an imperative role to play in addressing global challenges, climate change, and environmental sustainability.

A few of the energy conserving measures, taken by the Company 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
- Wastewater 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 upgraded 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 Renewable Energy Limited.
- 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, Audi, 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 at ISS floor, Unit-1, MFB Ground Floor and HUB room Unit-2 2nd to 5th floor 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 our strategic vision is a deep-rooted commitment to fostering a culture of innovation and R&D excellence. We recognize that in today's rapidly evolving financial landscape, maintaining industry leadership demands constant reinvention — not just in products, but in the way we think, build, and deliver value.

Our approach to R&D is grounded in cross-functional collaboration, adoption of emerging technologies, and a design thinking mindset that prioritizes user experience, scalability, and business impact. This enables us to stay ahead of the curve and shape the future of finance — not just respond to it.

1. Embracing Lean Innovation and Agile Engineering

   *Incorporating the principles of **Lean Manufacturing** into software development, we've strengthened our engineering practices with modern methods such as **Continuous Integration/Continuous Delivery (CI/CD)** and **Acceptance Test-Driven Development (ATDD)**. These practices enhance our responsiveness, code quality, and deployment frequency, allowing us to deliver innovation faster and with greater precision.*

2. Setting New Standards in Data Security

   *With rising cyber threats and stringent compliance requirements, **data security continues to be a non-negotiable priority**. Our platforms are designed with robust access controls, encryption at rest and in transit, and algorithmic safeguards that ensure zero-compromise environments. We align with global security standards and continuously evolve our architecture to mitigate emerging risks.*

3. Expanding our API-Driven Ecosystem

   *In today's interconnected financial world, **API readiness is key**. We've developed and deployed **600+ APIs** that support seamless integration with banks, fintechs, regulators, and other ecosystem players. Our architecture supports **Open Banking, ISO 20022**, and other international protocols to enable secure, flexible, and future-proof connectivity across lending and transaction banking workflows.*

4. Strengthening Our Product Lifecycle Innovation

   *Our **Product Lifecycle Management (PLM) framework** remains a cornerstone of our IP strategy. With **30+ major releases executed over the past decade**, including **four full-scale updates annually across FinnOne Neo® and FinnAxia®**, we continue to deliver enhanced features, faster time-to-market, and superior product maturity.*

5. Embedding Deep Domain Intelligence

   *At Nucleus, we believe that **domain expertise is as critical as technology**. Our solutions are not just technically advanced—they are built with an insider's understanding of lending, cash management, and regulatory environments. From in-built rules engines to intelligent workflows, our platforms reflect years of domain knowledge, making them intuitive, compliant, and effective at solving real-world pain points.*

6. Nurturing a Culture of Continuous Learning and Innovation

   *Beyond tools and technology, **our people are our greatest innovators**. We continue to invest in **cross-functional learning, mentorship, and hands-on experimentation** to nurture a high-performance, adaptive workforce. From hackathons to idea accelerators, we actively promote a culture where innovation is democratized and every employee contributes to shaping our future.*

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

AI/ ML

Expanded our capabilities in Intelligent document handling with notable progress in precision of our Document Blur Detection and accuracy of our Document Classification systems.

Key Benefits:

- Faster Processing Time:

  Early detection of blurry documents reduces lead rejection rates.
- Improved Accuracy:

  Reduces delays and enhances document verification.
- Enhanced Customer Experience:

  Ensures quick, reliable processing for loan or account applicants.
- Reduced Human Intervention:

  Minimizes the need for manual classification, lowering operational costs.
- Enhanced Accuracy:

  Ensures consistent and accurate categorization of documents.

These feature not only optimizes the experience for customers but also empowers bank employees at the lead generation stage, enhancing overall efficiency.

Technology - Stack Upgrade:

Nucleus is strategically advancing a robust technology stack modernization initiative to future-proof our digital infrastructure and accelerate innovation. This transformation is focused on enhancing system performance, ensuring seamless scalability, and enabling real-time data capabilities. By embracing next-generation technologies and modern development enhancements, Nucleus is optimizing operational efficiency, driving product agility, and delivering resilient, high-performance solutions. These forward-looking investments reflect our commitment to technical excellence, long-term value creation, and sustained competitive advantage for our clients, partners, and stakeholders.

ATDD:

To accelerate product releases, eliminate defects, and automate product testing, we have implemented Acceptance Test-Driven Development (ATDD) across our product development lifecycle. This strategic shift has delivered measurable improvements of product quality, agility and delivery efficiency.

Regulatory:

In alignment with RBI mandates and regulatory requirements across the globe, FinnOne Neo® continues to evolve with compliance-driven enhancements that ensure transparency, operational efficiency, and risk mitigation. Nucleus is committed to delivering these updates to customers in a timely manner, backed by a dedicated regulatory team that ensures all global and local regulatory needs are effectively addressed.

Islamic Finance:

FinnOne Neo® Islamic Finance in GA 8.0 offers Shariah-compliant, ethical financing solutions tailored for global markets. Enables and deploy cutting-edge, Shariah-compliant financial products such as Murabaha, Ijarah, Commodity Murabaha (Tawarruq) and Istisna. These solutions are structured as asset-backed lending and leasing mechanisms, tailored to meet diverse customer needs while strictly adhering to Islamic principles.

Offer a comprehensive suite of retail financing solutions—including personal finance, home finance, and auto finance-fully aligned with Islamic principles. By eliminating all interest-based elements (Riba), these offerings promote equitable financial inclusion and contribute to the development of a robust, Shariah-compliant financial ecosystem.

Strategic Launch of Payout Module:

Payout Management System helps compute incentives and commissions for agencies and business partners working within a financial institutions network. The system is designed to increase efficiency and productivity by automating the process of computing eligible commissions. It is a comprehensive, cost-effective, and customizable system that meets the needs of any lending organization and helps its business succeed.

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 2025 and FY 2024 is as follows:

(₹ in crore)

For the Year ended March 31,	2025	2024
Revenue expenditure	33.29	28.01
R&D expenditure/Total revenue	4.33%	3.66%

C. Technology Absorption, Adaptation and Innovation

For your Company, innovation is not just a value — it is a strategic imperative. As we stand at the intersection of rapid technological evolution and shifting customer expectations, we continue to invest in future-ready innovation that drives transformation across the BFSI landscape.

The world today is transitioning through what is widely recognized as the Fourth Industrial Revolution or Industry 4.0 — a period defined by exponential digital change. Web 3.0, blockchain, digital currency, Hyperledger, quantum computing, and the Metaverse are no longer buzzwords, but essential components of this transformation. Industry 4.0 is the result of 35 years of digital progress and is now laying the foundation for the next three decades of customer experience and financial service delivery.

Importantly, the financial services industry is not just being disrupted by these technologies, it is helping lead the charge. From decentralized ledgers and tokenized assets to smart contracts and AI-powered credit engines,

banks, NBFCs, and fintechs are adopting these technologies at pace. As a trusted partner to financial institutions worldwide, your Company is proud to be at the forefront of this shift.

Our flagship platform, FinnOne Neo®, already leverages cloud-ready architecture, AI/ML, and microservices to deliver agility and intelligence across the lending lifecycle. Similarly, FinnAxia® empowers transaction banking with real-time liquidity, virtual accounts, and seamless digital integration.

To sustain and scale this innovation, we have established a dedicated Innovation function — a cross-functional capability designed to capture, develop, and deploy breakthrough ideas across the organization. The department program-manages innovation initiatives from ideation to execution, with the objective of unlocking unrealized revenue potential and preparing the enterprise for continued digital evolution.

We are also expanding our research and development focus into emerging areas such as Generative AI, Embedded Finance, RegTech, and Green Tech, ensuring that our platforms not only meet today's needs but anticipate tomorrow's opportunities.

As we move into 2025 and beyond, your Company remains committed to absorbing, adapting, and pioneering technologies that will redefine financial services. We continue to empower institutions across 50+ countries with resilient, intelligent, and secure solutions — building a future where digital innovation and customer trust go hand in hand.

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

Co-Lending:

Co-lending is currently a key focus in the lending industry, and Nucleus Software is actively developing a co-lending feature within FinnOne Neo®. Extensive market research, including discussions with multiple potential customers and internal brainstorming sessions, has guided its development.

PCIDSS Compliance:

Nucleus Software is actively aligning with PCI DSS compliance to enhance the security of environments that store, process, or transmit cardholder and sensitive authentication data, and will achieve data masking and encryption as part of this compliance initiative. Additionally, we are actively working on adapting PII compliance to further strengthen data privacy and protection.

In line with PCI Council, all secrets and encryption keys are being moved out of applications and integrated with secure key management systems. This initiative applies not only to systems directly handling card data but also to environments that can impact its security, including those with outsourced payment operations.

Key Ongoing R&D in AI/ML: Driving Continuous Innovation in the Lending Ecosystem

Moving ahead, our strategic roadmap emphasizes the integration of Generative AI & Natural Language Processing aiming to unlock new levels of automation and personalized customer experiences.

Foreign Exchange Earnings and Outgo

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

   In FY 2025 foreign exchange earnings from software products and services were at ₹ 288.67 crore, 38% of revenue against ₹ 328.26 crore, 43% of revenue in FY 2024

2. **Foreign Exchange Earned and Used**

(₹ in crore)

For the Year ended March 31,	2025	2024
Foreign Exchange earnings:		
from software development of products and services	288.67	328.26
from dividend and interest income	3.99	-
Foreign Exchange outgo (Including capital goods):	54.96	49.16

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. We are committed to defining, following and practicing the highest level of corporate governance across all our business functions.

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. As the ultimate decision-making body, the Board plays a pivotal role in defining the Company's strategic direction and exercising control over its affairs

The Board sets the strategic direction; reviews and assesses the initiatives taken in pursuance of this strategy; and assesses and understands issues and risks that determine the Company's performance.

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, 2025, the Board at Nucleus comprises Eight members; Four Board members are Non-Executive Independent Directors including one woman Director, and the other four 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. Further, during the year, the Company has not provided any loans or advances to firms / companies in which Directors are interested.

Composition of the Board as on March 31, 2025:

Name of Director	Position	Age in years
Mr. S.M. Acharya (DIN: 00545141)	Chairperson, Non-Executive, Independent Director	76
Mr. Vishnu R Dusad (DIN: 00008412)	Managing Director, Promoter	68
Mr. Parag Bhise (DIN: 08719754)	Executive Director & CEO	59
Mr. Anurag Mantri (DIN: 09002894)	Executive Director & COO	55
Dr. Ritika Dusad (DIN: 07022867)	Executive Director	35
Mrs. Yasmin Javeri Krishan (DIN: 08801422)	Non-Executive, Independent Director	65
Mr. Shekar Viswanathan (DIN: 01202587)	Non-Executive, Independent Director	69
Mr. Prakash Chandra Kandpal (DIN: 06452437)	Non-Executive, Independent Director	62

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 Defence 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 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. Parag Bhise, Executive Director & CEO

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.

Mr. Anurag Mantri, Executive Director & COO

Mr. Anurag Mantri started his career with Nucleus Software in 1994. While working with Nucleus for more 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 globally.

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 preoccupancy 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.

Dr. Ritika Dusad, Executive Director

Dr. Ritika Dusad brings a wealth of expertise and leadership to the Nucleus Software Board of Directors. 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.

Her previous leadership in Marketing and Global Strategy helped in 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 (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.

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 Private Limited, Kirloskar Systems Private Limited and ASM Digital Engineering Private Limited. He is currently on the Board of Jay Bharat Maruti Limited, Brakes India Private Limited, ASM Technologies Limited, ANA ARC Private Limited, Reconnect Energy Solutions Limited, Nettur Technical Training Foundation and UNO Minda 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 Star Union Dai-Ichi Life Insurance Company Limited, Finreach Solutions Private Limited, 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).

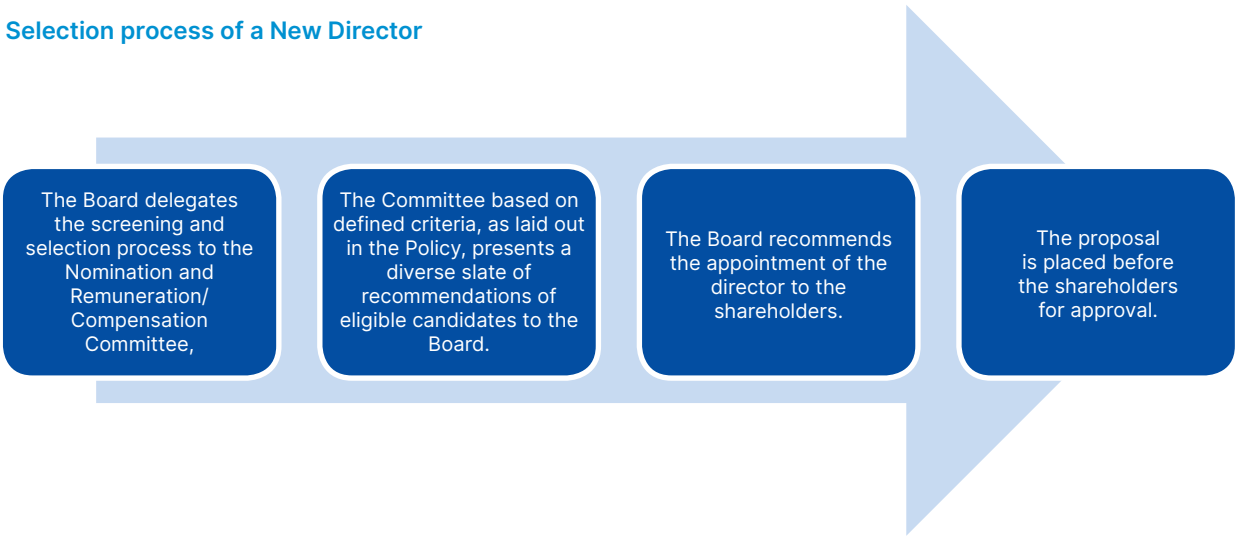
The aim is to secure a Boardroom which achieves the right balance between challenge and teamwork and fresh input and thinking.

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.

Selection process of a New Director



d) Familiarization Programs for Board members

The Company has constituted familiarization programmers 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

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 by leveraging this collective wisdom, we can continue to create long-term value for all our stakeholders.

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.

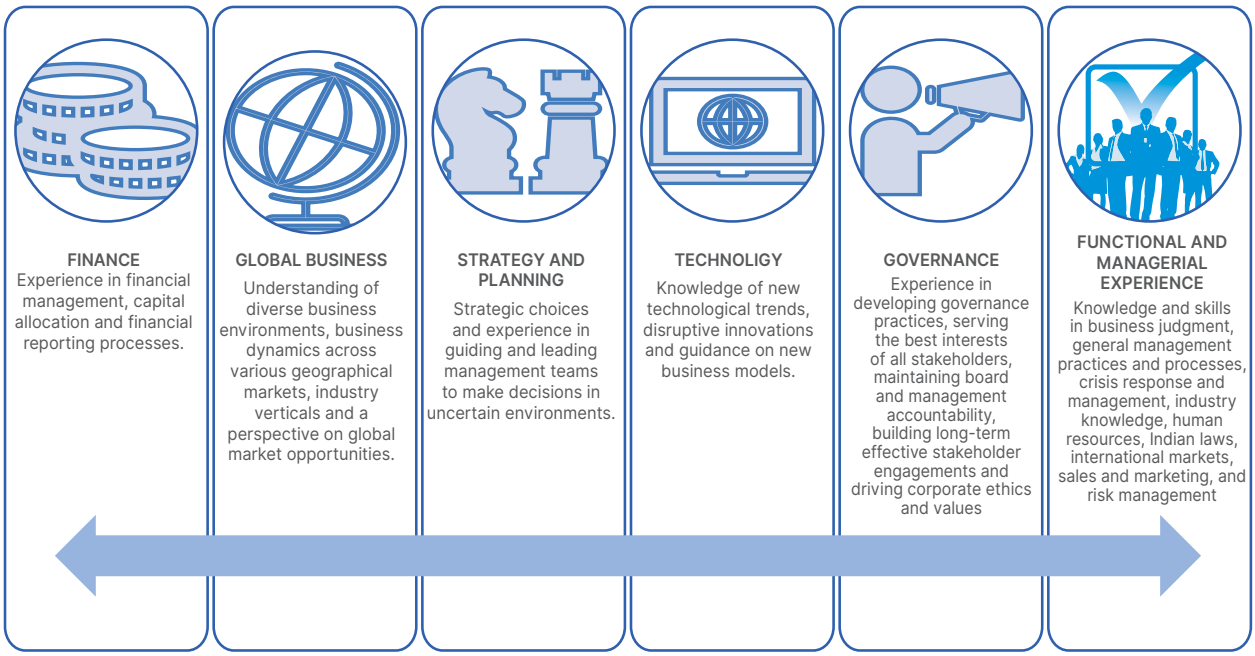
The primary role of the Chairperson of the Company is to provide leadership to the Board. The Chairperson of the Board presides over its meetings and leads and assists the Board in setting and realizing the Company's vision and related short- and long-term goals.

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.



Following is the list of core skills, expertise and competencies of each Director:

Name of Director	Skills/Expertise/Competencies					
	Finance	Global Business	Strategy and Planning	Technology	Governance	Functional and Managerial Experience
Mr. Vishnu R. Dusad	☑	☑	☑	☑	☑	☑
Mr. S.M. Acharya	☑	☑	☑	-	☑	☑
Mr. Parag Bhise	☑	☑	☑	☑	☑	☑
Mr. Anurag Mantri	☑	☑	☑	☑	☑	☑
Dr. Ritika Dusad	☑	☑	☑	☑	☑	☑
Mrs. Yasmin Javeri Krishan	☑	☑	☑	-	☑	☑
Mr. Shekar Viswanathan	☑	☑	☑	-	☑	☑
Mr. Prakash Chandra Kandpal	☑	☑	☑	-	☑	☑

Note: Above skills/ competencies are broad-based, encompassing several areas of expertise/experience. Each Director may possess varied combinations of skills/experience within the described set of parameters, and it is not necessary that all Directors possess all skills/ experience listed therein.

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 Board meetings, oversight on the business of the Company, etc. The evaluation of the Board and the Directors for fiscal 2025 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 15, 2024. 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 2024 to March 2025

(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	-	-	-	33,68,026	28,00,000	61,68,026
Mr. Vishnu R Dusad	Managing Director & Promoter	1,20,00,000	7,20,000	28,800	-	-	1,27,48,800
Mr. Parag Bhise	Executive Director	4,95,75,875	13,35,721	39,600	-	-	5,09,51,196
Mr. Anurag Mantri	Executive Director	5,17,88,854**	-	-	-	-	5,17,88,854
Dr. Ritika Dusad	Executive Director	15,66,668	1,00,000	-	-	-	16,66,668
Mrs. Yasmin Javeri Krishan	Non-Executive, Independent Director	-	-	-	33,68,026	28,00,000	61,68,026
Mr. Shekar Viswanathan	Non-Executive, Independent Director	-	-	-	33,68,026	20,00,000	53,68,026
Mr. Prakash Chandra Kandpal	Non-Executive, Independent Director	-	-	-	33,68,026	29,00,000	62,68,026
Mr. R. P. Singh*	Executive Director	1,10,68,376	1,33,226	24,46,788	-	-	1,36,48,390
Prof. Trilochan Sastry*	Non-Executive, Independent Director	-	-	-	10,70,386	4,00,000	14,70,386
Mr. Prithvi Haldea*	Non-Executive, Independent Director	-	-	-	10,70,386	6,00,000	16,70,386
Mrs. Elaine Mathias#	Non-Executive, Independent Director	-	-	-	15,87,124	13,00,000	28,87,124
Total		**12,59,99,773**	**22,88,947**	**25,15,188**	**1,72,00,000**	**1,28,00,000**	**16,08,03,908**

Table 2

* Mr. Prithvi Haldea and Prof. Trilochan Sastry retired from the Board as Non-Executive Independent Director effective July 25, 2024 upon completion of their second term of 5 consecutive years as an Independent Director.

* Mr. Ravi Pratap Singh retired from the Board effective July 25, 2024 as a Whole Time Director on completion of his tenure.

Mrs. Elaine Mathias retired from the Board as Non-Executive Independent Director effective September 19, 2024 upon completion of her second term of 5 consecutive years as an Independent Director.

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, 2025.

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

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, 2025. 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, roles and functions as prescribed in Schedule IV of the Companies Act, 2013, Listing Regulations 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 2025.

Details of Equity Shares held by Non- Executive Directors as on March 31, 2025

Name of Director	Position	No. of Equity Shares
Mr. S.M. Acharya	Chairperson, Non-Executive, Independent Director	-
Mrs. Yasmin Javeri Krishan	Non-Executive, Independent Director	-
Mr. Shekar Viswanathan	Non-Executive, Independent Director	-
Mr. Prakash 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.

The number of other Directorships and Chairmanship/ Memberships of Committees held by each of the Director as on March 31, 2025, 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	-
Mr. Parag Bhise	Executive Director	None	1	-	-	-	-	-
Mr. Anurag Mantri	Executive Director	None	1	-	-	-	-	-
Dr. Ritika Dusad	Executive Director	Daughter of Managing Director	-	1	-	-	-	-
Mrs. Yasmin Javeri Krishan	Non-Executive, Independent Director	None	-	-	-	1	-	-
Mr. Shekar Viswanathan	Non-Executive, Independent Director	None	4	2	1	-	3	3
Mr. Prakash Chandra Kandpal	Non-Executive, Independent Director	None	4	1	-	2	1	1

Table 4

Note##:

In accordance with Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

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 Chairperson and the Company Secretary, in consultation with the CEO & MD, propose the agenda for each 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, as additional item 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.

At Board meetings, Business heads who can provide additional insights into the items being discussed are invited. Strategic and operational plans are presented to the Board in addition to the quarterly and annual financial statements

(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 2024-25

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.

The tentative dates of Board meetings for the next fiscal are decided in advance and published to Board members. The Board meets at least once a quarter to review the quarterly results and other items on the agenda. Additional meetings are held when necessary. During FY 2024-25, Eight Board meetings were held by our Company and the maximum gap between two Board meetings during the year was 81 days.

The dates on which the Board meetings were held during FY 2024-25, and the attendance record of the members in these meetings is provided in a table.

Name of Directors	Attendance of the Board meetings Held in FY 2024-25								AGM held for FY 2023-24
	08 May 2024	23 May 2024	02 July 2024	03 August 2024	22 August 2024	12 November 2024	28 January 2025	25 March 2025	15 July 2024
Mr. S.M. Acharya	👤	✓	✓	✓	👤	✓	✓	✓	👤
Mr. Vishnu R Dusad	👤	✓	✓	✓	👤	✓	✓	✓	👤
Mr. Parag Bhise	👤	👤	✓	✓	👤	✓	✓	✓	👤
Mr. Anurag Mantri	👤	✓	✓	✓	👤	✓	✓	✓	👤
Dr. Ritika Dusad	☒	☒	☒	☒	🎧	☒	☒	☒	☒
Mrs. Yasmin Javeri Krishan	🎧	🎧	✓	✓	🎧	✓	✓	✓	🎧
Mr. Shekar Viswanathan	👤	✓	👤	👤	👤	✓	👤	👤	👤
Mr. Prakash Chandra Kandpal	👤	✓	✓	✓	👤	✓	✓	✓	👤
Mr. R. P. Singh*	👤	✓	✓	NA	NA	NA	NA	NA	👤
Prof Trilochan Sastry*	👤	👤	✓	NA	NA	NA	NA	NA	👤
Mr. Prithvi Haldea*	👤	✓	✓	NA	NA	NA	NA	NA	👤
Mrs. Elaine Mathias#	🎧	🎧	✓	🎧	🎧	NA	NA	NA	🎧

Table 5

*Mr. Prithvi Haldea and Prof. Trilochan Sastry retired from the Board as Non-Executive Independent Director effective July 25, 2024 upon completion of their second term of 5 consecutive years as an Independent Director.

*Mr. Ravi Pratap Singh retired from the Board effective July 25, 2024 as a Whole Time Director on completion of his tenure.

#Mrs. Elaine Mathias retired from the Board as Non-Executive Independent Director effective September 19, 2024 upon completion of her second term of 5 consecutive years as an Independent Director.

✓ Physically available

👤 / 🎧 Through Web Conference

☒ Leave of Absence

(v) 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.

vi) 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.

Agreements binding listed entities

Pursuant to Regulation 30A of the Listing Regulations, no agreement has been entered or executed by the shareholders, promoters, promoter group entities, related parties, Directors, key managerial personnel and employees of the Company and its subsidiaries during fiscal 2025

B. Committees of the Board of Directors

The Board leads the strategic management on behalf of the stakeholders, exercises supervision through direction and control, and appoints various committees to handle specific areas of responsibilities. 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, 2025 had five committees. The Composition of the Board Committees 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	M	M	-	M	C
Mr. Vishnu R Dusad	-	-	M	-	M
Mr. Parag Bhise	-	-	-	M	M
Mr. Anurag Mantri	-	-	-	-	M
Dr. Ritika Dusad	-	-	-	M	M
Mrs. Yasmin Javeri Krishan	C	M	-	M	M
Mr. Shekar Viswanathan	M	-	M	C	M
Mr. Prakash Chandra Kandpal	M	C	C	-	M

Table 6

C - Chairperson

M- Member

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:

The 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 the management
  - Significant adjustments, if any made in the financial statements arising out of audit findings
  - Compliance with Accounting Standards
  - Compliance with listing and other legal requirements relating to financial statements
  - Pre-approval/approval/disclosure of any related party transactions
  - Approval of any subsequent modification of transactions of the listed entity with related parties
  - modified opinion in the draft audit report, if any
- Reviewing, with the management, and independent auditors, any prospectus or such other document including financial statements contained therein, proposed to be issued by the company for the purpose of raising capital, including debt;
- Reviewing the management discussion and analysis of financial condition and results of operations;
- Review the financial statements, in particular, the investments made by the unlisted subsidiary company and/or. Material unlisted subsidiary company.
- Evaluation of internal financial controls and risk assessment and management systems. The Committee will meet with the management, the internal auditors and the independent auditors to review and discuss the Company's internal controls and the integrity of the Company's audited financial statements. Oversight of the company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible

With reference to Auditors

- The recommendation for appointment, retention, termination, remuneration/ compensation, 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;
- Review management letters/letters of internal control weaknesses issued by the independent auditor;
- 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 coverage, to ascertain adequacy and appropriateness;
- Conducting a post-audit review of the financial statements and audit findings, including any significant suggestions for improvements provided to the management by the statutory auditor or the internal auditor.

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.

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.

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.

- To secure attendance of outsiders with relevant expertise, if it considers necessary.

Composition of the Audit Committee and Meetings Held during FY 2024-25

Mrs. Yasmin Javeri Krishan was the Chairperson of the Audit Committee for FY 2024-25. The Company Secretary of the Company is the Secretary of the Committee.

The Audit Committee met 09 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, 2025 and details of attendance of the members in the meetings are as follows:

Director	Position	No. of Meetings	
		Held	Attended
Mrs. Yasmin Javeri Krishan	Committee Chairperson, Independent Director	9	9
Mr. S.M. Acharya	Independent Director	9	9
Mr. Shekar Viswanathan	Independent Director	9	9
Mr. Prakash Chandra Kandpal	Independent Director	9	9
Mr. Prithvi Haldea*	Independent Director	9	3
Mrs. Elaine Mathias#	Independent Director	9	5

Table 7

The Chairperson of the Audit Committee was present at the previous year Annual General Meeting held on July 15, 2024 to answer shareholders' queries.

* Mr. Prithvi Haldea ceased to be member of the Audit Committee effective July 25, 2024

#Mrs. Elaine Mathias ceased to be member of the Audit Committee effective September 19, 2024

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 Senior Management Personnel 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

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

  - Formulating criteria for evaluation of Independent Directors and the Board and carrying out evaluation of each Director's performance
  - Ensuring that there is an appropriate induction program in place for new Directors and members of senior management and reviewing its effectiveness
  - Developing a succession plan for the Board and certain Key positions and regularly reviewing the plan
  - Reviewing succession plans for the senior management
  - 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 and Sweat Equity) Regulations, 2021 ('ESOP Regulations') and its amendments, if any
  - 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 Meetings Held during FY 2024-25:

Mr. Prakash Chandra Kandpal was the Chairperson of the Nomination and Remuneration/Compensation Committee for FY 2024-25. As on March 31, 2025, 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
Mr. Prakash Chandra Kandpal	Committee Chairperson, Independent Director	8	8
Mr. S.M. Acharya	Independent Director	8	8
Mrs. Yasmin Javeri Krishan	Independent Director	8	8
Mrs. Elaine Mathias#	Independent Director	8	3
Prof. Trilochan Sastry*	Independent Director	8	1

Table 8

The Chairperson of the Nomination and Remuneration/ Compensation Committee attended the previous year Annual General Meeting held on July 15, 2024.

* Prof. Trilochan Sastry ceased to be member of the Nomination and Remuneration/ Compensation Committee effective July 25, 2024.

Mrs. Elaine Mathias ceased to be member of the Nomination and Remuneration/ Compensation Committee effective September 19, 2024.

(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 and perquisites & allowances (fixed component) 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 Senior Management 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 Companies Act, 2013. 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 2024-25

Mr. Prakash Chandra Kandpal was the Chairperson of the Stakeholder Relationship Committee for FY 2024-25. The composition of the Committee is in compliance with the

applicable laws. The Company Secretary of the Company is the Secretary of the Committee and also the Compliance officer of the Company. The 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. Prakash Chandra Kandpal	Committee Chairperson, Independent Director	1	1
Mr. Vishnu R Dusad	Managing Director, Promoter	1	1
Mr. Shekar Viswanathan	Independent Director	1	1
Mr. Prithvi Haldea*	Independent Director	1	0
Mr. R P Singh*	Executive Director	1	0

Table 9

The Chairperson of the Stakeholder Relationship Committee attended the previous year Annual General Meeting held on July 15, 2024.

*Mr. Prithvi Haldea and Mr. R P Singh ceased to be member of the Stakeholder Relationship Committee effective July 25, 2024.

(iii) Details of investor complaints/requests received and resolved during FY 2024-25 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	04	04	Nil	Nil
Duplicate/Revalidation of Dividend warrants	02	02	Nil	Nil
Issue of duplicate share certificates	05	05	Nil	Nil
Non receipt of share certificate	Nil	Nil	Nil	Nil
Non-Receipt of Annual Report	12	12	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, 2025 and details of attendance of the members in the meetings are as follows:

Mr. Shekar Viswanathan was the Chairperson of the Committee for FY 2024-25. 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
Mr. Shekar Viswanathan	Committee Chairperson, Independent Director	2	2
Mr. S.M. Acharya	Independent Director	2	2
Mr. Parag Bhise	CEO and Executive Director	2	2
Dr. Ritika Dusad	Executive Director	2	0
Mrs. Yasmin Javeri Krishan	Independent Director	2	2
Prof. Trilochan Sastry*	Independent Director	-	-

Table 11

* Prof. Trilochan Sastry ceased to be member of the CSR Committee effective July 25, 2024.

e) Buyback Committee

The Board of Directors of the Company, in its meeting held on August 22, 2024, had constituted a Buyback Committee to administer the operational activities involved in the Buyback of Shares. The Composition of the Buyback Committee and details of attendance of the members in the meetings are as follows:

Director	Position	No. of Meetings	
		Held	Attended
Mr. Vishnu R Dusad	Committee Chairperson, Managing Director (MD)	1	1
Mr. Parag Bhise	CEO and Executive Director	1	1
Mr. Prakash Chandra Kandpal	Independent Director	1	0

Table 12

The Company Secretary of the Company acted as Secretary to the Committee. Post successful completion of the Buyback Offer, the Buyback Committee was dissolved by the Board of Directors at its meeting held on November 12, 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 Requirements) 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)
- 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 2024-25 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	2	2
Mr. Parag Bhise	CEO & Executive Director	2	2
Mr. Anurag Mantri	COO & Executive Director	2	2
Dr. Ritika Dusad	Executive Director	2	0
Mrs. Yasmin Javeri Krishan	Independent Director	2	2
Mr. Shekar Viswanathan	Independent Director	2	2
Mr. Prakash Chandra Kandpal	Independent Director	2	2
Mr. R P Singh*	Executive Director	-	-
Prof. Trilochan Sastry*	Independent Director	-	-
Mr. Prithvi Haldea*	Independent Director	-	-
Mrs. Elaine Mathias#	Independent Director	-	-

Table 13

Note:

*Mr. Prithvi Haldea, Prof. Trilochan Sastry and Mr. R. P. Singh ceased to be member of Risk Management Committee of the Company effective July 25, 2024

#Mrs. Elaine Mathias ceased to be member of Risk Management Committee of the Company effective September 19, 2024.

C. Shareholder Information

a) Means of Communication

(i) Quarterly/Annual Results

- Quarterly and annual financial statements, standalone and consolidated, along with segmental information, are uploaded on Company website, at https://www.nucleussoftware.com/investors 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, for public information.

  The Company publishes official news releases and they are also uploaded on the website 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 in Hindi Language for regional circulation.

(iii) Investor Section at Company's website

The investor section at our website 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, Informantion on 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.

(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, Board's 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 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 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

(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 Redressal 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.

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-23-24, July 15 2024, 11.00 a.m.	VIA VIDEO CONFRENCING/ AUDIO VISUAL MEANS	Adoption of Annual Accounts for the year ended March 31, 2024 Declare Final Divided on Equity Shares To Re-appoint Mr. Parag Bhise (DIN: 08719754), as Director of the Company who retires by rotation and being eligible offers himself for reappointment. 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. To consider and approve the payment of Commission to Non-Executive Directors of the Company	Nil
FY-22-23, July 14 2023, 11.00 a.m.	VIA VIDEO CONFRENCING/ 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.	VIA VIDEO CONFRENCING/ 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 during his tenure. 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.

Table 14

(ii) 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 21, 2025 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.

(iii) Extraordinary General Meeting

No extraordinary general meeting of the members was held during Financial year FY 2024- 2025

(iv) Postal Ballot During the year

During the year, the Company did not pass any Resolution through postal ballot.

(v) Procedure for postal ballot

Not Applicable

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

None of the businesses proposed to be transacted at the ensuing AGM requires passing of a special resolution through postal ballot.

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 Board's 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/Whistleblower Policy.zip as part of a vigil mechanism for Directors and employees to 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.

In accordance with the Companies Act 2013 and Rules made there under and SEBI (LODR) Regulations, 2015, the Board adopted a Whistle Blower Policy. During the year, there was one complaint received under the Whistle Blower Policy, where the appropriate action has been taken by the Ombudsperson. 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 behaviour (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. The HR head 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

(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.

(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 at the Company website i.e. https://investor.nucleussoftware.com/files/Nucleus_Policy_on_material_subsidiaries.zip

The following table provides a list of all these subsidiaries as on March 31, 2025.

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%
February 10, 2015	Nucleus Software South Africa Pty. Ltd.	South Africa	100%

(I) Unlisted Indian Subsidiary Companies

The Company has one Indian Subsidiary Company i.e. Nucleus Software Limited as on March 31, 2025. The Net worth or Turnover of Nucleus Software Limited does not exceed ten per cent of consolidated net worth or turnover of the Holding Company as per immediately preceding accounting year.

The management periodically brings to the attention of the Board of Directors of the Company, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary companies.

The Company policy for determining 'material' subsidiaries' and policy 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_subsidiaries_April_2019.zip and https://investor.nucleussoftware.com/files/Policy_on_Related_Party_Transactions.zip

(i) During FY-2024-25, 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 LLP, Chartered Accountants of Singapore	September 30, 2016

(ii) 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 2022-23, 2023-24 and 2024-25 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

(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

(p) During FY 2024-25, no loan or advance was given to any firm/company in which Directors are interested.

(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 2024-25 , 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

• **Date of incorporation**	9th January, 1989
• **Registered Office**	33-35, Thyagraj Nagar Market New Delhi-110 003 India
• **Corporate Office**	A-39, Sector 62 Noida, 201307 India
• **Date and time of Annual General Meeting**	July 28, 2025 at 10.00 a.m.

• **Venue of Annual General Meeting**	In compliance with General Circular No. 09/2024 dated September 19, 2024, issued by the Ministry of Corporate Affairs and SEBI vide its Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated October 3, 2024, AGM will be conducted through Video Conference (VC)/Other Audio Visual Means (OAVM). Accordingly, there is no requirement to have a venue for the AGM.
• **Listing on Stock Exchanges**	**Scrip Symbol/Code**
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
The requisite annual listing fees for the financial year 2024-25 have been paid to both the Stock Exchanges.	
• **International Securities Identification Number**	INE096B01018
• **Registrars of Company & Share Transfer Agents**	**KFin Technologies Ltd.** Selenium Tower B, Plot number 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500032, India Tel: 040-67162222/18003094001 E-mail: einward.ris@kfitech.com
• **Dividend Payment Date**	Within 30 days from date of Annual General meeting
Financial Calendar for the financial year 2025-26 (tentative and subject to change)	
• **Financial reporting for :**	**Tentative dates**
First Quarter ending June 30, 2025	July - August 2025
Second Quarter ending September 30, 2025	October - November 2025
Third Quarter ending December 31, 2025	January - February 2026
Year ending March 31, 2026	April - May 2026
Annual General Meeting for the year ending March 31, 2026	July 2026

Table 16

a) Share Transfer System

SEBI, effective April 01, 2019, barred physical transfer of shares of listed companies and mandated transfers only through demat. We request shareholders whose shares are in physical mode to dematerialize their shares. Transfer of shares in electronic form are processed and approved by NSDL/CDSL through their Depository Participant(s), without involvement of the Company.

b) 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 76 of the Securities and Exchange Board of India (Depositories

and Participants) Regulations, 2018. 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.

c) 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 De-materialised form are 2,62,84,338 shares (99.84%) of the paid up share capital) as at March 31, 2025.

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. Shareholders holding shares in dematerialized mode have been requested to register their email address, bank account details and mobile number with their depository participants.

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.

d) 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 centres 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.

e) Shareholding Pattern of the Company as at March 31, 2025

Category	As on March 31, 2025		
	Share Holders	Share holding	Share Holding (%)
Promoter and Promoter Group	10	1,93,74,532	73.60
Public Share Holding			
Individuals/ Clearing Members/ Trusts/Director or Director's Relatives/HUF	43,374	47,46,319	18.03
Bodies Corporate/NBFC Registered with RBI/IEPF	245	2,68,335	1.02
NRI's and Foreign Nationals	1,000	2,70,571	1.03
Banks and Financial Institutions	57	16,65,549	6.32
Total	**44,686**	**2,63,25,306**	**100.00**

f) Depository Receipts / Global Depository Receipts / Warrants

As on March 31, 2025, 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 2024-25.

g) 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 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.

h) 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 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 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, 2015-16 and 2016-17 have been transferred to the IEPF.

i) 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, 2024	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	49	3,986
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2025	Nil	Nil

The voting rights on the shares outstanding in the suspense account as on March 31, 2025 shall remain frozen till the rightful owner of such shares claims the shares

j) 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)	37.50
For other Services	5.00
Re-imbursement of out-of pocket expenses	5.00
Total	**47.50 (Exclusive of GST)**

k) 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	Executive Director
Ashwani Arora	Senior Vice President- Global Customer Success Team
Abhishek Pallav	Vice President - Build
Ashish Khanna	Chief of Staff to Managing Director
Aabhinna Suresh Khare	Chief Marketing Officer
Mukesh Bangia	Vice President - NEO PMG
Pradeep Malik	Vice President - Digital Services Business
Poonam Bhasin	Company Secretary & Compliance Officer
Saurav Kumar Mohanty	Chief Risk Officer
Swati Patwardhan	Chief Human Resources Officer

Changes in Senior Management Personnel

Name	Designation	Details of Change	Effective Date
Saurav Kumar Mohanty	Chief Risk Officer	Appointment	8 April 2025
Aabhinna Suresh Khare	Chief Marketing Officer	Appointment	14 June 2025
Surya Prakash Kanodia	Chief Financial Officer	Resignation	21 May 2025

l) 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 Centres 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	
Nucleus Software Exports Ltd.	
Registered Office 33-35, Thyagraj Nagar New Delhi-110003 India	**Corporate Office** 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.
Cuserstraat 93, Floor 2nd & 3rd
Amesterdam 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**
10th Floor, 1016,
Lodha Codename No 1,
One Lodha Place,
Senapati Bapat Marg,
Lower Parel, Mumbai, 400018

B. **Chennai**
SKCL Triton Square,5th floor,
unit#C3-C7, CIPET Road,
Thiru-Vi-Ka Industrial Estate,
Guindy, Chennai - 600032

C. **Pune**
Kumar Business Court,
7th 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
SL 1 1FQ, **UK**

B. **Dubai (U.A.E) Nucleus Software Exports Ltd**
Office #305, EIB Building # 05, Dubai Internet City (DIC), **Dubai, U.A.E.**

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

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 Board'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 Board's 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, 2025. 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 Board's 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 Board's 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) 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, 2025 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.	00008412	Mr. Vishnu Rampratap Dusad	09/01/1989	01/01/2022
2.	00545141	Mr. Siddhartha Mahavir Acharya	19/03/2016	19/03/2021
3.	07022867	Dr. Ritika Dusad	20/07/2016	07/08/2020
4.	08719754	Mr. Parag Bhise	16/03/2020	31/07/2020
5.	08801422	Mrs. Yasmin Javeri Krishan	30/07/2020	30/07/2020
6.	09002894	Mr. Anurag Mantri	19/12/2020	19/12/2020
7.	01202587	Mr. Shekar Viswanathan	12/02/2024	12/02/2024
8.	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: A032109G000335423

Date: May 16, 2025
Place: New Delhi

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, 2025 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 16, 2025
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, 2025, received from its Board members as well as senior management personnel affirmation as to compliance with the Code of Conduct.

Sd/-
Parag Bhise
CEO

Date: May 16, 2025
Place : Noida

Risk Management Report

The Enterprise Risk Management (ERM) Policy and Framework has been established with the vision to integrate risk management with the overall strategic and operational practices. It enables the achievement of the Company's strategic objectives by identifying, analysing, assessing, mitigating, monitoring and governing any risk or potential threat to these objectives. While this is the key driver, the values, culture and commitment to stakeholders: employees, customers, investors, regulatory bodies, partners and the community around the Company, are the foundation for its Enterprise Risk Management framework.

The Company strives 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 its business strategies with minimal risk exposures and impact. The systematic and proactive identification of risks, and mitigation thereof, enables the organization to boost performance with effective and timely decision-making.

The ERM framework encompasses all the Company's risks, such as Strategic and Business Risk, financial, reputation, operational, legal & compliance risks etc. Any of these categories can have internal or external dimensions. Hence, appropriate risk indicators are used to identify these risks proactively. The Company takes cognizance of risks faced by its key stakeholders and their cumulative impact while framing its risk responses.

At Nucleus Software, the Enterprise risk Management focuses on building a Proactive Risk Culture to achieve:

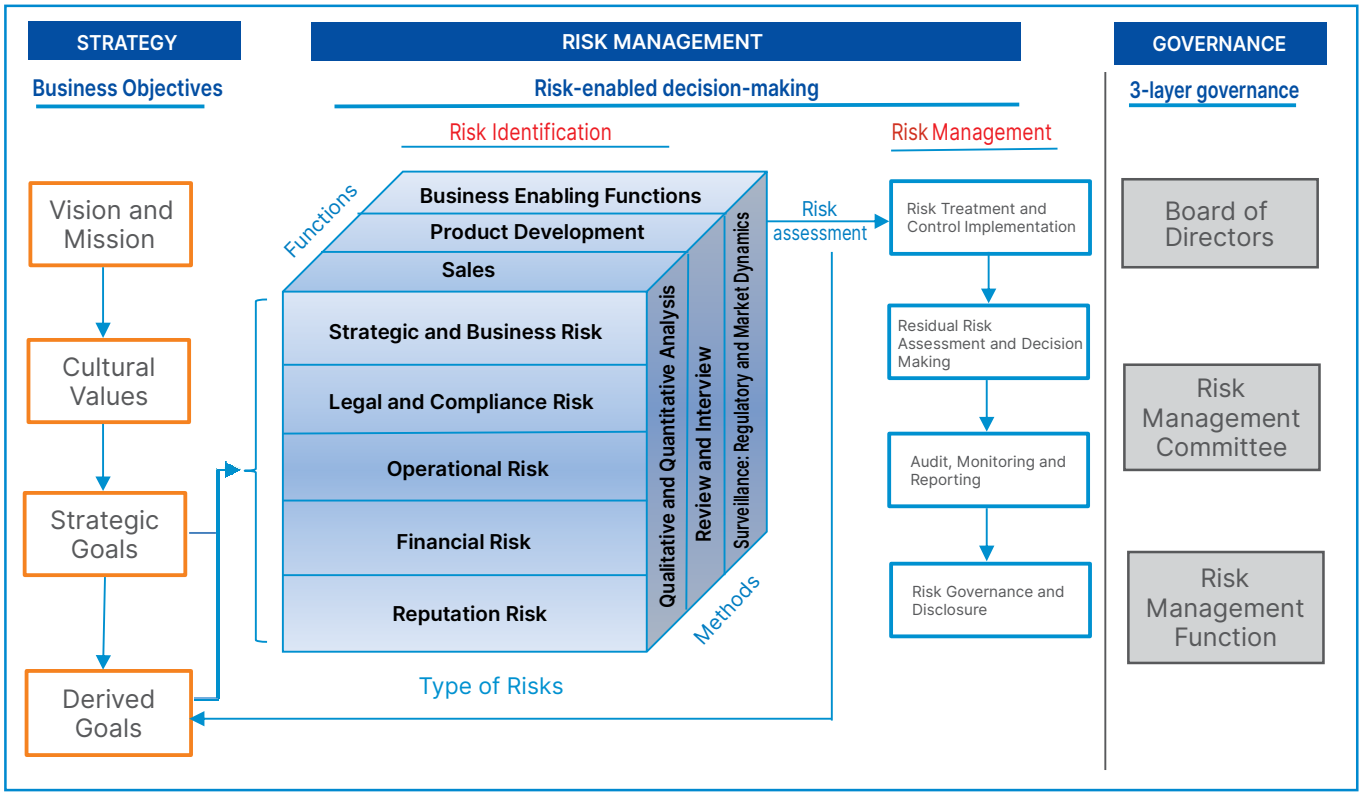
- Alignment to Strategic Objectives
- Alignment to Regulatory Compliance
- Alignment to Clients' need
- Alignment to Employees' need

This is achieved though:

1. Early detection of any potential risk through various methods.
2. Effective treatment of the risks and implementing robust controls.
3. Periodic assessment and effective monitoring and reporting.
4. Adoption of a multi-layered governance structure to ensure the risk management is effectively implemented and executed.

Enterprise Risk Management Framework:

The model below shows the integrated Enterprise Risk Management framework of Nucleus Software:



The organization's strategic goals are derived through its vision and mission statements backed by its cultural values. All the business functions like Sales, Product Development and business enabling functions strive towards achieving these goals. During this course, the organization faces several risks like Strategic and Business Risk, Legal and Compliance, Financial, Operational & Reputation risks that become obstacles in achieving these organizational objectives. Hence, an effective risk management process with a robust governance structure put in place to identify, assess and treat these risks.

There are 3 lines of defence in the overall risk management in Nucleus Software:

1. 1st Line of Defence:

   All employees of Nucleus Software are at the 1st line of defence. All employees are responsible for maintaining effective internal controls and for executing risk and control procedures on a day-to-day basis. This consists of identifying and assessing controls and mitigating risks. Additionally, the leadership team guides the development and implementation of internal policies and procedures and ensure activities are consistent with Nucleus Software's goals and objectives.

2. 2nd Line of Defence:

   The Risk Management Committee, Risk Management function led by Chief Risk Officer (CRO) and Compliance team act as the 2nd line of defence for Nucleus Software. The Risk Management Team facilitates and monitors the implementation of effective risk management practices by operational management and assists business functions in defining the target risk exposure and reporting adequate risk-related information throughout the organization. The compliance team monitors various specific risks such as non-compliance with applicable laws and regulations.

3. 3rd Line of Defence:

   The Internal Audit team acts as the 3rd line of defence. It provides assurance to senior management and the Board that the first- and second lines' efforts are consistent with expectations.

The governance structure of the Risk Management is as below:

1. The Board
2. The Risk Management Committee
3. Chief Risk Officer

The combination of a 3 layered- defense structure and a strong governance structure help in ensuring the risks are effectively managed.

While the Board oversees the overall effectiveness of enterprise risk management's effectiveness, at strategic level, the Risk Management Committee provides executive oversight to Company's Enterprise Risk Management Framework, process, procedures, and controls. The Risk Management Team headed by the Chief Risk Officer (CRO) ensures the risks management policy requirements are well implemented, practiced, reviewed, monitored and outcome is reported.

While Company keeps monitoring multiple risks in the ongoing basis along with their associated mitigation plans, there is key focus on Cyber Security Risk (Part of Operational Risk) and Data Privacy (Part of Compliance Risk) as well:

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 Software has established a mature and robust cybersecurity strategy to ensure that the organization's business-critical data and assets' CIA (Confidentiality, Integrity and Availability) values are protected and helps in meeting its business objectives. During this continuous improvement and evolution journey, Nucleus Software has covered a considerable distance to ensure that it remains proactive and protected from emerging cybersecurity threats.

From a cybersecurity architecture standpoint, Nucleus Software 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, the 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.

- Security Operations Centre (SOC)- 24*7 monitoring of digital assets to detect and respond to actionable incidents within defined SLAs.

- Zero Trust Access
- Cyber Threat Intelligence (CTI)- Attack surface, Deep and dark web monitoring along other key aliment of Cyber threat Intelligence services.
- M365 E5 Security (comprehensive security bundle)
- Endpoint and Server Security (world's best EDR solution)
- Perimeter and Internal Network Defence (including next-generation firewall)
- Privileged Access Management (PAM)
- Internal and External Audit and Risk assessment
- Vulnerability Management Program (VM)
- Backup and Restoration Strategy Implementation.
- Data Leakage Prevention and web security
- Adoption on Encryption technology to protect data in Transit, data in motion and data at Rest.
- Comprehensive RED Teaming/Penetration Testing
- Digital Forensic Response Retainer services.

The Company continues 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 the 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 all the associates. Continuous awareness sessions are arranged for the 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 the clients and other stakeholders. As the organizations are now handling and processing large number of personal information and hence exposed to data privacy breaches, governments across the globe are enacting stringent privacy laws to ensure personal data are protected.

Nucleus Software is continuously working to fine tune its internal controls for the protection of personal data to ensure effective 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. Other Risk Areas

Executive leadership of Nucleus Software have been continuously connecting with all the associates to ensure the perfect alignment between its vision and its 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- 201307
6.	E-mail	poonam@nucleussoftware.com
7.	Telephone	0120-4031-400
8.	Website	www.nucleussoftware.com
9.	Financial year for which reporting is being done	FY 2024-25
10.	Name of the Stock Exchange(s) where shares are listed	BSE Ltd. (BSE) National Stock Exchange of India Limited (NSE)
11.	Paid-up Capital	₹ 26.33 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 poonam@nucleussoftware.com
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
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?

37.55%

c. A brief on types of customers

Nucleus Software delivers disruptive Fintech Solutions to 200+ Banks and Financial Institutions across 50 countries supporting Retail Lending, Corporate & SME Finance, Islamic Finance, Automotive Finance, Captive Automotive Finance, Cash Management, Mobile & Internet Banking, Transaction Banking and more. Our solutions manage $15 trillion value of yearly transactions, with over 26 million transactions each day through our globally integrated transaction banking platform. Our lending platform manages $1.2 trillion value of loans globally, while enabling 500,000+ users to log in daily.

Our Flagship Products FinnOne Neo® and FinnAxia® are backed by more than 3 decades of BFSI domain expertise and an inbuilt AI powered platform to realize the digital transformation goals of FIs 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)
	EMPLOYEES					
1.	Permanent (D)	1,851	1,414	76%	437	24%
2.	Other than Permanent (E)	17	11	65%	6	35%
3.	**Total employees (D + E)**	1,868	1,425	76%	443	24%
	WORKERS					
4.	Permanent (F)	-	-	-	-	-
5.	Other than Permanent (G)	-	-	-	-	-
6.	**Total workers (F + G)**	-	-	-	-	-

b. Differently abled Employees and workers:

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
	DIFFERENTLY ABLED EMPLOYEES					
1.	Permanent (D)	8	3	37%	5	63%
2.	Other than Permanent (E)	NIL	NIL	NA	NIL	NA
3.	**Total differently abled employees (D + E)**	8	3	37%	5	63%
	DIFFERENTLY ABLED WORKERS					
4.	Permanent (F)	-	-	-	-	-
5.	Other than permanent (G)	-	-	-	-	-
6.	**Total differently abled workers (F + G)**	-	-	-	-	-

21. Participation/Inclusion/Representation of women

Particulars	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors (BOD)	8	2	25%
Key Management Personnel (KMP)*	5	1	20%

* Key Management Personnel (KMP) includes Managing Director (MD), Chief Executive Officer and Executive Director (CEO & ED), Chief Operating Officer and Executive Director (COO& ED), Chief Financial Officer (CFO), and Company Secretary (CS).

22. Turnover rate for permanent employees and workers
(Disclose trends for the past 3 years)

Particulars	FY 2025 (Turnover rate in current FY)			FY 2024 (Turnover rate in previous FY)			FY 2023 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	8%	9%	9%	10%	13%	11%	15%	17%	16%
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%	No
3.	Nucleus Software Japan Kabushiki Kaisha	Subsidiary	100%	Yes
4.	Nucleus Software Netherlands B.V.	Subsidiary	100%	No
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%	No

VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: ***Yes***

(ii) Turnover (in Crores) – ₹ 768.66 Crores

(iii) Net worth (in Crores) – ₹ 783.30 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 2024-25 Current Financial Year			FY 2023-24 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. https://investor.nucleussoftware.com/files/CSRPolicyNucleus.zip	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. investorrelations@nucleussoftware.com	23	Nil	Nil	30	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 the said policies is www.nucleussoftware.com	01	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 resolve the complaints/ grievances and implement the improvement actions and can reach us at voc@nucleussoftware.com	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 the Whistle Blower Policy is www.nucleussoftware.com	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 :

S. No.	Material Issue Identified	Indicate Whether Risk Or Opportunity (R/O	Rationale For Identifying The Risk / Opportunity	In case of risk, approach to adapt Or mitigate retention	Financial Implications Of The Risk Or Opportunity (Indicate Positive Or Negative Implications)
Kindly refer the "Enterprise Risk Management section" in Risk Management Report which forms part of this Annual Report and refer ESG section at Company website www.nucleussoftware.com.					

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
Policy and management processes										
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	https://investor.nucleussoftware.com/CorporateGovernance.aspx								
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 specific commitments, goals and targets along-with reasons in case the same are not met.	Please refer ESG section at Company website www.nucleussoftware.com								
	Governance, leadership and oversight									
7.	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements	Please refer ESG section at Company website www.nucleussoftware.com								
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 committee of Board of Directors responsible for risk management, making decisions on sustainability issues etc. The Managing Director and CEO & Executive Director are responsible for decision making on sustainability related issues.								
10.	Details of Review of NGRBCs by the Company:									

	Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
		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 audits.								

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 programs 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	7	Company' Products & Projects, New Technologies including AI, Financial Inclusion awareness, Risk Monitoring and Mitigation plan, Business Plan and Strategy, New or updation in Regulatory Provisions, LEAN initiatives	100%
Key Managerial Personnel	11	Risk Monitoring and Mitigation Plan, Code of conducts (business), business Ethics, Diversity and Integrity, POSH, Cyber security, Goal Setting, Feedback Mechanism, Leadership, Team Building	100%
Employees other than BOD and KMPs	51	Information Security Awareness Programs, Diversity and Integrity POSH, Product Trainings, Banking and Lending, Project management, Quality Trainings, Technology Trainings, Hoshin Kanri Lean Management, Leadership Programs, Team Building Programs, VOC, Sales Training etc.	100%
Workers	-	-	-

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):**

Monetary

Type	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions preferred? (Yes/No)	Amount (In INR) and Brief of the Case	Has an appeal been preferred? (Yes/No)
(1)				
Penalty/ Fine	1	Office of the International Tax, Income Tax Department, Delhi	The Assessing officer passed the penalty order against the Company for the AY 2020-21, pursuant to Section 271C of the Income Tax Act, 1961, penalty of ₹21.96 lacs were imposed for non-deduction of tax on some transactions.	Yes, Appeal was filed against the order on 26th July 2024
Settlement	-	-	-	-
Compounding fee	-	-	-	-
(2)				
Penalty/ Fine	1	Deputy Commissioner of State Tax, Uttar Pradesh	Order under Section 73 of Central Goods and Service Tax Act/Uttar Pradesh Goods and Service Tax Act for Tax Liability amounting to ₹22,50,000, Interest of ₹22,27,500 and a penalty of ₹2,25,000 aggregating to a demand of ₹47,02,500 for the period 2018 - 2019.	Yes, Appeal was filed against the order on 18th July 2024.
Settlement	-	-	-	-
Compounding fee	-	-	-	-
(3)				
Penalty/ Fine	1	Deputy Commissioner of State Tax, Uttar Pradesh	Assessing officer passed the order against the Company for the FY 2020-21 wherein a demand of ₹ 16,30,486.40 (including interest of ₹6,76,478.40 and penalty of ₹86,728/-) has been raised by the department.	Yes, Appeal was filed against the order on 19th May 2025.
Settlement	-	-	-	-
Compounding fee	-	-	-	-

Non-Monetary

Type	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions preferred? (Yes/No)	Amount (In INR) and Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil

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.**

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
The Assessing officer on June 26, 2024, passed the penalty order against the Company for the AY 2020-21, pursuant to Section 271C of the Income Tax Act, 1961, penalty of ₹ 21.96 lacs were imposed for non-deduction of tax on some transactions.	CIT(Appeals)
Order under Section 73 of Central Goods and Service Tax Act/Uttar Pradesh Goods and Service Tax Act for Tax Liability amounting to ₹ 22,50,000, Interest of ₹ 22,27,500 and a penalty of ₹ 2,25,000 aggregating to a demand of ₹ 47,02,500 for the period 2018 – 2019	CIT(Appeals)
Assessing officer passed the order against the Company for the FY 2020-21 wherein a demand of ₹ 16,30,486.40 (including interest of ₹ 6,76,478.40 and penalty of ₹ 86,728/-) has been raised by the department.	CIT(Appeals)

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, Nucleus has a policy on anti-bribery and anti-corruption. The Company is committed to uphold the highest moral and ethical standards and does not tolerate bribery or corruption in any form.

The Policy is available at Company website : 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:**

Case Details	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Directors	-	-
KMPs	-	-
Employees	-	-
Workers	-	-

During the year there was no such disciplinary action taken by any law enforcement agency for the charges of bribery/ corruption against the Directors/KMPs/employees/workers.

6. **Details of complaints with regard to conflict of interest:**

Particulars	FY 2024-25 (Current Financial Year)		FY 2023-24 (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:**

Case Details	2024-25	2023-24
Number of days of accounts payables	9	12

9. **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	2024-25	2023-24
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
Share of RPTs in	a. Purchases (Purchases with related parties/ Total Purchases)	5%	6%
	b. Sales (Sales related parties/ Total Sales)	4%	4%
	c. Loans & advances (Loans & advances given to related parties/ Total loans & advances)	91%	83%
	d. Investments (Investments in related parties/ Total Investments made)	3%	3%

Leadership Indicators

1. **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, labor laws, EHS etc.

   Additionally, Nucleus plans to develop formal programs for our value chain partners to educate them on these principles.

2. **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, Senior management of the Company adheres to a Code of Conduct for Directors & Senior Management of Company 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

1. **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.**

Particulars	Current Financial Year	Previous Financial Year	Details of improvements in environmental 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	0.05%	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. We have recycled 3225KL wastewater during FY 2024-2025. In December 2024, we installed Retro Fit Emission Control Device in DG sets to reduce emission from diesel generators by substantial amount from 70% to 90% harmful pollutants.

2. a. **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.

   b. **If yes, what percentage of inputs were sourced sustainably?**

   We don't track this separately.

3. **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

   (d) other waste

   As an IT services company focused on technology consulting and digital solution, We do not manufacture physical products so, this question is not applicable to us. Nonetheless, we are committed to reducing waste and have implemented an effective waste management system for collection, segregation, storage, and disposal. We ensure the safe disposal and recycling of various type of waste through regulatory compliant vendors.

   - Plastic Waste: All non-biodegradable plastic waste is sent to designated vendor for recycling or reuse.
   - E-waste: As per the E-waste (Management) Rule 2016, electronic waste is disposed of within 180 days to registered recyclers authorized by the State Pollution Control Board, with recycling certificate obtained post disposal.
   - Hazardous Waste: Disposed of through state pollution control board authorized vendors, with manifest confirmations submitted to the authority post disposal.

- Batteries Waste: Disposed of with complied & registered vendors to the state pollution control board after receiving form 10 & destruction certificates.
- Other Waste: Biodegradable food waste is composted onsite, producing manure used for horticulture in the premises. Excess manure is distributed among employees encouraging to the plantations.

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?**

   Since we are not in the product manufacturing segment Life Cycle Perspective / Assessments is not applicable to us.

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).**

   We donate newspapers and magazines to the NGO(Family of disabled). They recycle the paper to make pencils. We don't track percentage of recycled or reused input.

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.**

   As we are an IT Company this is not applicable on us.

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)
		Permanent employees									
Male	1,414	1,414	100%	1,414	100%	-	-	1,414	100%	1,319	93%
Female	437	437	100%	437	100%	437	100%	-	-	409	94%
Total	1,851	1,851	100%	1,851	100%	437	100%	1,414	100%	1,728	93%
		Other than Permanent employees									
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-

b. Details of measures for the well-being of employees:

Category	Total (A)	% of workers 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)
Permanent workers											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-
Other than Permanent workers											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –

Case Details	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Cost incurred on well-being measures as a % of total revenue of the company*	0.72%	0.56%

* 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.

Particulars	FY2025 Current Financial Year			FY2024 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, the entity has implemented an Equal Opportunity Policy in compliance with the Rights of Persons with Disabilities (RPWD) Act, 2016. The policy ensures non-discrimination and promotes inclusivity in recruitment, employment, training, and career development for persons with disabilities. The Policy is available on Company's website 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
Total	100%	100%	NA	NA

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.**

Particulars	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

Yes, grievance redressal mechanisms are in place for all categories of employees. The organization recognizes the importance of fair and transparent channels for addressing employee concerns. Grievances are addressed through a formal mechanism involving the HR department, departmental heads, and an internal Grievance Redressal Committee, in compliance with applicable labor laws.

This is available in the form of a policy uploaded on company's intranet and is accessible to all employees.

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 2025 Current Financial Year					FY 2024 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)
Employees										
Male	1,414	1,414	100%	1,414	100%	1,376	1,376	100%	1,374	99.8%
Female	437	437	100%	437	100%	451	451	100%	450	99.8%
Total	1,851	1,851	100%	1,851	100%	1,827	1,827	100%	1,824	99.8%
Workers										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-

9. **Details of performance and career development reviews of employees and worker:**

Category	FY 2025 Current Financial Year			FY 2024 Previous Financial Year		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	1,463	1,463	100%	1,020	1,020	100%
Female	439	439	100%	351	351	100%
Total*	1,902	1,902	100%	1,371	1,371	100%
Workers						
Male	-	-	-	-	-	-
Female	-	-	-	-	-	-
Total	-	-	-	-	-	-

*100% of eligible employees have received performance and career development reviews.

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 Programs for our employees like Zumba, Yoga and regular visits of doctors and counsellor.

b) Organize re-creational activities for Employees wellbeing in office premises.

c) Gym facility is there in the premises for the 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 Behaviors 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?**

Under the employee Health Benefit program, our Company provides Group Mediclaim Insurance, Group Accidental Insurance and Group Life Term Insurance benefits to the employees.

11. **Details of safety related incidents, in the following format:**

Safety Incident/Number	Category	FY 2024-25 Current Financial Year	FY 2023-24 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	Nil	Nil
	Workers	NA	NA
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 2024-25 (Current Financial Year)			FY 2023-24 (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

14. **Assessments for the year:**

Type	% 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, the entity provides life insurance and/or compensatory benefits to employees in the event of death while in service. The specific provisions are as follows:

- Group Life Insurance: All eligible employees are covered under a group life insurance scheme, which provides a lump-sum payout to the nominee in the event of the employee's death.
- Provident Fund and Gratuity Benefits: Nominees of the deceased are entitled to receive accumulated Provident Fund (PF), gratuity, and other terminal benefits as per applicable laws and organizational rules.
- Support to Dependents: Additional support such as employment to a family member (on compassionate grounds) or educational support for dependents may be considered

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:**

Type	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 2024-2025 (Current Financial Year)	FY 2023-2024 (Previous Financial Year)	FY 2024-2025 (Current Financial Year)	FY 2023-2024 (Previous Financial Year)
Employees	NIL	NIL	NIL	NIL
Workers	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:**

Type	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	We emphasize the importance of adherence to regulations, including those concerning health, safety, and working conditions, for all our 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.**

   At Nucleus Software Exports Limited, identifying and engaging with key stakeholders is integral to our commitment to sustainable business practices and corporate governance.

   Our approach encompasses the following steps:

   1.1 Internal Stakeholder Mapping

   We initiate the process by conducting internal workshops and discussions across various departments—including product development, sales, compliance, and human resources—to identify groups that influence or are impacted by our operations. This collaborative approach ensures a comprehensive understanding of our stakeholder landscape.

   1.2 External Stakeholder Identification

   Externally, we identify stakeholders through:

   - Market Analysis: Understanding industry trends and customer needs.
   - Regulatory Review: Keeping abreast of compliance requirements from bodies like the Reserve Bank of India (RBI) and Securities and Exchange Board of India (SEBI).
   - Community Engagement: Interacting with local communities and non-governmental organizations (NGOs) to gauge societal impact.

1.3 Stakeholder Categorization

Based on the mapping, we categorize stakeholders into:

- Customers: Banks, financial institutions, and end-users of our software solutions.
- Employees: our workforce, including permanent and contractual staff.
- Investors and Shareholders: Individuals and institutions holding equity in Nucleus Software.
- Regulatory Authorities: Government bodies overseeing the banking and IT sectors.
- Suppliers and Partners: Vendors and technology partners integral to our operations.
- Local Communities: Residents and organizations in areas where we operate.
- Industry Associations: Bodies like NASSCOM, CII, FICCI and equivalent bodies that represent our sector in various geographies we operate.

1.4 Materiality Assessment

We conduct a materiality assessment to prioritize stakeholder concerns based on their impact on our business and vice versa. This assessment informs our sustainability strategies and reporting, ensuring alignment with both business objectives and stakeholder expectations.

1.5 Continuous Review and Adaptation

Recognizing the dynamic nature of stakeholder interests, we regularly review and update our stakeholder map and engagement strategies. This adaptability ensures that we remain responsive to emerging trends and concerns, reinforcing our commitment to responsible business practices.

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	Compliance, Governance practices
Employees	Open house, one-on-one counselling, Conference Calls, Teamsmeetings, Phone calls, In person Meetings, operations and assessments reviews, Vivo Edge, Town halls, Diwali Mela, Nucleus Foundation Day, Nucleus Outing, The Nucleus Epicentre Magazine	Regularly	Entity's practices, compliance, and responsiveness concerning stakeholder expectations, employee welfare, and regulatory obligations
Customers	Regular surveys and direct interactions to understand client satisfaction and areas of improvement 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	Business/Project Related

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
Suppliers, Service Providers	Email, Meetings, Phone calls, Websites empanelment process etc.	As and when required	Business/Project Related
Regulatory Bodies	Emails, Meetings, Advertisements, Submission forms / returns / intimations/ letters etc.	Annually/Half yearly/ Quarterly/ Event basis	In relation to Compliances with applicable laws
Community Outreach	CSR Initiatives through the Nucleus Software Foundation (NSF) to support education and skill development in underprivileged communities	Regularly	CSR Initiatives for society benefit

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 with CSR Committee of the Board of Directors on economic environment and social topics. The CSR Committee then places the feedback before the Board.

2. **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.

3. **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

1. **Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

Category	FY 2025 Current Financial Year			FY 2024 Previous Financial Year		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	1,851	1,851	100%	1,827	1,827	100%
Other than permanent	17	17	100%	22	22	100%
Total Employees	1,868	1,868	100%	1,849	1,849	100%
Workers						
Permanent	-	-	-	-	-	-
Other than permanent	-	-	-	-	-	-
Total Workers	-	-	-	-	-	-

2. **Details of minimum wages paid to employees and workers, in the following format:**

Category	FY 2025 Current Financial Year					FY 2024 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)
Employees										
Permanent	1,851	-	-	1,851	100%	1,827		-	1,827	100%
Male	1,414	-	-	1,414	100%	1,376	-	-	1,376	100%
Female	437	-	-	437	100%	451	-	-	451	100%
Other than Permanent										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
Workers										
Permanent										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
Other than Permanent										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-

3. a. **Details of remuneration/salary/wages, in the following format:**

Particulars	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors* (BOD)	3	1,36,48,390	1	16,66,668
Key Managerial Personnel	1	1,67,35,361	1	62,30,713
Employees other than BOD and KMP	1,572	15,57,886	503	13,01,877
Workers	-	-	-	-

* Remuneration to Chief Executive Officer and Managing Director (CEO and MD) has been included in BOD

Note: Executive Director i.e. Mr. Anurag Mantri is excluded from Board of Directors category as he is paid 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 2024-25 Current Financial Year	FY 2023-24 Previous Financial Year
Gross wages paid to females as % of total wages	20.30	20.17

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, Nucleus has implemented an Equal Opportunity Policy in compliance with the Rights of Persons with Disabilities (RPWD) Act, 2016.

5. **Describe the internal mechanisms in place to redress grievances related to human rights issues.**

The Equal Opportunity Policy ensures non-discrimination and promotes inclusivity in recruitment, employment, training, and career development for persons with disabilities. The policy is available on Company's Intranet which is accessible to all employees of the Company.

6. **Number of Complaints on the following made by employees and workers:**

Category	FY 2025 Current Financial Year			FY 2024 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:**

Safety Incident/Number	FY 2025 Current Financial Year	FY 2024 Previous Financial Year
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	Nil	Nil
Complaints on POSH as a % of female employees/ workers	Nil	Nil
Complaints on POSH upheld	Nil	Nil

8. **Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

   The following policies is avaliable at Company's website, which 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:**

Category	% 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 10 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.

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:**

Category	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	All value chain partners are expected to adhere to the Code of Conduct which does not tolerate any form of harassment, whether sexual, physical, verbal or physiological etc. However, Nucleus does not conduct any formal assessment for the same.
Discrimination at workplace	
Child Labour	100% of value chain partners were assessed.
Forced Labour/Involuntary Labour	
Wages	Not Applicable
Others – please specify	

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 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:**

(in Joules)

Parameter	FY 2025 *(Current Financial Year)*	FY 2024 *(Previous Financial Year)*
From Renewable resources		
Total electricity consumption (A)	9,05,82,33,600	7,77,42,43,200
Total fuel consumption (B)	60,56,64,000	35,20,80,000
Energy consumption through other sources (C)	52,03,76,400	60,90,87,600
Total energy consumed from renewable resources (A+B+C)	**10,18,42,74,000**	**8,73,54,10,800**
From Non Renewable resources		
Total electricity consumption (D)	-	-
Total fuel consumption (E)	-	-
Energy consumption through other sources (F)	-	-
Total energy consumed from renewable resources (D+E+F)	-	-
Total energy consumed (A+B+C+D+E+F)	**10,18,42,74,000**	**8,73,54,10,800**
Energy intensity per rupee of turnover *(Total energy consumption/turnover in rupees)*	**0.75475189**	**1.1402151103**
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) *(Total energy consumption/ Revenue from operations adjusted for PPP)*	0.01325	0.01140
Energy intensity in terms of Physical Output	-	-
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 2025 *(Current Financial Year)*	FY 2024 *(Previous Financial Year)*
Water withdrawal by source (in kiloliters)		
(i) Surface water	-	-
(ii) Groundwater	31,543 KL	27,571 KL
(iii) Third party water	-	-
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v)	31,543 KL	27,571 KL
Total volume of water consumption (in kiloliters)	31,543 KL	27,571.KL
Water intensity per rupee of turnover *(Water consumed / turnover)*	0.00041 Ltr/Rs.	0.00036 Ltr/Rs.
Water 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

4. **Provided the following details related to water discharged:**

Parameter	FY 2025 *(Current Financial Year)*	FY 2024 *(Previous Financial Year)*
Water discharge by destination and level of treatment (in kiloliters)		
(i) To Surface water	-	-
- No Treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) To Ground water	35,337	-
- No Treatment	-	-
- With treatment – please specify level of treatment	3,373	-
(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	-	-
Total water discharged (in kiloliters)	**38,710**	**-**

5. **Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

   Since we are an IT sector entity Zero Liquid Discharge is not applicable on us.

   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 Green House Gas emission:-

   - 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 upgraded chillers with VFD in HVAC plant to reduce energy consumption immensely has been and is being done.
   - Installation of Roof Solar Power Plant of 158.6 Kwh energy as a power source. CO2 Emission saved 192,592.1kg Equivalent trees planted 5748.
   - We maintain a good tree to land ratio of 30 percent in Noida Campus where trees are planted to ensure greenery and maintain balance.
   - We have replaced fluorescent tube lights fitting 1150Nos with high energy efficient LED ceiling mounted fitting in all three units.
   - We have installed RECD unit in all DG sets to reduce the harmful emissions released into the atmosphere from diesel generators.

9. **Provide details related to waste management by the entity, in the following format:**

Parameter	***FY 2025 (Current Financial Year)***	***FY 2024 (Previous Financial Year)***
Total Waste generated (in metric tonnes)		
Plastic waste ***(A)***	-	-
E-waste ***(B)***	-	-
Bio-medical waste ***(C)***	-	-
Construction and demolition waste ***(D)***	-	-
Battery waste ***(E)***	2.2	-
Radioactive waste ***(F)***		-
Other Hazardous waste. Please specify, if any. ***(G)***	0.44	-
Other Non-hazardous waste generated ***(H).*** *Please specify, if any.* (Break-up by composition i.e. by materials relevant to the sector)	-	-
Total (A+B + C + D + E + F + G + H)	2.64	-

Parameter	*FY 2025 (Current Financial Year)*	*FY 2024 (Previous Financial Year)*
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	2.64	Nil
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
Total	**2.64**	**Nil**
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	-	-
Total	-	-

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

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 kiloliters): NA**

   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:**

S No	Initiative Undertaken	Details of the initiative (Web-Link, if any, may be provided along with summary.	Outcome of the initiative
1	Energy Conservation Program	1. Phase out of R22 Refrigerant. 2. Installation of solar LED streetlights in external area. 3. Installation of daylight and motion based sensor. 4. Installation of VAVs and VFD – Using centralized AHU and Chiller Plant. 5. Optimization of UPS	Energy Saving 1600MWh Per annum.
2	Emission reduction Programs	1. Installation of rooftop solar panel. 2. Electrification of cooking appliances. 3. Renewable energy for internal power requirement through green tariff. 4. Transition of employee commute fleet to CNG or Electric Vehicle based. 5. Installation of Retrofitted Emission Control device in DG set.	CO2 reduction 11800 MT per annum.
3	Water Reduction Program	1. Installation of water aerators. 2. Installation of digital or smart water flow meter. 3. Installation of waterless urinal.	Water Saving 15000KL per annum.
4	Waste Reduction Program	1. Installation of PadCare System to recycle sanitary waste	58% reduction in carbon emission compared to landfilling and a 68% reduction compared to incineration. Through this initiative will be able to recycle around 4MT of waste per annum.

1. **Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

We prioritize business continuity risk to ensure our clients experience consistent and reliable service, even in challenging circumstances. We are advancing our strategy and approach 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 along with SOC2 Type II report 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, we have adopted a Defense-in-Depth model to ensure multilayered protection across our infrastructure—spanning physical, network, endpoint, application, and data security layers. This strategic approach ensures that if one layer is compromised, multiple other controls are in place to prevent unauthorized access or data loss.

Physical security is enforced through strict procedures governing access to data centers and sensitive operational areas. Entry is restricted using biometric authentication and proximity card access systems, ensuring that only vetted and authorized personnel can access critical environments.

At the infrastructure level, the company has invested significantly in state-of-the-art, high-availability network architecture, including redundant high-speed links to overseas locations. This infrastructure not only supports uninterrupted operations but also provides built-in resilience against network disruptions and cyber threats.

In line with the principles of Security by Design and by Default, internet access is tightly governed through advanced web filtering technologies, both on-premises and across remote endpoints. These controls are configured to block non-business use, reduce threat surface exposure, and enforce browsing policies aligned with corporate governance.

To protect the organization's intellectual property and sensitive information, Data Loss Prevention (DLP) controls are implemented at key egress points, including the email gateway and on end-user devices such as laptops. These solutions monitor, detect, and prevent unauthorized transmission of confidential data in real time.

Security governance is a core pillar of our cybersecurity program. We follow a Security by Governance approach, embedding risk-based policies, compliance requirements, and oversight mechanisms across all operational layers. Regular audits, role-based access controls, continuous monitoring, and incident response readiness ensure that our security framework remains resilient, compliant, and aligned with industry best practices.

2. **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.

3. **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. **Number of affiliations with trade and industry chambers/ associations.**

   The Company is affiliated with 3 trade and industry chambers/associations.

   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	Electronics and Computer Software, Export Promotion Council	National
2	Confederation of Indian Industry	National
3	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.

   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 as a Section 25 Company 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 Board's 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:**

Particulars	FY 2024-25 Current Financial Year	FY 2023-24 Previous Financial Year
Directly sourced from MSMEs/ small producers	8.85%	5.71%
Sourced directly from within the district and neighbouring districts	While this metric is not available, but we prefer sourcing of material from nearby areas only.	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 2024-25 Current Financial Year (%)	FY 2023-24 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 Board's 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 legislation and global best practices, our procurement process stands for 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.

(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	32,000	100%
4	Remedial Studies- 14 Government Schools at Noida	1,000	100%
5	Women empowerment- Tailoring and Embroidery courses – Tamil Nadu	350	100%
6	Scholarships for kids of CRPF Martyrs	25	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 place a high priority on customer satisfaction and actively seek feedback through multiple accessible channels. At the heart of this approach is our dedicated "Voice of Customer" platform, built to capture insights and address concerns promptly and effectively.

Complementing this, customers have direct access to their assigned Account Managers and Client Engagement Managers, who serve as their trusted, day-to-day points of contact. These professionals are well-equipped to respond swiftly and ensure smooth issue resolution.

Regularly scheduled customer connect meetings further strengthen communication, offering ongoing opportunities to discuss evolving needs, expectations, and feedback. In addition, customers can reach us via email or escalate concerns through a clearly defined escalation matrix, ensuring timely and effective responses.

Each project is supported by a structured escalation framework, allowing any customer concerns to be routed to the appropriate level of management without delay. Our senior leadership team also remains actively involved, engaging with customers to gain direct insights and proactively address potential challenges.

By offering these diverse touchpoints and maintaining a transparent, responsive communication process, we reaffirm our commitment to listening to our customers, continuously enhancing our services, and building enduring, trust-based relationships.

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	This 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**

Type of Complaints	FY 2025			FY 2024		
	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:**

Particulars	Number	Reasons for recall
Voluntary recalls	Not Applicable, due to the nature of operations the Company	

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 established a comprehensive and robust cybersecurity and data privacy framework, supported by well-defined policies and procedures. Our organization places the highest priority on protecting sensitive information, recognizing it as a critical asset in maintaining operational integrity, customer trust, and regulatory compliance.

Our cybersecurity framework is built on industry-leading practices, integrating proactive and layered security controls to safeguard data from evolving threats

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.**

   To ensure the safe and responsible usage of our products and services, the Product team follows a structured approach to consumer education and awareness. For every new release, a comprehensive policy document is shared with customers, outlining key features, compliance guidelines, and usage protocols.

   During the implementation phase, customers are also provided with detailed support materials, including product write-ups and user manuals. These documents are designed to equip users with clear instructions, best practices, and safety guidelines to maximize product efficiency while ensuring responsible usage. Additionally, our support teams remain actively engaged to address any queries and provide ongoing assistance as needed.

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.

Management's Discussion and Analysis

of Financial Condition and Results of Operations of Nucleus Software Exports Limited

Management's discussion and analysis of the 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 undergoing unprecedented transformation and global expansion. Technological innovation, demographic shifts, and evolving regulatory landscapes are reshaping the industry at an accelerated pace. Our Company made this possible by staying ahead of the curve, leveraging technology to drive change and empower financial institutions worldwide.

Key Market Trends

Across global markets, several transformative trends are redefining the future of the software industry. These include the widespread adoption of Artificial intelligence (AI) and Machine Learning (ML), the surge in digital banking and mobile-first financial services, and heightened focus on cybersecurity and data protection. Additionally, regulatory reforms are propelling open banking and interoperability, creating demand for seamless, customer-centric financial solutions. Our Company made this possible by embedding these advancements into our product strategy and enabling our clients to stay future-ready.

Competitive Dynamics

Nucleus Software competes with a broad spectrum of global players—from large technology conglomerates to agile FinTech innovators. Our competitive edge is built on deep domain expertise, cutting-edge product innovation, and a steadfast customer-first philosophy. Our Company made this possible by continuously evolving our offerings, strengthening strategic alliances, and delivering solutions tailored to meet the complex demands of the modern financial ecosystem.

Regulatory Environment

Navigating a diverse and complex regulatory landscape is both a challenge and an opportunity. Regulatory frameworks vary widely across geographies, necessitating vigilance, agility, and local market understanding. Our Company made this possible by proactively aligning with local compliance standards, fostering trust, and enabling our clients to operate with confidence in every market we serve.

Market Expansion Strategies

To harness global growth potential, Nucleus Software adopts a focused, region-specific approach to expansion—prioritizing markets with favourable regulations and strong digital demand. Through strategic investments in R&D, localized innovation, and top-tier talent acquisition, we continue to build lasting relationships with clients and partners across the globe. Our Company made this possible by staying true to our mission of delivering transformative solutions that drive measurable business value.

B. COMPANY 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 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.

Over the years we have gained deep experience working closely with Global leaders in the Banking and Financial Services industry. The Company has seven subsidiaries, as described below:

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 Corporate office in Noida and 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.

Nucleus Software delivers disruptive Fintech Solutions to 200+ Banks and Financial Institutions across 50 countries supporting Retail Lending, Corporate & SME Finance, Islamic Finance, Automotive Finance, Captive Automotive Finance, Cash Management, Mobile & Internet Banking, Transaction Banking and more. Our solutions manage $15 Trillion+ value of yearly transactions, with over 26 Million transactions each day through our globally integrated transaction banking platform. Our lending platform manages $1.2+ Trillion value of loans globally, while enabling 500,000+ users to log in daily.

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 Digital 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 Digital 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.

A brief on the functionality of our flagship products is furnished below:

1. **FinnOne Neo®** - AI-enabled Digital Lending Platform

   FinnOne Neo® revolutionizes end-to-end digital lending for financial institutions, delivering superior product selection, enhanced efficiency, reduced costs, minimized errors, and increased margins – all adding up to maximized portfolio performance, driving growth and success.

   With 40 years of global lending experience, FinnOne Neo® offers unparalleled value by being the only solution that truly understands the intricacies of lending. With over 540+ ready APIs, it seamlessly integrates all your lending processes.

   The recent GA 8.0 marks the achievement of our 18th released version till date. In today's fast-paced, technology-driven financial ecosystem, Artificial Intelligence (AI) and Machine Learning (ML) are revolutionizing the way financial services operate. With their ability to drive efficiency and foster innovation, these technologies are becoming essential to the industry. As part of GA 8.0, FinnOne Neo® has integrated powerful AI/ML capabilities aimed at improving operational efficiency and customer experience.

FinnOne Neo® Product Modules**:**

Customer Acquisition System:

The Loan Origination system is a robust solution designed to oversee the entire loan lifecycle, from customer onboarding to loan disbursals, allowing for easy scalability and accelerated growth. The solution makes Lending Agile, Scalable, and Transparent, unlocking new opportunities for expansion and profitability.

Loan Management System:

FinnOne Neo® Loan Management System simplifies and enhances loan management, transforming financial institutions lending business into an efficient, customer-centric operation. Discover a gateway to advanced loan servicing capabilities designed to elevate customer experience and streamline operations.

Collections:

A next-gen solution that empowers financial institutions with extensive collection strategies, an automation-ready framework. FinnOne Neo® Collections supports end-to-end customer follow-up activities and communication. It is highly configurable and customer-centric, requires zero manual intervention, and provides the collection team with a 360-degree customer exposure view.

Collateral Management System:

FinnOne Neo® Collateral Management System is a robust and scalable solution designed to manage the complete collateral lifecycle across all financial institution platforms. Acting as a centralized repository, it provides users with a comprehensive view of all collaterals, serving as the single source of truth for collateral data. With a 360-degree view of collaterals, the system integrates seamlessly with various external systems including loan origination, servicing, and collections through built-in APIs.

Enterprise Content Management:

The solution is designed to streamline document management and processing for enterprise operations. FinnOne Neo® Enterprise Content Management can seamlessly integrate with existing applications or function independently as a powerful document management tool. It enhances operational efficiency by managing, storing, archiving, and indexing documents effortlessly. Capable of handling documents from various sources, it maintains a consistent workflow, simplifying the entire document processing cycle.

Portal: eApply and eServe:

The FinnOne Neo® Internet Channel suite provides web-based applications for customer self-application (eApply) and customer self-service (eServe).

Sales Assist:

A digital loan / card sourcing front end web channel module used by sales staff for complete application entry, triggering credit checks through fintech integrations, getting eligibility/serviceability, offers and status of loan application, query module, loan calculators, packaged and split loans, multiple LOB support with business flow orchestration and intelligent dashboard for sales staff.

Mobility Apps: mCAS, mApply, mCollect & mServe:

The FinnOne Neo® Mobility suite is a portfolio of mobile solutions aimed at digitizing various lending business processes – loan origination by field staff (mCAS), loan origination by prospect customers (mApply), loan self-servicing (mServe), & field collection management (mCollect). The suite offers functional areas for use by end customers and by staff of banks and finance companies.

FinnOne Neo® Retail Lending - End-to-end digital transformation

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

- Accelerate Go-To-Market - Float innovative, customer-centric products quickly. 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, Google home, wearable devices and voice instantly.
- Supports both Cloud and on-premises deployments.

FinnOne Neo® Corporate Lending – Enhanced Agility via Digitizing SME and Corporate Lending

FinnOne Neo® Corporate is designed to ensure financial institutions and banks stay customer centred. Our Corporate Lending solution supports multi-branch, multi-product and multi-lingual implementations.

FinnOne Neo® Corporate Lending Solution allows Financial Institutions to:

- Unlock Growth – enabling quick and easy creation of new products within multiple lines of businesses.
- Handle Complex Products – integrated and global approach within corporate and SME lending
- Achieve Business Agility - a one-stop solution for all SME & Corporate lending driven by best-in-class roadmap practices.
- Stay Ahead with an advanced technology platform - Cloud ready, Scalable, Secure & Available with a Strong API layer

FinnOne Neo® Automotive Finance- An 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 disbursals, offering an adaptable framework for accelerated growth, expanded horizons, and heightened profitability. Manage Dealership Network & Relationships Efficiently. Enhanced product designed to cater equipment, automobile, EVs, and charging station financing needs.

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. The system supports risk-based pricing strategy and provides Integrated support for Residual Value calculations.

FinnOne Neo®for Islamic Finance - Interest Free Banking Governed by Shariah Principles

Islamic Finance holds a significant share in the global banking space. Nucleus Software has been at the centre of innovation in Islamic Finance for the last two decades. 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.

The solution provide seamless Shariah compliant banking experience to end customers and help offer tailored products rapidly, across every channel at an optimised cost.

2. **FinnAxia®**- Nucleus Software's Transaction Banking Platform

   FinnAxia® is an advanced, modular transaction banking platform that redefines how financial institutions serve their corporate clients. Designed to support the entire transaction banking spectrum – including receivables, payments, liquidity, supply chain finance, and trade finance. FinnAxia® delivers unmatched agility and scalability. It empowers banks to begin with what they need today and expand at their pace, module by module.

   FinnAxia® provides a clear value proposition: to enable banks to operate with precision, create compelling client experiences, increase revenue potential, and control risk proactively. Standardized workflows improve turnaround time and reduce dependency on manual processes. A unified omnichannel interface ensures a consistent and intuitive experience for end users. With dynamic pricing and advanced billing engines, banks can monetize services intelligently while maintaining compliance and visibility across all client transactions.

   FinnAxia® Product Suites Modules and Capabilities:

   Global Receivables: Accelerating collections and simplifying reconciliation. Through virtual account structures and real-time dashboards, banks can offer corporate clients a clearer picture of incoming funds across payment sources. Automation reduces manual workload and speeds up cash application.

   Global Payments: Ensuring seamless management of both domestic and international transactions. It supports high-volume processing with real-time payment tracking, multi-currency handling, and ISO20022 and AML compliance. Features like dynamic currency conversion and instant settlement help banks offer differentiated value.

   Global Liquidity Management: Provides corporate treasuries with real-time insights into group-wide cash positions. Through automated sweeps, balance forecasting, and notional pooling, corporates can maintain optimal liquidity without operational disruptions across time zones.

   Virtual Account Management (VAM): Enables corporates to rationalize account structures and

streamline reconciliation. With VAM, banks can offer account-level granularity without physically opening new accounts, improving control and visibility over fund flows.

E-FSCM (Financial Supply Chain Management): Strengthens financing processes across the supply chain by supporting supplier onboarding, invoice discounting, PO financing, and distributor funding. It transforms working capital management from a static function to a dynamic, data-led process that balances cost, risk, and liquidity.

Trade Finance: Digitizes the full trade lifecycle, including Letters of Credit, Bank Guarantees, Open Account Trade, and Documentary Collections. A centralized dashboard ensures faster processing, reduces paperwork, and improves customer responsiveness.

EBPP (Electronic Bill Presentment and Payment): Brings efficiency and flexibility to billing. It enables banks to support corporates with e-invoice delivery, diverse payment modes, auto-reconciliation, and a self-service portal that reduces dependency on bank staff.

New Features in FinnAxia® GA 8.6

The latest General Availability (GA) release of FinnAxia® introduces several enhancements that address evolving market needs and regulatory requirements. These new features strengthen the platform's capabilities across multiple dimensions:

- Multifactor Authentication- Strengthens login and transaction security with layered authentication, protecting against unauthorized access.
- Beneficiary Limits Tracking- Allows corporates to set daily and maximum limits for beneficiaries, enabling tighter control over payment activity.
- Beneficiary Validation – NRE Flag- Ensures compliance for NRE transactions through automated validations and restrictions.
- Improved Client Experience:
    - Free Format Payments- Supports flexible payment formats to accommodate diverse corporate needs and reduce manual handling.
    - Email Notification- Sends automated alerts on payment status, improving transparency and reducing follow-ups.
    - Corporate Advice Generation- Enables clients to download payment advice directly from the portal for easy sharing and faster communication.
    - Account Statement Delivery- Automates statement delivery across multiple formats and channels for timely access.
    - Profile Switch- Simplifies navigation between multiple corporate profiles, enhancing user convenience and productivity.
    - Enhanced Operational Capabilities- Configurable Reverse MIS Delivers real-time, automated visibility into uploaded payment files for better tracking and decision-making.
    - Statutory Payments- Supports seamless in-platform processing of CBDT payments, improving efficiency and compliance.
    - Grievance Redressal- Provides a structured, responsive system for resolving client issues promptly.
    - DPSC – Grievance & Dispute- Facilitates compliant resolution of Digital Payment Service Charge disputes with comprehensive tools.
    - FinnAxia® simplifies operations, reduces risks, unlocks liquidity, and enhances both the bank's service capability and the corporate's financial agility.

3. **PaySe®- 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

In FY 2022-23 we were awarded 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)

4. **Nucleus Software Digital 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 Digital 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

C. AWARDS & RECOGNITIONS

- The Fintech Partner Award at Asia Fintech Awards 2024 for Nucleus Software flagship solution FinnOne Neo®, revolutionizing digital lending with AI-powered automation and seamless integrations.
- Best Fintech & NBFC Collaboration at 17th NBFC & Fintech Conclave Awards 2024, in partnership with TATA Capital Ltd., showcasing our role in strengthening the fintech ecosystem through strategic alliances.
- Best Fintech of the Year at 17th NBFC & Fintech Conclave Awards 2024, recognizing our unparalleled contributions to the financial services industry and our impact on digital transformation.
- Best Digital Lending Implementation: Best Tool & Practices Adopted by IBSi Global Fintech Innovation Awards 2024, for our cutting-edge work with Ambit Finvest Private Limited, delivering efficiency, compliance, and next-gen digital lending experiences.
- Annual Report for the Year Ended March 31, 2024 won the Silver Award for Excellence within the Technology Software industry by the League of American Communications Professional (LACP).
- Dr. Ritika Dusad, Our Executive Director 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 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 Limited 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.
- 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).
- 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 (India) Private Limited.
- Nucleus Software earned the IBSi Global Fintech Innovation Awards 2023 under category Best Transaction Banking implementation for BRAC Bank PLC.
- 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.
- Annual Report for the Year ended March 31, 2022 won the Platinum Award for Excellence within the Technology Software industry and Technical Achievement Award from League of American Communication Professionals (LACP).
- Nucleus Software received first position at the "Corporate Governance and Sustainability Vision Awards 2021", held by Indian Chamber of Commerce.
- Annual Report for the Year ended March 31, 2021 won the Platinum Award for excellence within the Technology Software industry and the Technical Achievement Award from League of American Communication Professionals (LACP).
- Nucleus Software was awarded the "Best Technological Innovation in Payments (B2B)" award at the Seamless Middle East 2020 conference in Dubai.

D. FUTURE OUTLOOK

The Global BFSI Industry Outlook: 2025 and Beyond

The global Banking, Financial Services, and Insurance (BFSI) sector is poised for significant transformation in the upcoming financial year, driven by technological advancements and evolving consumer expectations. This transformation is particularly pronounced in key financial hubs across North America, Europe, and Asia-Pacific, where fintech innovation and regulatory shifts are reshaping the industry.

Global BFSI Industry Outlook

The global financial services sector has demonstrated strong growth in recent years, supported by digital transformation, regulatory changes, and evolving consumer expectations. This momentum is expected to continue, with financial institutions focusing on diversified revenue models, operational resilience, and technological advancements to navigate the evolving landscape.

- *Diversified Revenue Streams & Adaptability*

  According to Deloitte's 2025 Banking and Capital Markets Outlook, banks are expanding their revenue models to remain resilient in a low-growth, lower-interest-rate environment. This includes:

  - Expanding fee-based income from wealth management, insurance, and advisory services.
  - Strengthening digital banking capabilities to cater to tech-savvy consumers.
  - Exploring embedded finance and Banking-as-a-Service (BaaS) models to monetize financial infrastructure.
  - Enhancing cost-efficiency through AI-driven automation and cloud-native solutions.

- *Agility and Innovation as Competitive Differentiators*

  IBM's 2025 Global Outlook for Banking and Financial Markets emphasizes the increasing importance of agility and innovation in financial services. Key trends shaping the industry include:

  - AI-driven customer experience: Hyper-personalization in banking through AI-powered chatbots and analytics.
  - Real-time transaction processing: Payments and lending are becoming faster and more seamless.
  - Regulatory-driven transformation: Compliance requirements are evolving, prompting the adoption of RegTech solutions to streamline reporting and risk management.
  - Cloud adoption: Financial institutions are leveraging cloud infrastructure to enhance scalability, security, and innovation.

  These shifts indicate that the BFSI industry is moving towards a more interconnected, technology-driven future, where digital transformation and financial inclusion play central roles in growth strategies.

The Future of Transaction Banking and Lending

Transaction banking is undergoing a significant transformation, driven by digitalization and regulatory advancements. Key trends include:

- Real-Time Payments & Cross-Border Transactions: Digital payment infrastructure and instant cross-border settlements are being enhanced through AI and blockchain integration.
- Cash & Liquidity Management: AI-powered liquidity forecasting and treasury automation are improving corporate financial operations.

- Trade Finance Digitization: Blockchain-based trade finance solutions are reducing processing time, increasing transparency, and mitigating risks.
- Supply Chain Finance: AI-powered risk analytics and digital trade platforms are optimizing working capital for businesses.
- The global transaction banking market is expected to grow significantly, fueled by digital transformation, API-driven connectivity, and embedded finance models (Markets and Markets, 2024).

Lending: The Rise of AI-Powered Digital Lending

The lending sector is being redefined by AI-driven underwriting, alternative credit scoring, and embedded lending models.

- Digital Lending Expansion: Mobile-first lending platforms and alternative credit assessment models are expanding financial access.
- AI-Driven Credit Scoring: Machine learning and alternative data sources enhance credit decisioning.
- Buy Now, Pay Later (BNPL): BNPL solutions continue to gain traction, reshaping consumer lending.

  The global digital lending market is projected to grow at a CAGR of 11.9% from 2024 to 2030, reaching $330 billion by 2030 (Statista, 2024).

Fintech Evolution and Opportunities

Fintech is set to play a pivotal role in reshaping the financial landscape. Key trends include:

1. Artificial Intelligence (AI) Integration

   AI is revolutionizing financial services by enhancing transaction processing, investment strategies, and money management.

   - The global AI in Fintech market is projected to grow at a CAGR of 16.5% from 2022 to 2030, reaching approximately $41.16 billion by 2030 (Grand View Research, 2024).
   - The generative AI segment within financial services is expected to expand from $1.09 billion in 2023 to over $12 billion by 2032, reflecting a CAGR of 28.1% (Statista, 2024).

2. Blockchain and Digital Assets

   Blockchain technology is moving towards mainstream adoption, offering secure and transparent transaction methods.

   - The global blockchain market size is projected to grow from $20.1 billion in 2024 to $248.9 billion by 2029, at a CAGR of 65.5% (MarketsandMarkets, 2024).
   - The digital assets market is expected to generate revenue of $46.3 billion by 2025, reflecting rapid growth (Statista, 2024).
   - Supportive regulatory stances, such as the pro-crypto policies in the U.S. and parts of Asia, are further encouraging growth in digital asset investments.

3. Regulatory Technology (RegTech)

   With increasing regulatory pressures, fintech companies are developing sophisticated tools to ensure compliance, streamline reporting, and reduce operational risks.

   - The global RegTech market is anticipated to reach $55.28 billion by 2025, growing at a CAGR of 20.3% from 2019 (MarketsandMarkets, 2024).

4. Embedded Finance

   The integration of financial services into non-financial platforms is expanding, allowing companies to offer banking services directly within their ecosystems.

   - The embedded finance market is projected to reach $138 billion by 2026, growing at a CAGR of 16.4% from 2021 (Statista, 2024).

Regional Fintech Growth and Opportunities

1. Digital Identity Solutions
   - The global digital identity solutions market is projected to grow from $42.12 billion in 2024 to $133.19 billion by 2030, at a CAGR of 21.2% (MarketsandMarkets, 2024).
   - North America, Europe, and Asia-Pacific are leading adoption due to supportive government regulations and initiatives (GlobeNewswire, 2024).
2. AI-Driven Financial Services
   - The global AI in finance market is expected to grow from $38.36 billion in 2024 to $190.33 billion by 2030, at a CAGR of 30.6% (MarketsandMarkets, 2024).
   - North America and Asia-Pacific are experiencing faster market growth compared to regions with regulatory uncertainties (Statista, 2024).
3. Expansion into Emerging Markets

   Fintech companies are focusing on underbanked regions, particularly in Asia, Africa, and Latin America, where increasing internet penetration, mobile device usage, and supportive regulatory frameworks are driving financial inclusion.

4. Global & Regional Fintech Trends
   - Artificial Intelligence (AI) Integration: AI is revolutionizing financial services by enabling

hyper-personalized financial products and enhancing risk management.

- Embedded Finance: The integration of financial services into non-financial platforms is expanding, allowing companies to offer banking services directly within their ecosystems.

Decentralized Finance (DeFi): DeFi platforms are gaining traction, offering decentralized financial services that operate without traditional intermediaries. dirox.com

Digital Identity Solutions: The adoption of digital identity solutions is increasing, driven by the need for secure and efficient customer verification processes.

5. Evolving Regulatory Landscape

- Licensing and Compliance: Governments are implementing licensing rules to ensure fair and efficient operations of fintech companies, aligning them with traditional financial services firms.
- Cross-Border Regulatory Challenges: Fintech startups operating in multiple countries face the complexity of navigating varying regulatory frameworks, making cross-border transactions more challenging.
- Regulatory Uncertainty: A significant number of fintech companies view regulatory uncertainty as a top challenge, emphasizing the need for adaptive strategies to thrive in a more regulated environment.

India's Financial Services and Fintech Sector

India is emerging as a significant player in the global financial services and fintech sectors.

- The asset management market in India is expected to reach approximately $139.43 billion by 2030, with a CAGR of 33.7% from 2024 to 2030 (Grand View Research, 2024).
- The fintech industry in India is projected to generate aggregate revenues of up to $190 billion by 2030, driven by digital adoption and financial inclusion initiatives (Consultancy, 2024).
- India is on track to become the world's third-largest economy by 2027, surpassing Japan and Germany, with its stock market expected to be the third-largest by 2030 (Mordor Intelligence, 2024).

Future of Lending and Banking Technology Firms in India

The Indian fintech sector is undergoing rapid transformation:

- Digital Lending Expansion: Mobile-first platforms are leading the charge, supported by 750 million smartphone users in India (Vision Solutions, 2024).
- Open Banking Adoption: Secure data-sharing frameworks are enhancing customer experiences and fostering innovation.
- Technological Integration: AI and ML are reshaping transaction processing, investment strategies, and customer service.

Global Importance of Indian Fintech Companies

Indian fintech firms have established a strong international presence:

- Investment Magnet: Fintech investment in India has surpassed $35 billion, doubling the country's share of global fintech funding since 2016 (Bain & Company, 2024).
- Global Expansion: Indian fintech firms are entering international markets, offering innovative solutions in payments, lending, and digital banking.
- Public Listings: Major fintech firms are preparing for IPOs, such as PayU's planned listing in 2025, highlighting India's growing global influence (Reuters, 2024).

Conclusion

The global BFSI industry is on the cusp of a transformative period, with transaction banking, digital lending, and fintech innovations driving efficiency, inclusion, and technological advancements. While North America and Europe continue to evolve, emerging markets such as India, Africa, and Latin America are becoming central to the industry's future. The rapid adoption of AI, blockchain, RegTech, and embedded finance will further accelerate digital transformation, ensuring a dynamic and resilient financial ecosystem for years to come.

Nucleus Software -Strategic Priorities for 2025 and Beyond

Nucleus Software is poised to be at the forefront of this transformation. With a proven track record in delivering mission-critical platforms for lending and transaction banking, we are empowering financial institutions to reimagine their operations and deliver superior customer value in real time.

In 2025 and beyond, Nucleus Software' roadmap is clear and purposeful:

- **Product Innovation**: Accelerated R&D initiatives to incorporate the latest technologies including GenAI, autonomous finance, and tokenized assets.
- **Global Expansion**: Strengthening sales and market development across high-growth

regions — including Australia, Canada, MEA, Southeast Asia, and the USA — through strategic partnerships with system integrators.

- **Talent and Culture**: Continued investment in a high-performing, innovation-driven workforce that brings agility and creativity to the forefront of our operations.
- **Sustainable Growth**: Focused on organic growth, our capex priorities remain aligned to product development and cloud-native transformations, rather than M&A in the medium term.
- **Next-Gen Tech Readiness**: Experimenting with digital currencies, decentralized finance, and quantum computing to ensure our solutions remain future-proof and resilient.

E. THE WAY FORWARD

The outlook for the global fintech industry in 2025 remains highly promising, despite economic uncertainties and geopolitical shifts. The pace of digital disruption has accelerated, driven by widespread Artificial Intelligence (AI) adoption, evolving regulatory landscapes, and a growing demand for hyper-personalized, secure, and real-time financial experiences. This year has marked a pivotal shift where next-generation technologies are no longer optional but central to financial institutions' survival and success.

Artificial intelligence, machine learning, blockchain, open banking, digital identity verification, and embedded finance are becoming foundational pillars of modern financial services. Innovations in fraud prevention, cybersecurity, and customer experience (CX) are transforming how banks and financial institutions operate. In this fast-evolving ecosystem, Nucleus Software made this possible by staying ahead of emerging trends and continuously innovating to meet the moment.

Looking ahead, Nucleus Software is strategically positioned to lead the digital transformation of financial services. With financial institutions under increasing pressure to modernize legacy systems, reduce operational costs, and meet new compliance demands, the need for intelligent, agile, and scalable platforms has never been greater. Nucleus Software's solutions are designed to deliver precisely this — combining powerful functionality with real-time capabilities and AI-driven insights.

The rising momentum around open banking and API ecosystems is creating new pathways for collaboration and customer-centric innovation. Nucleus Software made this possible through deep investments in API-driven architecture, enabling clients to embrace ecosystem partnerships, co-create new offerings, and deliver richer customer experiences. With expertise built on decades of domain leadership, we help financial institutions confidently navigate this dynamic regulatory and technical environment.

Nucleus Software's ongoing focus on AI, machine learning, and blockchain allows us to deliver data-driven, intelligent platforms that are secure, compliant, and customizable to diverse market needs. Our products are engineered to empower banks with advanced analytics, seamless integration, and frictionless user journeys, further cementing our competitive edge.

With a strong track record, unwavering commitment to excellence, and a future-ready technology stack, Nucleus Software stands as a trusted digital transformation partner for financial institutions globally. We are building not just for today's digital demands but for the dynamic financial ecosystems of tomorrow.

F. OPPORTUNITIES AND THREATS

In 2025, the fintech and banking software landscape continues to evolve at an unprecedented pace, presenting a dynamic mix of opportunities and challenges. Financial institutions across the globe are under intense pressure to innovate, digitize operations, and deliver real-time, hyper-personalized experiences. This urgency creates vast opportunities for software companies like Nucleus Software, especially in the areas of digital lending, transaction banking, and customer experience transformation.

Key Opportunities:

- **AI and GenAI Integration**: The adoption of Generative AI, predictive analytics, and explainable AI (XAI) offers significant potential in areas like credit risk modeling, loan origination, fraud detection, and customer servicing. Nucleus Software is leveraging these technologies to help clients enhance decision-making and efficiency.
- **Digital-First Financial Ecosystems:** With neobanks, fintechs, and traditional banks alike adopting mobile-first strategies, there is growing demand for scalable, modular, and cloud-native platforms that support seamless digital onboarding, payments, and lending.
- **Open Banking and Embedded Finance**: The global push toward interoperability and customer-centric ecosystems, powered by API-based infrastructure, presents major innovation and collaboration opportunities. Nucleus Software is actively enabling this transition through its open architecture and plug-and-play capabilities.
- **Sustainable and Ethical Finance**: With the global emphasis on ESG (Environmental, Social, and Governance), there is growing interest in tech platforms that can support green financing, ethical credit practices, and sustainability-linked lending products.

- **Rising Fintech Adoption in Emerging Markets**: Regions like Southeast Asia, the Middle East, Africa, and Latin America are witnessing explosive growth in digital financial services, offering fertile ground for customer acquisition and localized product innovation.

Key Threats:

- **Heightened Cybersecurity Risks**: As digital transactions surge, so do risks related to data breaches, identity theft, and ransomware attacks. Financial institutions and their tech partners must invest heavily in proactive threat detection, encryption, and resilience.
- **Regulatory Complexity and Compliance Burden**: As governments and regulators worldwide tighten controls on digital lending, data sharing, and AI usage, software providers must stay ahead of evolving norms across jurisdictions. Compliance agility is critical.
- **Economic Headwinds and Geopolitical Tensions**: Global economic uncertainty, high interest rates, and regional instabilities may lead to tighter credit markets, slowing tech investments by some financial institutions.
- **Intensifying Competition**: With big tech companies entering finance and traditional banks ramping up their in-house tech capabilities, fintech players face increased competition. Agility, innovation speed, and customer trust will be key differentiators.

Despite these challenges, Nucleus Software remains resilient and future-ready, leveraging decades of expertise, robust risk frameworks, and a relentless focus on innovation to navigate and lead in this evolving environment.

G. RISKS AND CONCERNS

These are discussed in detail in the Risk Management chapter provided later in this Annual Report.

H. 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. 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 Company employs an advanced Enterprise Resource Planning (ERP) system that connects all parts of the organization, to record data for accounting, consolidation and management information purposes. It has continued its efforts to align all its processes and controls with global best practices. The 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, 2025.

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 i.e. Varma & Varma Chartered Accountants as recommended by the Audit Committee with a well-defined internal audit scope. The audit is based on an internal audit plan, which is reviewed each year in consultation with the statutory auditors and approved by the Audit Committee. 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 Audit Committee also meets statutory auditors to ascertain, inter alia, their views on the adequacy of internal control systems and keeps the Board of Directors informed of its major observations periodically. Based on its evaluation [as defined in Section 177 of the Companies Act, 2013 and Regulation 18 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015], the Audit Committee noted that, as of March 31, 2025, the Company's internal financial controls were adequate and operating effective.

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.

I. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES

Nucleus' HR function is committed to fostering a strong organizational culture that balances performance with purpose and empowers every Nucleite to contribute meaningfully. Our Vision is "To be a culturally strong organizaiton" remains central to our strategy, enabling us to build a resilient and future-ready workforce.

FY 2024–25 was a year of deliberate transformation anchored in cultural integration, leadership development, and Lean maturity. Your Company adapted the Hoshin Kanri approach to drive enterprise-wide alignment and focus on key priorities, ensuring that every team's efforts are connected to strategic objectives. This was further supported by structured

reviews and capability-building interventions aimed at creating a high-trust, high-performance environment.

Your Company continued to evolve policies, learning platforms, and engagement frameworks to meet the changing expectations of the workforce while promoting transparency, inclusion, and continuous improvement. Through this integrated approach, your Company reinforced its commitment to attracting, developing, and retaining top talent.

As the IT landscape continues to shift, your Company remains agile and future-focused, investing in the culture, capabilities, and systems needed to scale sustainably and deliver long-term value.

J. 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.

An overview of the consolidated financial results for FY25 and FY24 is given below:

The consolidated financial results are as below:

(₹ in crore)

For the Year Ended March 31,	2025	% of Revenue	2024	% of Revenue	Growth (%)
Revenue From Operations	**832.25**	**100.00**	**826.45**	**100.00**	**0.70**
Expenses					
a) Employee benefit expense	534.64	64.24	491.06	59.42	**8.87**
b) Operating and other expenses	129.26	15.53	114.99	13.91	**12.41**
c) Finance costs (Bank charges)	0.75	0.09	0.95	0.11	**(21.05)**
Total Expenses	**664.65**	**79.86**	**607.00**	**73.45**	**9.50**
Operating Profit (EBITDA)	**167.60**	**20.14**	**219.45**	**26.55**	**(23.63)**
Depreciation & Amortization	14.81	1.78	14.55	1.76	**1.79**
Operating Profit after Interest and Depreciation	**152.79**	**18.36**	**204.90**	**24.79**	**(25.43)**
Other Income	66.26	7.96	50.90	6.16	**30.18**
Profit Before Tax	**219.05**	**26.32**	**255.80**	**30.95**	**(14.37)**
Taxation	56.05	6.73	64.20	7.77	(12.69)
Profit After Tax	**163.00**	**19.59**	**191.60**	**23.18**	**(14.93)**
Other Comprehensive Income	(3.52)	(0.42)	1.96	0.24	(279.59)
Total Comprehensive Income for the year	**159.48**	**19.16**	**193.56**	**23.42**	**(17.61)**

Revenue from Operations

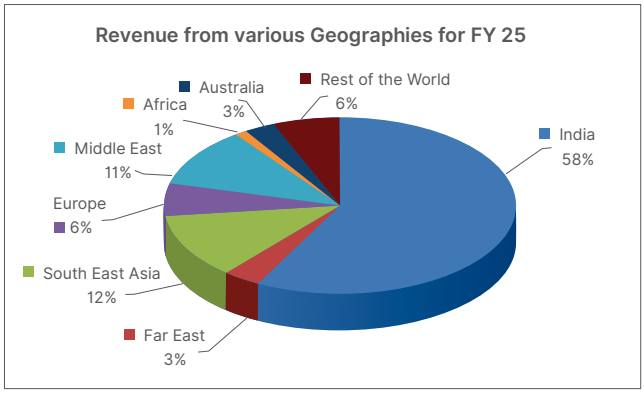
Our revenues from software development comprise of income from fixed price and time and material contracts. Revenue from fixed price contracts comprising of license, related customization and implementation is recognized in accordance with the output method based on percentage completion. Revenue from 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.

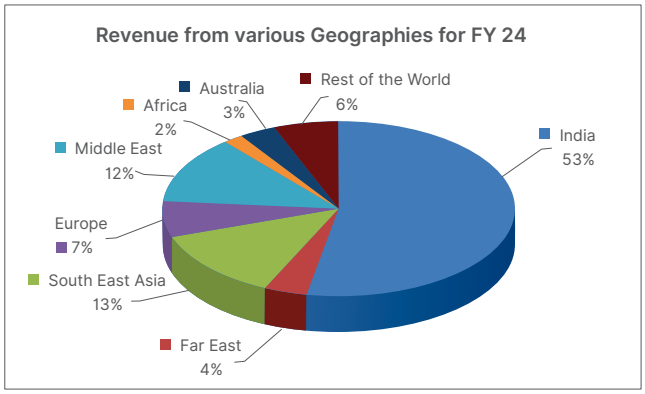
During the year, revenue from operations is ₹ 832.25 crore, as compared to ₹ 826.45 crore for the previous year.

Revenue from Various Geographies

Your Group's parent Company is incorporated in India and caters to customers situated all across the globe. We operate in seven main geographical segments: India, Far East, Southeast 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 42% of revenue was derived from overseas customers. The graph below presents a geography-wise distribution for the year as well as the previous year.

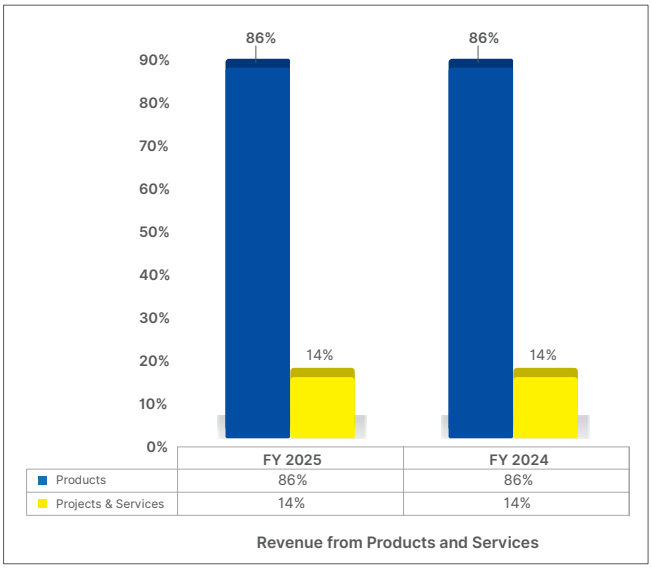




Revenue from Products and Services

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 ₹ 713.79 crore, 85.77% of the total revenue, against ₹ 711.40 crore, 86.08% 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 including other revenue for the year is ₹ 118.46 crore, 14.23% of the total revenue, against ₹ 115.05 crore, 13.92% 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 8.87% to ₹ 534.64 crore, 64.24% of revenue against ₹ 491.06 crore, 59.42% of revenue in the previous year.

(₹ in crore)

For the Year Ended March 31,	2025	% of Revenue	2024	% of Revenue	Growth (%)
Salaries	448.10	58.65	449.72	54.42	8.53
Contribution to provident and other funds	31.52	3.79	27.63	3.34	14.09
Gratuity expense	6.70	0.80	6.24	0.76	7.43
Staff welfare	8.32	1.00	7.47	0.90	11.28
Total Employee Benefit Expenses	**534.64**	**64.24**	**491.06**	**59.42**	**8.87**
Revenue	**832.25**	**100.00**	**826.45**	**100.00**	**0.70**

Operating and Other Expenses

Operating and other expense primarily consist of expenses such as travel expenses, sales and marketing expenses, outsourse technincal service expenses, information technology expenses, infrastructure charges, contribution to CSR activities etc.

Operating and other expenses at ₹ 129.26 crore, 15.53% of revenue for the year, increased by 12.41% in comparison to ₹ 114.99 crore, 13.91% of revenue in the previous financial year.

(₹ in crore)

For the Year Ended March 31	2025	% of Revenue	2024	% of Revenue	Growth (%)
Advertisement and business promotion	5.61	0.67	2.77	0.34	102.33
Commission to channel partners	0.82	0.10	0.90	0.11	(8.70)
Communication	1.68	0.20	1.50	0.18	12.10
Conference, exhibition and seminar	7.27	0.87	6.19	0.75	17.39
Conveyance	0.89	0.11	0.69	0.08	28.74
Contribution to CSR Activities	2.77	0.33	2.13	0.26	29.78
Cost of software purchased for delivery to clients	0.14	0.02	0.38	0.05	(61.97)
Directors remuneration	3.01	0.36	3.21	0.39	(6.35)
Insurance	1.12	0.13	1.36	0.16	(17.32)
Information technology expenses	41.24	4.96	33.74	4.08	22.25
Legal and professional	16.43	1.97	17.02	2.06	(3.47)
Miscellaneous expenses	2.07	0.25	2.01	0.24	3.30
Outsourced technical service expense	6.16	0.74	5.96	0.72	3.29
Power and fuel	3.83	0.46	3.44	0.42	11.26
Provision for doubtful debts/advances/other current assets	(1.60)	(0.19)	1.25	0.15	(227.94)
Rates & Taxes	0.81	0.10	0.42	0.05	95.05
Rent	2.60	0.31	2.18	0.26	19.10
Repair and maintenance	5.21	0.63	4.66	0.56	11.72
Travel expense	18.04	2.17	15.25	1.84	18.30
Training and recruitment	6.49	0.78	4.31	0.52	50.57
Withholding tax charged off	4.67	0.56	5.62	0.68	(16.92)
Total Operating and Other Expenses	**129.26**	**15.53**	**114.99**	**13.91**	**12.41**
Revenue	**832.25**	**100.00**	**826.45**	**100.00**	**0.70**

The Increase in Operating and other expense for FY 2025 from FY 2024 is primarily due to higher Advertisement and business promotion expenses, Traveling Expenses, Information Technology Expenses, Training and Recruitment, 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 ₹ 2.77 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.

Finance Cost

Finance cost during the year is at ₹ 0.75 crore, 0.09% of revenue against ₹ 0.95 crore, 0.12% of revenue in the previous year

(₹ in crore)

For the Year Ended March 31,	2025	2024
Bank Charges	0.43	0.41
Interest Expense on lease liability	0.32	0.54
Total	**0.75**	**0.95**

Operating Profit (EBITDA)

Operating Profit during the year at ₹ 167.60 crore, 20.14% of revenue against ₹ 219.45 crore, 26.55% of revenue in the previous year.

Depreciation & Amortization

Depreciation & Amortization on fixed assets is ₹ 14.81 crore, 1.78% of revenue for the year, against ₹ 14.55 crore, 1.76% of revenue in the previous year.

Other Income

Other Income includes MTM gain on mutual fund investment, interest income, dividend on investment, profit on sale of investments, gain/(loss) on exchange fluctuation etc.

(₹ in crore)

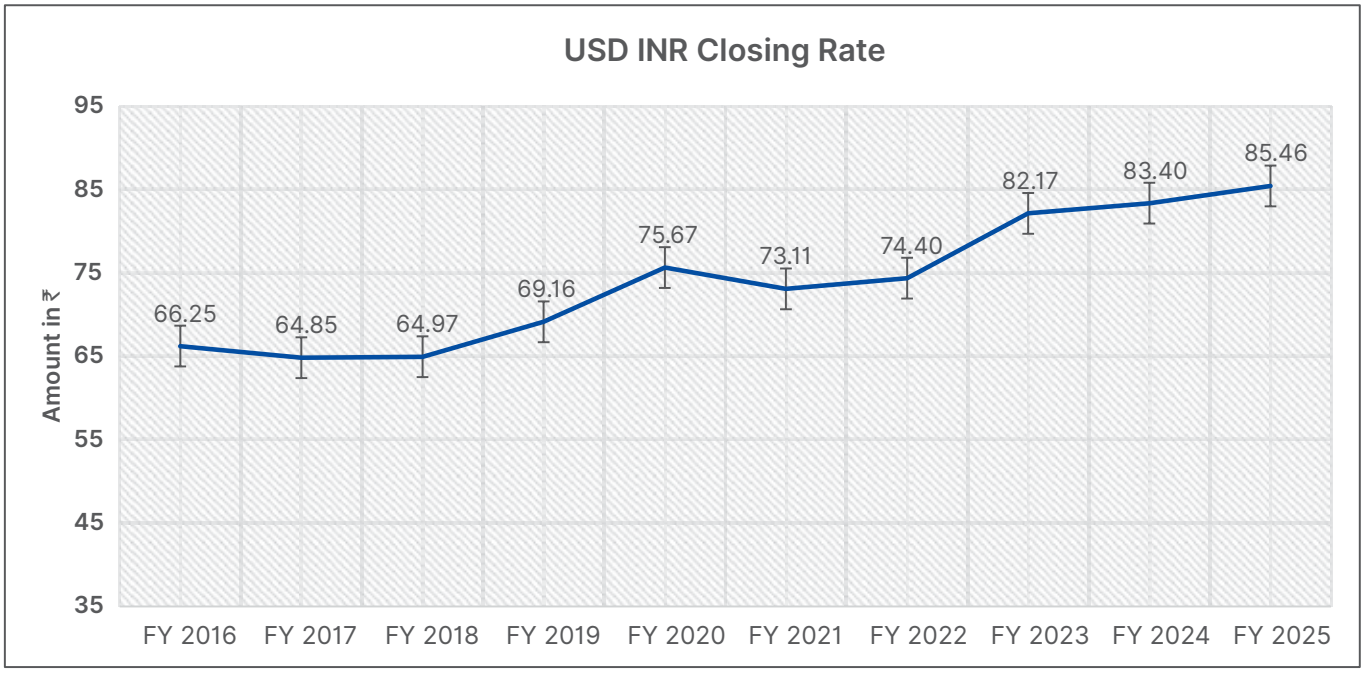
For the Year Ended March 31,	2025	2024
Dividend on investment	0.44	0.44
Interest income	25.86	15.53
Net Gain / (Loss) on exchange fluctuation	0.57	0.28
Net Gain/ (Loss) on sale of investments	1.22	0.75
MTM Gain/ (Loss) on mutual funds	38.00	31.66
Others	0.17	2.24
Total	**66.26**	**50.90**

The other income for the year is ₹ 66.26 crore, against ₹ 50.90 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 ₹ 0.57 crore against gain of ₹ 0.28 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:

(in %)

Currency	FY25	FY24
INR	57.68%	52.98%
USD	27.51%	30.49%
SGD	4.81%	5.58%
AUD	2.93%	3.38%
JPY	1.81%	1.20%
EUR	1.60%	1.04%
MYR	1.62%	1.05%
GBP	1.08%	2.55%
AED	0.96%	1.40%
ZAR	-	0.21%
QAR	-	0.12%
Total	**100.00%**	**100.00%**

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,	2025	2024
- Current Tax Expense	47.63	57.50
- Deferred Tax Credit (net)	8.42	6.70
Total	**56.05**	**64.20**

Total effective tax for the year is 25.59% of Profit before tax, in comparison to 25.10% of Profit before tax for the previous year.

Profit After Tax

Profit after tax for the year is ₹ 163.00 crore, 19.59% of revenue, against ₹ 191.60 crore, 23.18% of revenue in 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) Items that will not be reclassified to profit or loss: Equity instruments through OCI – this is 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 ₹ (1.93) crore, against ₹ 5.51 crore in the previous year. Remeasurements of the defined benefit plans- For the year it is ₹ (4.38) crore, against ₹ (4.06) crore in the previous year.

   Tax on above is ₹ 1.48 crore for the year, against ₹ 0.63 crore in the previous year

b) Items that will be reclassified to profit or loss: 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 ₹ 0.02 crore, against ₹ (0.11) crore in the previous year. Exchange difference on translation of foreign operations. For the year it is ₹ 1.27 crore, against ₹ (0.04) crore in the previous year.

Tax on above is ₹ (0.02) crore for the year, against ₹ 0.03 crore in the previous year

Total Other comprehensive income/(loss) net of tax for the year is ₹ (3.56) crore, against ₹ 1.96 crore in the previous year.

Share Capital

The Paid-Up Share Capital of the Company, as on March 31, 2025, is 2,63,25,306 equity shares of ₹10 each, as compared to 2,67,73,324 equity shares of ₹10 each as on March 31, 2024. During Financial Year 24-25 the Company bought back 4,48,018 Equity Shares representing 1.67% of the total Paid up Equity Share capital through tender offer route.

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, 2025 is as per the below table.

Name of Subsidiary Company	Currency	As at March 31, 2025		As at March 31, 2024	
		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 equity 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	-	16.94
Nucleus Software Australia Pty. Ltd, 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, South Africa 10 Equity shares of ZAR 61,200 each	ZAR	6,12,000	0.32	6,12,000	0.32
Total			**26.37**		**26.37**

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, 2025	Additions/ (Deletions) during the year	Closing Balance as on March 31, 2024
General Reserve	-	-	-
Capital Reserve	0.89	-	0.89
Capital Redemption reserve	6.06	0.45	5.61
Retained Earnings	766.89	37.42	729.47
Hedging Reserve	0.05	0.01	0.04
Foreign Currency Translation Reserve	4.27	1.27	3.00
Equity instrument through other comprehensive income	9.73	(1.93)	11.66
Total	**787.89**	37.22	**750.67**

Non-Current Fixed Assets

As at March 31, 2025, Net carrying amount of Property, Plant and Equipment, Intangible assets, Furniture and fixtures, capital work in progress, right of use of assets etc. is ₹ 61.29 crore, against ₹ 59.19 crore as on March 31, 2024.

(₹ in crore)

As at March 31,	2025	2024	Inc/Dec (%)
Gross Carrying Amount			
Freehold land	0.34	0.34	-
Leasehold improvements	0.14	0.14	-
Buildings	25.13	24.23	3.71
Plant and equipment	10.24	9.69	5.68
Computer equipment	57.14	43.69	30.79
Vehicles	1.95	2.68	(27.24)
Furniture and fixtures	3.76	2.61	44.06
Software	22.62	21.64	4.53
Total Gross Carrying Amount	**121.32**	**105.03**	**15.51**
Less; accumulated depreciation	79.69	68.88	15.69
Net Carrying Amount	**41.63**	**36.15**	**15.16**
Capital work in progress	0.22	0.09	144.44
Intangible Assets under Development	0.03	0.59	(94.92)
Right of use Assets (net of Amortisation)	6.70	9.37	(28.50)
Investment Property (net of Deprecation)	12.71	13.00	(2.23)
Total Non-Current Fixed Assets	**61.29**	**59.19**	**3.55**

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 etc.

Investments

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.

a. **Non-current investments** is ₹ 403.62 crore as on March 31, 2025 against ₹ 321.17 crore as on March 31, 2024.

(₹ in crore)

Particulars	2025	2024
Investment in equity shares of a listed company at FVOCI	9.98	11.91
Investment in tax free bonds at amortised cost	32.81	34.00
Investment in Target maturity fund (quoted) at amortised cost	142.40	132.88
Investment in unquoted mutual funds at Fair value through profit or loss (FVTPL)	218.43	142.38
Total	**403.62**	**321.17**

b. **Current investments** is ₹ 237.06 crore as on March 31, 2025 against ₹ 327.62 crore as on March 31, 2024

(₹ in crore)

Particulars	2025	2024
Investment in unquoted mutual funds at Fair value through profit or loss (FVTPL)	236.53	327.62
Investment in tax free bonds at amortised cost	0.53	-
Total	**237.06**	**327.62**

Cash and Bank Balances

As on March 31, 2025 the cash and bank balances (including fixed deposits) is at ₹ 122.67 crore against ₹ 73.94 crore on March 31, 2024.

(₹ in crore)

As at March 31,	2025	2024
Cash in hand	-	-
Balances with Bank		
In Current Accounts	38.74	38.60
Remittance in Transit	0.04	-
In Deposit Account with original maturity of less than 3 months	11.68	7.20
In Deposit Account with original maturity of less than 12 months*	71.93	27.87
Balance in earmarked accounts	0.28	0.27
Total	**122.67**	**73.94**

*Balance with scheduled banks in deposit accounts include ₹ 0.55 crore (31 March 2024 ₹ 0.29 crore) which are under lien.

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 ₹ 172.50 crore for the financial year 24-25 against ₹ 228.44 crore in the previous year. After considering working capital changes, operating cash flow for the year is ₹ 150.94 crore against ₹ 222.03 crore in the previous year.

To summaries the Company's liquidity position, given below are few ratios:

As at March 31	2025	2024
Operating Cash Flow as % of Revenue	18.14	26.86
Cash and Equivalents including current investment as % of Total assets	31.20	36.05
Cash and Equivalents including current investment as % of Revenue	43.22	48.59

Trade Receivables

Our trade receivables (net of provision) as on March 31, 2025 is ₹ 137.41 crore, against ₹ 166.16 crore as on March 31, 2024.

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

As at March 31,	2025	2024
Less than six months	98.69%	95.65%
Between 6 months and 1 Year	1.31%	4.18%
More than 1 Year	-	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)

For the year	2025	2024
Non – Current		
Loans Receivables considered good	0.08	0.39
Security deposits	1.38	2.44
Long-term deposits	124.17	97.44
Total	**125.63**	**100.27**

(₹ in crore)

For the year	2025	2024
Current		
Loans Receivables considered good	0.34	0.46
Security deposits	1.74	1.00
Mark-to-market gain on forward contracts	0.06	0.06
Expenses recoverable from customers	0.16	0.17
Total	**2.30**	**1.69**
Total Loans and other Financial Assets	**127.93**	**101.95**

Security Deposits, utilized primarily for hiring of office premises and staff accommodation, amounts to ₹ 3.12 crore as on March 31, 2025 against ₹ 3.44 crore as on March 31, 2024. Long term deposits amounting to ₹ 124.17 crore as on March 31, 2025 include deposits held with bank/financial institution for maturity more than 12 months from balance sheet date.

Other Assets

Other Assets include Income tax asset, Service income accrued but not due, Supplier and capital advances, Prepaid expenses etc. Other assets have been classified into Non-Current and Current based on their period of realization.

(₹ in crore)

As at March 31,	2025	2024
Non – Current		
Advance Tax	8.75	12.74
Capital Advances	8.04	7.98
Prepaid Expenses	1.26	0.90
Total	**18.05**	**21.62**
Current		
Service income accrued but not due	21.11	22.77
Employee Advances	0.34	0.45
Prepaid Expenses	15.64	11.15
Contract cost	0.01	0.34
Balances with Government authorities	0.62	0.07
Supplier advances	7.14	7.46
Deferred Expenses	0.06	0.11
Total	**44.92**	**42.35**
Total Other Assets	**62.97**	**63.97**

Current Liabilities

Current liabilities include Trade payables, Short-term provisions, Employee payable, Deferred revenue, Advance from customers, Statutory liabilities etc. As on March 31, 2025 the Current liabilities are ₹ 282.55 crore against ₹ 295.34 crore as on March 31, 2024

(₹ in crore)

As at March 31,	2025	2024
Financial liabilities		
Lease Liabilities	1.12	2.78
Trade Payables	12.90	16.46
Unpaid dividends	0.28	0.27
Payable for purchase of fixed assets	1.78	0.25
Employee payable	50.06	45.56

(₹ in crore)

As at March 31,	2025	2024
Other current liabilities		
Advances from customers/Advance Billing	61.58	87.50
Deferred Revenue	122.80	118.15
Statutory Liabilities	17.22	18.92
Short term provisions		
Compensated absences for employees	5.34	4.90
Provision for asset retirement obligations	0.22	0.22
Provision for Income tax	9.25	0.33
Total	**282.55**	**295.34**

Trade payables represent the amount payable for providing goods & services and is ₹ 12.90 crore as on March 31, 2025 against ₹ 16.46 crore as on March 31, 2024. Advances from customers as on March 31, 2025 is ₹ 61.58 crore against ₹ 87.50 crore as on March 31, 2024. 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 on March 31, 2025 it is ₹ 122.80 crore against ₹ 118.15 crore as on March 31, 2024.

Employee Payables includes the provision for accrued salaries, incentives, bonus and retention bonus payable to employees. It is ₹ 50.06 crore as on March 31, 2025 as against ₹ 45.56 crore as on March 31, 2024

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, 2025 it is ₹ 17.22 crore against ₹ 18.92 crore as on March 31, 2024.

Short-term provisions for Compensated absences and provision for Income 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, 2025 is ₹ 14.81 crore against ₹ 5.45 crore as on March 31, 2024.

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, 2025 is ₹ 56.18 crore against ₹ 41.24 crore as on March 31, 2024:

(₹ in crore)

As at March 31,	2025	2024
Financial liabilities		
Lease Liabilities	0.88	1.81
Deferred Tax liabilities	14.99	8.03
Long-term Provisions		
Compensated absences for employees	23.50	20.02
Gratuity	16.78	11.35
Asset retirement obligations	0.03	0.03
Total	**56.18**	**41.24**

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 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, 2025, and 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 notes to the standalone financial statements, including a summary of material accounting policies and other explanatory information (herein after referred to as "the standalone financials 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 Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, and its profit and other comprehensive loss, changes in equity and its 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 Act. Our responsibilities under those Standards are further described in the *Auditor's 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 (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 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 we have obtained is sufficient and appropriate to provide a basis for our 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 year. 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr No	Key Audit Matter	How our audit addressed the key audit matter
1	For the year ended March 31, 2025, revenue amounting to ₹ 76,866 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, 2025.	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: • 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. • 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. • Selected a sample of contracts, using a mix of quantitative and qualitative criteria, and performed the following procedures for each contract selected: o inspected key terms, including transaction price, deliverables, performance obligations, timetable, and milestones, set out in the contract.

		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. 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 o verified the ageing analysis and performed analytical procedures, based on revenue trends, to assess the movements in accruals.

Other Information other than the Standalone Financial Statements and Auditor's 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, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon. The aforementioned other information is expected to be made available to us after the date of this auditor's report.

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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the 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.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is 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 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 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 the 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 the Board of Directors 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.

Auditor's 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 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 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 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 adequate internal financial controls with reference to standalone 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.
- Conclude on the appropriateness of the management 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 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 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 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 year 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, we give in the "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 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 Ind AS specified 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 as on March 31, 2025 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2025 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) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act, in our opinion, according to the information and explanation given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 read with Schedule V of the Act; and

(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, 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 No. 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 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 the note 2.42 to the standalone financial statement, 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 persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company, or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The management has represented, that, to the best of it's knowledge and belief, as disclosed in the note 2.42 to the standalone financial statement, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, 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 audit procedures that have been 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 (i) and (ii) of Rule 11(e) contain any material mis-statement.

v. The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed and amount of dividend paid for the previous year in the current year is in accordance with section 123 of the Act, as applicable.

vi. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account 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 audit trail feature being tampered with.

Audit trail has been preserved by the Company as per the statutory requirements for record retention in accordance with the requirements of Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

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

Nitin Gupta
Partner
Membership No. 122499
UDIN: 25122499BMKWJV1306

Place: New Delhi
Date: May 16, 2025

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 and audit procedures performed by 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 and audit procedures performed by us, the Company has maintained proper records showing full particulars of intangible assets.

(b) The property, plant and equipment were physically verified during the year by the management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the property, plant and equipment at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to information and explanations given to us and audit procedures performed by us, the title deeds of all of the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company.

(d) According to information and explanations given to us and audit procedures performed by us, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to information and explanations given to us and audit procedures performed by us, there are no proceedings 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 does not hold any physical inventories during the year. Accordingly, reporting under clause 3(ii)(a) of the Order is not applicable.

(b) 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 been sanctioned any working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any time during the year. Accordingly, reporting under 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, during the year the Company has not made any investments, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, and Limited Liability partnerships or any other parties. Accordingly, reporting under clause 3(iii)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and audit procedures performed by us, we are of the opinion that the investment made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are, prima facie, not prejudicial to the Company's interest.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in respect of following loans given by the Company, there is no stipulation of schedule of repayment of principal and payment of interest and accordingly, we are unable to make specific comment on the regularity of repayment of principal and payment of interest.

Name of the parties	Amount of loan	Remarks
Nucleus Software Limited	421.77 Lakhs	There is no stipulation of schedule of repayment of principal or payment of interest.

Further, the Company has not given any advance in the nature of loan to any party during the year.

(d) According to the information and explanations given to us and audit procedures performed by us, there is no overdue amounts for more than ninety days in respect of the loans given by the Company. Further, the Company has not given any advance in the nature of loan 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 overdue of existing loans given to the 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, 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 loans or advances in the nature of loans to its related parties as defined in clause (76) of section 2 of the Companies Act, 2013.

Particulars	Related Parties
Aggregate amounts of loans/ advances in nature of loans - Repayable on demand* (A) - Agreement does not specify any terms or period of repayment (B)	421.77 Lakhs
Total (A+B)	421.77 Lakhs
Percentage of loans/ advances in nature of loans to the total loans	91%

*Loan given to Nucleus Software Limited, a wholly owned subsidiary.

(iv) 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 given any loans, or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013. In respect of the investments made by the Company, the provisions of section 186 of the Companies Act, 2013 have been complied with.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, reporting under clause 3(v) of the Order is not applicable.

(vi) According to information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 for the services provided by it. Accordingly, reporting under clause 3(vi) of the Order is not applicable.

(vii) (a) According to the information provided and explanations given to us and based on our examination of the records of the Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues applicable to it. There are no material outstanding statutory dues existing as on the last day of the financial year which is outstanding for more than six months from the day these becomes payable.

(b) According to the information provided and explanations given to us, statutory dues relating to Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute are as follows:

Name of the statute	Nature of dues	Amount (in Lakhs)	Amount paid under protest (in Lakhs)	Period to which the amount relates	Forum where dispute is pending	Remarks (If any)
Income Tax Act 1961	Income Tax	44	-	AY 2022-23	Deputy Commissioner of Income Tax	-
Income Tax Act 1961	Income Tax	19	-	AY 2021-22	National Faceless Appeal Centre	-
Income Tax Act 1961	Income Tax	56	7	AY 2020-21	National Faceless Appeal Centre	-
Income Tax Act 1961	Income Tax	23	5	AY 2019-20	National Faceless Appeal Centre	-
Income Tax Act 1961	Income Tax	212	8	AY 2018-19	National Faceless Appeal Centre	-
Income Tax Act 1961	Income Tax	0.41	-	AY 2018-19	Joint Commissioner of Income Tax	-
Central Goods and Services Tax Act 2017	Goods and Services Tax	47	2	FY 2018-19	Additional Commissioner Grade II (Appeals)	-

Name of the statute	Nature of dues	Amount (in Lakhs)	Amount paid under protest (in Lakhs)	Period to which the amount relates	Forum where dispute is pending	Remarks (If any)
Central Goods and Services Tax Act 2017	Goods and Services Tax	4	2	FY 2019-20	Deputy Commissioner of State Tax	
Central Goods and Services Tax Act 2017	Goods and Services Tax	16	-	FY 2020-21	Deputy Commissioner of State Tax	
Central Goods and Services Tax Act 2017	Goods and Services Tax	19	9	FY 2017-18	Deputy Commissioner of State Tax	

(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) The Company has not availed any loans and borrowings during the year. Accordingly, reporting under clause (ix)(a) of the Order is not applicable.

(b) According to the information and explanations given to us, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) According to the information and explanations given to us, the Company has not obtained any term loans during the year. Accordingly, reporting under 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 financial statements of the Company, we report that no funds raised on 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, associates or joint ventures as defined under Companies Act, 2013.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies as defined under the Companies Act, 2013.

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable.

(b) 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 made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable.

(xi) (a) According to the information and explanations given by the management and based upon the audit procedures performed for the purpose of reporting on the true and fair view of the financial statements, we report that no fraud by the Company or any fraud on the Company has been noticed or reported during the year.

(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 to the Company.

(c) We have taken into consideration the whistle blower complaint received by the Company during the year while determining the nature, timing and extent of audit.

(xii) (a) According to the information and explanation given to us, the Company is not a Nidhi Company. Accordingly, 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 transactions entered with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and details have been disclosed in the financial statements as required by the Indian accounting standards.

(xiv) (a) According to the information and explanations given to us and audit procedures performed by us, in our opinion, 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, in our opinion the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(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.

(b) According to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities.

(c) The Company is not Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, reporting under clause 3(xvi)(c) and (d) of the Order are not applicable.

(xvii) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not incurred cash losses in the financial year and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly reporting under clause 3(xviii) of the Order is not applicable.

(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 information and explanation as made available to us by the management of the Company 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) In our opinion and according to the information and explanation given to us, there is no unspent amount under sub-section (5) of Section 135 of the Companies Act, 2013 pursuant to any project. Accordingly, reporting under clause 3(xx)(a) and (b) of the Order are not applicable.

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

Nitin Gupta
Partner
Membership No. 122499
UDIN: 25122499BMKWJV1306

Place: New Delhi
Date: May 16, 2025

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 the 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 the Financial Statements of **Nucleus Software Exports Limited** (the "Company") as at March 31, 2025 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 is responsible for establishing and maintaining internal financial controls based on the internal control with reference to the Financial Statements 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 ('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 Company's internal financial controls with reference to the 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") issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to the Financial Statements. 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 the 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 the Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to the Financial Statements included obtaining an understanding of internal financial controls with reference to the 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 judgment, 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 the Financial Statements.

Meaning of Internal Financial Controls with reference to the Financial Statements

A Company's internal financial control with reference to the 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 the 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 the Financial Statements

Because of the inherent limitations of internal financial controls with reference to the 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 the Financial Statements to future periods are subject to the risk that the internal financial control with reference to the 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 maintained, in all material respects, an adequate internal financial controls system with reference to the Financial Statements and such internal financial controls with reference to the Financial Statements were operating effectively as at March 31, 2025, based on the internal control with reference to the Financial Statements 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.

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

Nitin Gupta
Partner
Membership No. 122499
UDIN: 25122499BMKWJV1306

Place: New Delhi
Date: May 16, 2025

Standalone Balance Sheet as at 31 March 2025

(Amount in ₹ Lacs unless otherwise stated)

Particulars	Note	As at 31 March 2025	As at 31 March 2024
ASSETS			
Non-current assets			
Property, plant and equipment	2.1(a)	4,009	3,450
Capital work in progress	2.1(b)	22	6
Other intangible assets	2.1(a)	122	140
Intangible assets under development	2.1(c)	3	59
Right of use assets	2.2	661	874
Financial assets			
Investments	2.3	42,347	34,103
Loans	2.4	8	40
Other financial assets	2.5	12,503	9,938
Income tax asset (net)	2.6	875	1,271
Other non-current assets	2.7	930	888
Total non-current assets		**61,480**	**50,769**
Current assets			
Financial assets			
Investments	2.8	23,217	32,258
Trade receivables	2.9	12,899	15,742
Cash and cash equivalents	2.10	1,885	1,829
Other bank balances	2.11	7,221	2,814
Loans	2.12	74	46
Other financial assets	2.13	149	29
Other current assets	2.14	4,120	3,676
Total current assets		**49,565**	**56,394**
Total assets		**111,045**	**107,163**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	2.15	2,633	2,677
Other equity	2.16	75,700	72,229
Total equity		**78,333**	**74,906**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Lease liabilities	2.2	88	173
Provisions	2.17	3,881	3,018
Deferred tax liabilities (net)	2.18	1,551	847
Total non-current liabilities		**5,520**	**4,038**
Current liabilities			
Financial liabilities			
Lease liabilities	2.2	103	225
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	1,490	1,836
Other financial liabilities	2.20	4,670	3,810
Provisions	2.21	423	374
Current tax liabilities (net)	2.22	680	3
Other current liabilities	2.23	19,826	21,971
Total current liabilities		**27,192**	**28,219**
Total equity and liabilities		**111,045**	**107,163**
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 : 16 May 2025

For and on behalf of the Board of Directors of
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 : Noida
Date : 16 May 2025

Standalone Statement of Profit & Loss for the year ended 31 March 2025

(Amount in ₹ Lacs unless otherwise stated)

Particulars	Note	For the year ended 31 March 2025	For the year ended 31 March 2024
1. REVENUE FROM OPERATIONS			
Income from software product and services	2.24	76,866	76,612
2. OTHER INCOME	2.25	7,004	4,947
3. TOTAL INCOME (1+2)		**83,870**	**81,559**
4. EXPENSES			
a. Employee benefits expense	2.26	47,235	42,722
b. Operating and other expenses	2.27	13,618	12,537
c. Finance cost	2.28	55	72
d. Depreciation, amortisation and impairment expenses	2.1(a) and 2.2	1,384	1,316
TOTAL EXPENSES		**62,292**	**56,647**
5. PROFIT BEFORE TAX (3-4)		**21,578**	**24,912**
6. INCOME TAX EXPENSE			
a. Net current tax expense		4,552	5,658
b. Deferred tax credit /charge	2.18	850	659
NET TAX EXPENSE		**5,402**	**6,317**
7. PROFIT FOR THE YEAR (5-6)		**16,176**	**18,595**
8. OTHER COMPREHENSIVE INCOME / (LOSS)			
(A) (i) Items that will not be reclassified to profit or loss			
a) Remeasurements of the defined benefit plans		(438)	(406)
b) Equity instruments through other comprehensive income		(193)	551
(ii) Tax (expense)/ income relating to Items that will not be reclassified to profit or loss		148	63
(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		2	(12)
(ii) Tax (expense) / income relating to Items that will be reclassified subsequently to profit or loss		(2)	3
TOTAL OTHER COMPREHENSIVE INCOME / (LOSS) NET OF TAX		**(483)**	**199**
9. TOTAL COMPREHENSIVE INCOME (7+8)		**15,693**	**18,794**
Profit attributable to:			
Owners of the Company		16,176	18,595
Other comprehensive income attributable to:			
Owners of the Company		(483)	199
Total comprehensive income attributable to:			
Owners of the Company		15,693	18,794
10. EARNINGS PER EQUITY SHARE	2.33		
Equity shares of ₹ 10 each			
a. Basic (₹)		60.93	69.45
b. Diluted (₹)		60.93	69.45
Number of shares used in computing earnings per share			
a. Basic		26,548,701	26,773,324
b. Diluted		26,548,701	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

Place : New Delhi
Date : 16 May 2025

For and on behalf of the Board of Directors of
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 : Noida
Date : 16 May 2025

Standalone Statement Of Changes in Equity for the year ended 31 March 2025

A. Equity share Capital

(Amount in ₹ Lacs unless otherwise stated)

Balance as of 1 April 2024	Changes in Equity Share Capital due to prior period change	Restated balance as of 1 April 2024	Changes in equity share capital during the year	Balance as on 31 March 2025
2,677	-	2,677	(44)	2,633
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

B. Other Equity

Particulars	Reserves and Surplus			Items of Other Comprehensive Income (OCI)		Total
	Capital reserve	Capital Redemption reserve	Retained earnings	Hedging reserve	Equity instrument through other comprehensive income	
Opening balance 1 April 2024	**89**	**561**	**70,409**	**4**	**1,166**	**72,229**
Profit for the year	-	-	16,176	-	-	16,176
Effective gain/(loss) on hedging instruments (net of tax)	-	-	-	1	-	1
Equity Instruments through Other Comprehensive Income	-	-	-	-	(193)	(193)
Final dividend on equity shares	-	-	(3,347)	-	-	(3,347)
Buyback of equity shares		45	(7,235)	-	-	(7,190)
Tax on buyback of equity shares	-	-	(1,686)	-	-	(1,686)
Remeasurement of the defined benefit plans, net	-	-	(290)	-	-	(290)
Balance as of 31 March 2025	**89**	**606**	**74,027**	**5**	**973**	**75,700**

Standalone Statement Of Changes in Equity for the year ended 31 March 2025

(Amount in ₹ Lacs unless otherwise stated)

Particulars	Reserves and Surplus			Items of Other Comprehensive Income (OCI)		Total
	Capital reserve	Capital Redemption 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)
Balance as of 31 March 2024	**89**	**561**	**70,409**	**4**	**1,166**	**72,229**

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

Place : New Delhi
Date : 16 May 2025

For and on behalf of the Board of Directors of
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 : Noida
Date : 16 May 2025

Standalone Cash Flow Statement for the year ended 31 March 2025

(Amount in ₹ Lacs unless otherwise stated)

Particulars		For the year ended 31 March 2025	For the year ended 31 March 2024
A.	**Cash flow from operating activities**		
	Net profit before tax	21,578	24,912
	Adjustment for:		
	Depreciation, amortisation and impairment expenses	1,384	1,316
	Unrealised exchange (gain) / loss on translation of foreign currency accounts (net)	36	(30)
	Dividend received from non-current investment	(44)	(44)
	Dividend received from subsidiary companies	(396)	-
	Interest income on financial assets- carried at amortised cost	(2,516)	(1,529)
	Discounting of staff loan and security deposit	(21)	(20)
	MTM (gain) on investments	(3,765)	(3,161)
	Net (gain)/loss on sale of investments	(122)	(75)
	Profit on sale of property, plant and equipment (net)	-	(67)
	Interest expense on lease liability	28	47
	Bad debts and allowance / provision for doubtful trade receivables / advances / other current assets	(200)	165
	Withholding tax charged off	329	403
	Operating profit before working capital changes	**16,291**	**21,917**
	Adjustment for (increase) / decrease in operating assets		
	Trade receivables	3,179	531
	Loans	43	(50)
	Other assets	(532)	(1,139)
	Adjustment for increase / (decrease) in operating liabilities		
	Trade payables	(342)	716
	Provisions and other liabilities	(963)	6,682
		17,676	28,657
	Income taxes paid (net)	(3,808)	(7,507)
	Net cash from operating activities (A)	**13,868**	**21,150**
B.	**Cash flow from investing activities**		
	Acquisition of property, plant and equipment and intangible assets under development	(1,506)	(2,850)
	Proceeds from sale of property, plant and equipment	-	72
	Net (purchase)/sale of mutual funds, tax free bonds and preference shares	6,020	(6,497)
	Bank deposits, FDR's (net) and other bank balances not considered as cash and cash equivalents	(6,523)	(9,725)
	Interest received on fixed deposits, tax free bonds	248	(792)
	Dividend received from investments	44	44
	Dividend from subsidiary company	396	-
	Net cash used in investing activities (B)	**(1,321)**	**(19,748)**
C.	**Cash flow from financing activities**		
	Principal repayment of lease liabilities	(228)	(168)
	Interest paid on lease liabilities	(28)	(47)
	Buyback of equity shares including tax thereon (see note 2.15)	(8,921)	-
	Interim dividend / Final dividend paid	(3,347)	(2,677)
	Net cash used in financing activities (C)	**(12,524)**	**(2,892)**
	Net increase/ (decrease) in cash and cash equivalents (A+B+C)	**23**	**(1,490)**
	Opening cash and cash equivalents	1,829	3,280
	Exchange difference on translation of foreign currency bank accounts	33	39
	Closing cash and cash equivalents [see note 2.10]	**1,885**	**1,829**

Standalone Cash Flow Statement for the year ended 31 March 2025

(Amount in ₹ Lacs unless otherwise stated)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Supplementary information		
1. Cash and cash equivalents represents :		
Remittance in transit	4	212
Balances with scheduled banks	673	844
Balance with non scheduled banks in current accounts	40	58
Balances with scheduled banks in deposit accounts with original maturity of less than 3 months	1,168	715
	1,885	**1,829**
2. Reconciliation of movements of lease liabilities to cash flows arising from financing activities :-		
At the beginning (current and non current)	398	585
Addition in lease liabilities	21	13
Interest accrued	28	47
Net Cash outflow	(256)	(247)
At the end (current and non current)	**191**	**398**

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 : 16 May 2025

For and on behalf of the Board of Directors of
NUCLEUS SOFTWARE EXPORTS LIMITED
CIN : L74899DL1989PLC034594

Sd/-
VISHNU R DUSAD
Managing Director
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SURYA PRAKASH KANODIA
Chief Financial Officer

Sd/-
POONAM BHASIN
AVP (Secretarial) & Company Secretary
Membership number : 10865

Place : Noida
Date : 16 May 2025

Notes forming part of the Standalone financial statements for the year ended 31 March 2025

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 2025 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 figures of last quarter ending 31 March 2025 are the balancing figures between audited figures in respect of the full financial year and the published year-to-date figures upto the third quarter ending 31 December 2024.

The standalone financial statements were approved for issue by the Board of Directors on 16 May 2025.

b) Functional and presentation currency

The standalone financial statements are presented in Indian ₹ (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

Notes forming part of the Standalone financial statements for the year ended 31 March 2025

the purpose of classification of assets and liabilities as current and non-current.

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).

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 applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised.

Company is recognizing Revenue upon transfer of control of promised products or services ('performance obligations') to customers in an amount that reflects the consideration the Company has received or expects to receive in exchange for these products or services (Transaction price). A contract is accounted when it is legally enforceable. Revenue is measured based on the transaction price as per the contract with a customer net of variable consideration like, volume discounts, service level credits, price concessions and incentives, if any. Further, when there is uncertainty as to collectability, revenue recognition is postponed until such uncertainty is resolved. To recognize revenues, the following five step approach is applied:

(1) Identify the contract with a customer,

(2) Identify the performance obligations in the contract,

(3) Determine the transaction price.

(4) Allocate the transaction price to the performance obligations in the contract,

(5) Recognize revenues when a performance obligation is satisfied.

- 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 which is measured based on satisfaction of milestones defined by the company for successful completion of performance obligations mentioned in the contract with customer. Output method is used to align the revenue recognised in line with the work performed for the customer. 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 licenses where the customer obtains a "right to use" the licenses is recognized at the time the license is made available to the customer.
- 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.
- Any reimbursement of expenses as term of contract i.e. reimbursements of out-of-pocket expenses, Ticket, Hotel Expenses, etc. are recognized as revenue if incurred in relation to performance obligation under the contract.

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

Notes forming part of the Standalone financial statements for the year ended 31 March 2025

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 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)
Tangible asset		
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 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;

Notes forming part of the Standalone financial statements for the year ended 31 March 2025

- 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;
- 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

Notes forming part of the Standalone financial statements for the year ended 31 March 2025

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 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.

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

Notes forming part of the Standalone financial statements for the year ended 31 March 2025

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
- 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.

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

Notes forming part of the Standalone financial statements for the year ended 31 March 2025

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.

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, 2025, MCA has notified Ind AS – 117 Insurance Contracts and amendments to Ind AS 116 – Leases, relating to sale and leaseback transactions, applicable to the Company w.e.f. April 1, 2024, The Company has reviewed the new pronouncements and based on its evaluation has determined that it does not have any significant impact in its financial statements.

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 2024	Additions	Deductions / adjustments	As at 31 March 2025	As at 1 April 2024	Depreciation for the year	Deductions / adjustments	As at 31 March 2025	As at 31 March 2025	As at 31 March 2024
Tangible assets										
Freehold land (see note below)	34	-	-	34	-	-	-	-	34	34
	(34)	-	-	(34)	-	-	-	-	(34)	(34)
Buildings (see note below)	2,423	90	-	2,513	709	107	-	816	1,697	1,714
	(1,658)	(765)	-	(2,423)	(617)	(92)	-	(709)	(1,714)	(1,041)
Plant and equipment	641	10	1	650	432	81	1	512	138	209
	(518)	(129)	(6)	(641)	(363)	(76)	(7)	(432)	(209)	(156)
Office equipment	291	45	-	336	152	38	-	190	146	139
	(165)	(130)	(4)	(291)	(133)	(23)	(4)	(152)	(139)	(32)
Computer equipment	4,269	1,342	10	5,601	3,048	762	9	3,801	1,800	1,221
	(3,805)	(991)	(527)	(4,269)	(2,906)	(667)	(525)	(3,048)	(1,221)	(899)
Vehicles	267	-	73	194	188	30	72	146	48	79
	(364)	0	(97)	(267)	(240)	(42)	(94)	(188)	(79)	(124)
Furniture and fixtures	253	115	-	368	198	24	(1)	223	145	55
	(209)	(44)	-	(253)	(186)	(12)	-	(198)	(55)	(23)
	8,177	**1,602**	**84**	**9,695**	**4,727**	**1,042**	**81**	**5,687**	**4,009**	**3,450**
	(6,753)	(2,059)	(634)	(8,177)	(4,445)	(912)	(630)	(4,727)	(3,450)	(2,308)
Other intangible assets										
Software	2,163	90	-	2,253	2,023	107	-	2,130	122	140
	(2,093)	(70)	-	(2,163)	(1,849)	(174)	-	(2,023)	(140)	(244)
	2,163	**90**	**-**	**2,253**	**2,023**	**107**	**-**	**2,130**	**122**	**140**
Total	**10,340**	**1,692**	**84**	**11,948**	**6,750**	**1,149**	**81**	**7,817**	**4,131**	**3,590**
	(8,846)	(2,130)	(634)	(10,340)	(6,294)	(1,086)	(630)	(6,750)	(3,590)	(2,552)

Note : The title deeds of all the immovable properties are held in the name of Company.

2.1(b) Capital work in progress

(Amount in ₹ Lacs unless otherwise stated)

PARTICULARS	As at 1 April 2024	Additions	Capitalisation / adjustments	As At 31 March 2025
Capital work in progress (see note below)	6	22	6	22
	(43)		(37)	(6)

Note:

(Amount in ₹ Lacs unless otherwise stated)

Capital wok 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	22	-	-	-	22
	(2)	-	-	(4)	(6)

2.1(c) Intangible assets under development

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 1 April 2024	Additions	Capitalisation / adjustments	As At 31 March 2025
Intangible assets under development (see note below)	59	-	(56)	3
	(38)	(21)	-	(59)

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	3	-	-	-	-	3
	(59)	-	-	-	-	(59)

Note:

(i) Figures in bracket pertains to the positions as of 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:

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2025				As at 31 March 2024			
	Building	Lease hold land	Cars	Total	Building	Lease hold land	Cars	Total
Opening balance	318	498	58	874	514	505	72	1,091
Additions	-	-	21	21	-	-	13	13
Amortisation	195	8	31	234	196	7	27	230
Closing balance	**123**	**490**	**48**	**661**	**318**	**498**	**58**	**874**

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 2025

(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 2025	As at 31 March 2024
Current lease liabilities	103	225
Non-current lease liabilities	88	173
Total	**191**	**398**

(c) The following is the movement in lease liabilities:

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2025	As at 31 March 2024
Opening balance	398	585
Additions	21	13
Finance cost accrued during the period	28	47
Payment of lease liabilities	(256)	(247)
Closing balance	**191**	**398**

(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 2025	As at 31 March 2024
Not later than 1 year	116	253
Later than 1 year but not later than 5 years	95	188
More than 5 year	-	-
Total	**211**	**441**

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 ₹ 70 lacs for the year ended 31 March 2025 (previous year ended 31 March 2024 ₹ 95 lacs)

2.3 A. NON-CURRENT INVESTMENTS

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2025	As at 31 March 2024
Investments in equity shares of subsidiaries (unquoted)		
Equity shares at cost		
a. 625,000 (As at 31 March 2024 - 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 2024 -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)
c. 200 (As at 31 March 2024 - 200) equity shares of Japanese Yen 50,000 each, fully paid up, in Nucleus Software Japan Kabushiki Kaisha, Japan	41	41

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2025	As at 31 March 2024
d. 7,500 (As at 31 March 2024 - 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 2024 - 15,000,000) 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	1,694
f. 100,000 (As at 31 March 2024 - 100,000) equity shares 1 AUD each, fully paid in Nucleus Software Australia Pty. Ltd., Australia	55	55
g. 10 (As at 31 March 2024 - 10) equity shares of ZAR 61,200 each fully paid up, in Nucleus Software South Africa (Pty.) Limited, South Africa	32	32
	1,985	**1,495**
Investment in equity instruments (Quoted)		
Equity shares at FVOCI		
2,900,000 (As at 31 March 2024- nil) equity shares of ₹ 10 each, fully paid up, in Ujjivan Small Finance Bank Limited*	**998**	-
NIL (As at 31 March 2024- 250,000) equity shares of ₹ 10 each, fully paid up, in Ujjivan Financial Services Limited	-	**1,191**

*11.60 Equity share against 1 share of Ujjivan Financial Services Limited towards Amalgamation of Ujjivan Financial Services Limited with Ujjivan Small Finance Bank Ltd on record date of May 03 2024.

Investment in bonds (quoted)		
Bonds securities at Amortised cost		
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	104	105
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	1,149	1,181
j. 7.11% Power Finance Corporation (PFC) Tax Free Bonds 2025	-	53
k. 8.30% Power Finance Corporation (PFC) Tax Free Bonds 2027	1,104	1,137
	3,281	**3,400**

Notes forming part of the Standalone financial statements for the year ended 31 March 2025

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2025	As at 31 March 2024
Investment in mutual funds (Unquoted)		
Mutual funds at Fair value through profit or loss (FVTPL)		
a. Aditya Birla Sun Life Floating Rate Fund - Direct Plan-Growth	1,434	1,326
b. Axis Banking and PSU Debt Fund - Direct Plan-Growth	1,774	1,638
c. DSP Banking & PSU Debt Fund - Direct Plan-Growth	720	663
d. HDFC Corporate Bond Fund - Direct Plan-Growth	1,239	1,137
e. ICICI Prudential Corporate Bond Fund - Direct Plan-Growth	1,657	1,526
f. ICICI Prudential Gilt Fund - Direct Plan	3,221	-
g. Kotak Bond Short Term Fund - Direct Plan-Growth	1,427	1,312
h. Nippon India Floating Rate Fund - Direct Plan-Growth	3,722	3,477
i. SBI Corporate Bond Fund - Direct Plan-Growth	486	446
j. SBI Magnum Gilt Fund Direct Growth	3,217	-
k. Tata Short Term Bond Fund - Direct Plan-Growth	2,946	2,713
	21,843	**14,238**
Investment in mutual funds (quoted)		
Target maturity Funds at Amortised cost		
a. ABSL Crisil IBX Gilt Apr 2029 Index Fund - Direct Plan-Growth	2,065	1,928
b. HDFC Nifty G-Sec Dec 2026 Index Fund -Direct Plan-Growth	2,985	2,786
c. ICICI Prudential Nifty G-Sec Dec 2030 Index Fund -Direct Plan-Growth	2,067	1,929
d. SBI Crisil IBX Gilt Index - June 2036 Index Fund -Direct Plan-Growth	1,495	1,394
e. SBI Crisil IBX Gilt Index - April 2029 Index Fund -Direct Plan-Growth	2,526	2,358
f. Tata Crisil IBX Gilt Index - April 2026 Index Fund -Direct Plan-Growth	3,102	2,894
	14,240	**13,289**
Aggregate amount of non-current investments	**42,347**	**34,103**
Aggregate book value of quoted investments	18,519	17,880
Aggregate market value of quoted investments	18,886	18,112
Aggregate value of unquoted investments	23,828	16,223
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)

Particulars	Fair value as at 31 March 2025	Change in fair value during the year ended 31 March 2025	Fair value as at 31 March 2024
Investment in Ujjivan Small Finance Bank Limited*	998	998	-
Investment in Ujjivan Financial Services Limited	-	-	1,191

*11.60 Equity share against 1 share of Ujjivan Financial Services Limited towards Amalgamation of Ujjivan Financial Services Limited with Ujjivan Small Finance Bank Ltd on record date of May 03 2024.

No strategic investments were disposed off during the year ended 31 March 2025 as well as in the previous year ended 31 March 2024 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 2025	As at 31 March 2024
2.4 LONG-TERM LOANS		
(Unsecured considered good unless otherwise stated)		
a. Loans and advances to employees	8	39
b. Loan to subsidiary credit impaired (refer note 1 below)	382	422
Interest Accrued on loan	-	1
	390	462
Less: Loss allowance on loan to subsidiary	(382)	(422)
	8	**40**

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 2025	Percentage to the total Loans and Advances in the nature of loans as at 31 March 2025	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
Promoter	-	-	-	-
Directors	-	-	-	-
KMP's	-	-	-	-
Related parties*	382	82%	422	83%
	382	**82%**	**422**	**83%**

* This loan is for Working Capital to meet day-to-day operations. The loan is repayable on demand.

Notes forming part of the Standalone financial statements for the year ended 31 March 2025

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2025	As at 31 March 2024
2.5 OTHER NON-CURRENT FINANCIAL ASSETS		
(Unsecured considered good unless otherwise stated)		
a. Security deposits	87	194
b. Long-term deposits with more than 12 months maturity	12,416	9,744
	12,503	**9,938**

Note:
[Long term deposits include ₹ Nil (31 March 2024 ₹ 6 lacs) which are under lien]

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2025	As at 31 March 2024
2.6 INCOME TAX ASSETS (NET)		
a. Advance income tax (net of provisions)	875	1,271
	875	**1,271**

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2025	As at 31 March 2024
2.7 OTHER NON- CURRENT ASSETS		
(Unsecured considered good unless otherwise stated)		
a. Capital advances	804	798
b. Employee advances	37	39
Less: Allowances for doubtful trade receivables	(37)	(39)
	-	-
c. Prepaid expenses	126	90
	930	**888**

2.8 Current investments

Investment in mutual funds

(Amount in ₹ Lacs unless otherwise stated)

Name	As at 31 March 2025	As at 31 March 2024
Investment in Mutual Funds (Unquoted)		
Mutual funds at Fair value through profit or loss (FVTPL)		
a. Aditya Birla Sun Life Arbitrage Fund -Direct Plan - Growth	817	757
b. Aditya Birla Sun Life Money Manager Fund - Direct Plan - Growth	3,698	3,477
c. Axis Liquid Fund- Direct Plan- Growth	-	2,782
d. DSP Low Duration Fund - Direct Plan - Growth	-	3,420
e. HDFC Money Market Fund - Direct Plan - Growth	2,761	2,559
f. HDFC Ultra Short term Fund - Direct Plan - Growth	-	1,889

(Amount in ₹ Lacs unless otherwise stated)

Name	As at 31 March 2025	As at 31 March 2024
g. HSBC Liquid Fund- Direct Plan- Growth	-	2,357
h. HSBC Overnight Fund- Direct Plan- Growth	701	-
i. ICICI Prudential Money Market Fund - Direct Plan - Growth	3,299	3,058
j. Kotak Equity Arbitrage Fund - Direct Plan-Growth	3,708	-
k. Nippon India Arbitrage Fund - Direct Plan - Growth	1,670	1,548
l. Nippon India Liquid Fund-Direct Plan -Growth	-	1,517
m. SBI Arbitrage Opportunities Fund- Direct Plan -Growth	3,278	3,038
n. Tata Arbitrage Fund- Direct Plan - Growth	398	369
o. Tata Liquid Fund - Direct Plan - Growth	-	1,532
p. Tata Treasury Advantage Fund - Direct Plan - Growth	342	697
q. UTI Arbitrage Fund - Direct Plan - Growth	674	625
r. UTI Liquid Fund - Direct Plan - Growth	-	948
s. UTI Money Market Fund - Direct Plan - Growth	1,818	1,685
	23,164	**32,258**
Investment in bonds (quoted)		
Bonds securities at Amortised cost		
a. 7.11% Power Finance Corporation (PFC) Tax Free Bonds 2025	53	-
	53	**-**
Investment in Preference Shares (quoted)		
Preference shares at Amortised cost		
a. 17.38% IL&FS Financial Services Ltd. (Preference Shares - 2021)	100	100
Less: Expected Credit Loss on investment	(100)	(100)
	-	-
b. 16.46% Infrastructure Leasing & Financial Services Ltd. (Preference Shares - 2022)	501	501
Less: Expected Credit Loss on investment	(501)	(501)
	-	-
	-	**-**
Aggregate amount of investment	**23,217**	**32,258**
Aggregate book value of quoted investments	53	-
Aggregate market value of quoted investments	53	-
Aggregate value of unquoted investments	23,164	32,258
Aggregate amount of impairment in value of quoted investments	601	601

Notes forming part of the Standalone financial statements for the year ended 31 March 2025

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2025	As at 31 March 2024
2.9 CURRENT TRADE RECEIVABLES		
a. Due from subsidiaries - considered good (see note 1 below and note 2.34)	506	222
b. Other trade receivable (see note 1 below)		
Considered good - Unsecured	11,095	13,828
Credit impaired	9	286
	11,104	14,114
Less: Allowances for doubtful trade receivables/credit impaired	(9)	(286)
	11,095	13,828
	11,601	**14,050**
c. Trade receivable -Unbilled		
Considered good - Unsecured	1,298	1,692
Credit impaired	69	175
	1,367	1,867
Less: Allowances for doubtful trade receivables unbilled/credit impaired	(69)	(175)
	1,298	1,692
	12,899	**15,742**

Note 1:

(Amount in ₹ Lacs unless otherwise stated)

	Outstanding for following periods from due date of payment (Billed)	As at 31 March 2025					
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed Trade receivables – considered good	11,599	2	-	-	-	**11,601**
(ii)	Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii)	Undisputed Trade Receivables – credit impaired		3	6	-	-	**9**
(iv)	Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v)	Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi)	Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
		11,599	**5**	**6**	**-**	**-**	**11,610**
Less: Allowances for doubtful trade receivables							**(9)**
TRADE RECEIVABLES							**11,601**
TRADE RECEIVABLES-Unbilled							**1,298**
							12,899

(Amount in ₹ Lacs unless otherwise stated)

Sl. No.	Outstanding for following periods from due date of payment	As at 31 March 2024					
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed Trade receivables – considered good	13,639	304	-	-	-	13,943
(ii)	Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii)	Undisputed Trade Receivables – credit impaired	-	-	213	-	-	213
(iv)	Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v)	Disputed Trade Receivables – which have significant increase in credit risk	-	79	-	28	-	107
(vi)	Disputed Trade Receivables – credit impaired	-	61	-	12	-	73
		13,639	444	213	41	-	14,336
Less: Allowances for doubtful trade receivables							(286)
TRADE RECEIVABLES							14,050
TRADE RECEIVABLES-Unbilled							1,692
							15,742

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2025	As at 31 March 2024
2.10 CASH AND CASH EQUIVALENTS		
a. Remittance in transit	4	212
b. Balances with scheduled banks:		
- in Current accounts	78	177
- in Escrow accounts	30	31
- in EEFC accounts	565	637
c. Balance with non scheduled banks in current accounts:		
- Citibank, United Kingdom	3	9
- Citibank, United Arab Emirates	37	48
d. Balances with scheduled banks in deposit accounts with original maturity of less than 3 months	1,168	715
	1,885	1,829

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2025	As at 31 March 2024
2.11 OTHER BANK BALANCES		
a. Balances with scheduled banks in earmarked accounts:	28	27
- unclaimed dividend accounts		
b. Balances with scheduled banks in deposit accounts		
- Maturity with in 12 months of the reporting date	7,193	2,787
	7,221	2,814

Note:

[Balance with scheduled banks in deposit accounts include ₹ 56 lacs (31 March 2024 ₹ 29 lacs) which are under lien]

Notes forming part of the Standalone financial statements for the year ended 31 March 2025

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2025	As at 31 March 2024
2.12 SHORT-TERM LOANS		
a. Loans and advances to employees considered good - Unsecured	34	46
b. Loan to subsidiary (refer note 1 below)	40	-
	74	**46**

Note 1:

Type of borrower	Amount of loan / advance in the nature of loan outstanding as at 31 March 2025	Percentage to the total Loans and Advances in the nature of loans as at 31 March 2025	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
Promoter	-	-	-	-
Directors	-	-	-	-
KMP's	-	-	-	-
Related parties*	40	9%	-	-
	40	**9%**	**-**	**-**

* This loan is for Working Capital to meet day-to-day operations. This loan is repaid on 11 April 2025.

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2025	As at 31 March 2024
2.13 OTHER CURRENT FINANCIAL ASSETS		
(Unsecured, considered good unless otherwise stated)		
a. Security deposit	127	6
b. Mark-to-market gain on forward contracts	6	6
c. Expenses recoverable from customers	16	17
	149	**29**

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2025	As at 31 March 2024
2.14 OTHER CURRENT ASSETS		
(Unsecured considered good unless otherwise stated)		
a. Income accrued but not due		
Considered good	1,785	1,756
Credit impaired	187	34
	1,972	1,790
Less : Loss allowance for income accrued but not due	(187)	(34)
	1,785	1,756
Due from subsidiaries - considered good (see note 2.34)	71	3

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2025	As at 31 March 2024
b. Employee advances	33	45
c. Prepaid expenses	1,540	1,066
d. Contract cost	1	34
e. Balances with government authorities		
-Tax credit receivable GST/VAT	50	32
f. Others		
- Supplier advances	634	729
- Considered good	6	11
g. Deferred employee benefits	**4,120**	**3,676**

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2025	As at 31 March 2024
2.15 SHARE CAPITAL		
a. Authorised		
Equity shares		
41,100,000 (As at 31 March 2024 - 41,100,000) equity shares of ₹ 10 each	**4,110**	4,110
Preference shares		
4,000,000 (As at 31 March 2024 - 4,000,000) 11% redeemable non cumulative preference shares of ₹ 10 each	**400**	400
	4,510	4,510
b. Issued, Subscribed and Paid-Up		
Issued		
26,328,106 (As at 31 March 2024 - 26,776,124) equity shares of ₹ 10 each	2,633	2,678
Subscribed and Paid-Up		
26,325,306 (As at 31 March 2024 - 26,773,324) equity shares of ₹ 10 each	2,633	2,677
	2,633	**2,677**

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 2025			
- Number of shares	26,773,324	(448,018)	26,325,306
- Amount (In ₹)	267,748,240	(4,480,180)	263,268,060
b. For the year ended 31 March 2024			
- Number of shares	26,773,324	-	26,773,324
- Amount (In ₹)	267,748,240	-	267,748,240

Notes forming part of the Standalone financial statements for the year ended 31 March 2025

(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 2025			31 March 2024		
	(Number)	(Percentage)	% Change during the year	(Number)	(Percentage)	% Change during the year
Karmayogi Holdings Private Limited	8,841,768	33.59%	-0.03%	9,000,000	33.62%	0.00%
Madhu Dusad	3,012,313	11.44%	-0.01%	3,066,248	11.45%	0.00%
Nucleus Software Engineers Private Limited	2,385,882	9.06%	0.15%	2,385,882	8.91%	0.00%
Vishnu R Dusad	1,575,325	5.98%	-0.01%	1,603,492	5.99%	0.00%
Ritika Dusad	1,000,000	3.80%	0.06%	1,000,000	3.74%	0.00%
Kritika Dusad	1,000,000	3.80%	0.06%	1,000,000	3.74%	0.00%
Yogesh Andlay	863,534	3.28%	0.05%	863,534	3.23%	0.00%
Nucleus Software Workshop Private Limited	600,000	2.28%	0.04%	600,000	2.24%	0.00%
Naveen Kumar	71,952	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 Private Limited	-	-	-	-	0.00%	-0.01%

(iv) **Number of shares held by shareholders holding more than 5% of the aggregate shares in the Company:-**

Particulars	31 March 2025		31 March 2024	
	(Number)	(Percentage)	(Number)	(Percentage)
Karmayogi Holdings Private Limited	8,841,768	33.59%	9,000,000	33.62%
Madhu Dusad	3,012,313	11.44%	3,066,248	11.45%
Nucleus Software Engineers Private Limited	2,385,882	9.06%	2,385,882	8.91%
Vishnu R Dusad	1,575,325	5.98%	1,603,492	5.99%

(v) The subscribed and paid capital of ₹ 2,633 lacs (2,677 lacs as on 31 March 2024) includes ₹ 15,000 in respect of 2,800 forfeited equity shares pending reissue.

(vi) **Employees Stock Option Plan ("ESOP")**

a. 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.

b. No options have been granted till date under the ESOP Scheme 2015.

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2025	As at 31 March 2024
2.16 OTHER EQUITY		
a. Capital reserve	89	89
b. Capital redemption reserve	606	561
c. Retained earnings	74,027	70,409
d. Other comprehensive income	978	1,170
Total	**75,700**	**72,229**

(Amount in ₹ Lacs unless otherwise stated)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
a. Capital reserve		
Opening balance	89	89
Addition during the period	-	-
Closing balance	**89**	**89**
b. Capital Redemption reserve		
Opening Balance	561	561
Addition during the period	45	-
Closing balance	**606**	**561**
c. Retained Earnings		
Opening balance	70,409	54,834
Add: Profit for the period	16,176	18,595
Less : Appropriations		
- Final dividend on equity shares [see note (i) below]	(3,347)	(2,677)
- Buyback of equity shares	(7,235)	-
- Tax on buyback of equity shares	(1,686)	-
- Remeasurement of the defined benefit plans, net	(290)	(343)
Closing balance	**74,027**	**70,409**
d. Other comprehensive income		
Equity instrument through other comprehensive income		
Opening balance	1,166	615
Addition / (Deletion)	(193)	551
Closing balance	973	1,166
Hedging reserve, net		
Opening balance	4	13
Addition / (Deletion)	1	(9)
Closing balance	5	4
Total other comprehensive income (net of tax)	**978**	**1,170**
Closing balance	**75,700**	**72,229**

Notes forming part of the Standalone financial statements for the year ended 31 March 2025

Note :

(i) **Dividend**

The Board of Directors on 16 May 2025 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 2025. The payment is subject to approval of shareholders at the ensuing AGM.

The Board of Directors on 23 May 2024 had 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 was approved by shareholders at the annual general meeting held on 15 July 2024. This dividend was paid on 24 July 2024.

(ii) **Buyback of shares**

The Company in its Board meeting on 22 August 2024 has approved the buyback of 4,48,018 Equity Shares (maximum buy back shares) comprising of 1.67% of the total paid up equity capital of the Company at a price of ₹ 1,615/- per Equity Share ("Maximum Buyback Price") payable in cash for an aggregate amount not exceeding ₹ 72.35 Crore ("Maximum Buyback Offer Size"), excluding transaction costs and taxes.
The Settlement of Buyback was done on 23 September 2024 and 4,48,018 Equity Shares bought back were extinguished on 31 December 2024.

(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.

Capital Redemption reserve

This reserve was created on account of buy back of shares by the Company during period ended 31 March 2025, for the year ended 31 March 2022, and for the year ended 31 March 2017. 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.

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 2025	As at 31 March 2024
2.17 NON-CURRENT PROVISIONS		
Provision for employee benefits		
a. Provision for compensated absences	2,203	1,883
b. Provision for gratuity (see note 2.38)	1,678	1,135
	3,881	**3,018**

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 2025	For the year ended 31 March 2024
Current tax	4,552	5,658
Deferred tax	850	659
Net tax expense	**5,402**	**6,317**

B. Income tax recognised in other comprehensive income

(Amount in ₹ Lacs unless otherwise stated)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Remeasurements of net defined benefit plans	148	63
Effective portion of gain/ (loss) on hedging instruments of effective cash flow hedges	(2)	3
Income tax recognised in other comprehensive income	**146**	**66**

(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 2025	Percentage	For the year ended 31 March 2024
Profit before tax		**21,578**		**24,912**
Domestic tax rate	25.17%	5,431	25.17%	6,270
Effect of exempt non-operating income	-0.73%	(157)	-0.32%	(80)
Effect of non- deductible expenses and others	1.28%	276	0.81%	202
Taxes on income at different rates	-0.81%	(174)	-0.79%	(198)
Change in tax rate and others	0.12%	26	0.49%	123
Effective tax	**25.04%**	**5,402**	**25.36%**	**6,317**

Notes forming part of the Standalone financial statements for the year ended 31 March 2025

(D) Movement in temporary differences

(Amount in ₹ Lacs unless otherwise stated)

Particular		Balance as at 1 April 2024	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 2025
(i)	**Deferred tax assets**					
	Provisions- compensated absences, gratuity and other employee benefits	590	(32)	110	-	668
	Provision for doubtful trade receivables / loans and service income accrued but not due and others	253	(62)	-	-	191
	Trade receivables, security deposit and loans at amortised cost	13	-	-	-	13
	Lease liability	8	2	-	-	10
		864	**(92)**	**110**	**-**	**882**
(ii)	**Deferred tax liabilities**					
	Property, plant and equipment	60	(43)	-	-	17
	Forward contracts	(2)	-	(2)	-	(4)
	Investments	(1,769)	(715)	38	-	(2,446)
		(1,711)	**(758)**	**36**	**-**	**(2,433)**
	Net deferred tax asset (Liability)	**(847)**	**(850)**	**146**	**-**	**(1,551)**

(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
(i)	**Deferred tax assets**					
	Provision for compensated absences, gratuity and other employee benefits	454	34	102	-	590
	Provision for doubtful debts/ loans and service income accrued but not due	216	37	-	-	253
	Trade receivables, security deposit and loans at amortised cost	14	(1)	-	-	13
	Lease liability	4	4	-	-	8
		688	**74**	**102**	**-**	**864**
(ii)	**Deferred tax liabilities**					
	Property, plant and equipment	67	(7)	-		60
	Forward contracts	(4)	-	3		(2)
	Investments	(1,004)	(726)	(39)		(1,769)
		(941)	**(733)**	**(36)**	**-**	**(1,711)**
	Net deferred tax asset (Liability)	**(253)**	**(659)**	**66**	**-**	**(847)**

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2025	As at 31 March 2024
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)	381	455
- Total outstanding dues of creditors other than micro enterprises and small enterprises (see note 1 below)	58	307
- Accrued expenses	1,051	1,074
	1,490	**1,836**

Note 1 : Aging for Trade payable outstanding as at 31 March 2025 is as follows:

(Amount in ₹ Lacs unless otherwise stated)

Outstanding for following period from due date	Not Due	As at 31 March 2025				
		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	Total
Trade payables						
(i) MSME	-	-	-	-	-	-
(ii) Others (inter company)	-	381	-	-	-	381
(iii) Others	29	28	1	-	-	58
(iv) Disputed dues MSME	-	-	-	-	-	-
(v) Disputed dues others	-	-	-	-	-	-
Total	**29**	**409**	**1**	**-**	**-**	**439**
Accrued expenses						**1,051**
						1,490

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				
		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	Total
(i) MSME	-	-	-	-	-	-
(ii) Others (inter company)	-	455	-	-	-	455
(iii) Others	130	177	-	-	-	307
(iv) Disputed dues MSME	-	-	-	-	-	-
(v) Disputed dues others	-	-	-	-	-	-
Total	**130**	**632**	**-**	**-**	**-**	**762**
Accrued expenses						**1,074**
						1,836

Notes forming part of the Standalone financial statements for the year ended 31 March 2025

Relationship with the struck off companies

No transactions with struck off companies during the year ended 31 March 2025 (NIL in previous year ended 31 March 2024).

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2025	As at 31 March 2024
2.20 OTHER CURRENT FINANCIAL LIABILITIES		
a. Unpaid dividends	28	27
b. Payable for purchase of Property, plant and equipment and Intangible assets	178	25
c. Employee payable	4,464	3,758
	4,670	**3,810**

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2025	As at 31 March 2024
2.21 CURRENT PROVISIONS		
Provision for employee benefits		
a. Provision for compensated absences	423	374
	423	**374**

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2025	As at 31 March 2024
2.22 CURRENT TAX LIABILITIES		
a. Provision for tax	680	3
	680	**3**

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2025	As at 31 March 2024
2.23 OTHER CURRENT LIABILITIES		
a. Advance from customers / Advance billings	6,098	8,472
b. Deferred revenue	12,267	11,789
Deferred revenue due to subsidiaries (see note 2.34)	2	27
c. Other payables - statutory liabilities	1,459	1,683
	19,826	**21,971**

(Amount in ₹ Lacs unless otherwise stated)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
2.24 INCOME FROM SOFTWARE PRODUCTS AND SERVICES		
a. Software products and services (see note 2.37)		
- Sale of products	71,271	71,035
- Sale of services	5,595	5,577
	76,866	**76,612**

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.

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 2025, other than those meeting the exclusion criteria is ₹ 9,250 Lacs, out of which 58% is expected to be recognised as revenue in the next year and the balance thereafter. The aggregate value of transaction price allocated to unsatissfied (or paritally satisfied) performatnce obligation 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.

Changes in contract assets (income accrued but not due) are as follows:

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2025	As at 31 March 2024
Balance at the beginning of the year	1,793	1,042
Revenue recognised during the year	9,072	8,740
Invoices raised during the year	(10,288)	(9,833)
Translation exchange difference	76	110
Movement of contract assets	1,390	1,734
Impairment of a contract asset	-	-
Balance at the end of the year	**2,043**	**1,793**

Changes in contract liabilities (unearned and deferred revenue) are as follows:

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2025	As at 31 March 2024
Balance at the beginning of the year	20,288	14,374
Revenue recognised during the year	(60,087)	(53,298)
Invoices raised during the year	52,858	52,290
Translation exchange difference	76	(22)
Other movement liability	5,234	6,944
Impairment of liability	-	-
Balance at the end of the year	**18,369**	**20,288**

Notes forming part of the Standalone financial statements for the year ended 31 March 2025

(Amount in ₹ Lacs unless otherwise stated)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
2.25 OTHER INCOME		
a. Interest income on financial assets- carried at amortised cost :		
- Deposits with banks and others	1,380	324
- Loan to subsidiary (see note 2.34)	3	1
- Tax free bonds	182	316
- Target Maturity Fund	951	888
- Others	21	20
b. Interest income on income tax refund	47	-
c. Dividend income		
- Non-current investments	44	44
- Subsidiary companies (see note 2.34)	396	-
d. Net gain / (loss) on sale of investments		
- Mutual Funds	122	75
e. MTM gain or (loss) on		
- Current investments	2,109	2,114
- Non-current investments	1,656	1,047
f. - Gain on exchange fluctuation	78	46
g. Other non-operating income		
- Net profit on sale of property, plant and equipment	-	67
- Miscellaneous income	15	5
	7,004	**4,947**

(Amount in ₹ Lacs unless otherwise stated)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
2.26 EMPLOYEE BENEFITS EXPENSES		
a. Salaries and wages	43,066	39,060
b. Contribution to provident and other funds	2,766	2,378
c. Gratuity expense (see note 2.38)	670	624
d. Staff welfare expenses	733	660
	47,235	**42,722**

(Amount in ₹ Lacs unless otherwise stated)

Particulars		For the year ended 31 March 2025	For the year ended 31 March 2024
2.27	**OPERATING AND OTHER EXPENSES**		
a.	Outsourced technical service expense	1,501	1,569
b.	Cost of software purchased for delivery to clients	14	38
c.	Power and fuel	367	327
d.	Rent (see note 2.2)	70	95
e.	Repair and maintenance		
	- Buildings	17	40
	- Others	443	374
f.	Insurance	95	116
g.	Rates and taxes	79	32
h.	Travel expenses		
	- Foreign	1,252	1,154
	- Domestic	526	345
i.	Advertisement, business development and promotion	507	269
j.	Legal and professional	607	442
k.	Remuneration to Non Executive Directors	300	318
l.	Conveyance	81	61
m.	Communication	132	115
n.	Training and recruitment	593	410
o.	Conference, exhibition and seminar	727	603
p.	Information technology expenses	4,116	3,364
q.	Bad debts and allowance / provision for doubtful trade receivables / advances / other current assets	(200)	165
r.	Withholding tax charged off	329	403
s.	Commission to channel partners	82	90
t.	Expenditure on corporate social responsibility (see note 2.40)	277	213
u.	Sales and marketing fee	505	720
v.	Business Management & Consultancy Expenses (see note 2.34)	1,004	1,080
w.	Miscellaneous expenses	194	194
		13,618	**12,537**
	Remuneration to Non Executive Directors		
a.	Commission	172	212
b.	Sitting fees	128	106
		300	**318**

Notes forming part of the Standalone financial statements for the year ended 31 March 2025

(Amount in ₹ Lacs unless otherwise stated)

Particulars		For the year ended 31 March 2025	For the year ended 31 March 2024
2.28 FINANCE COST			
a.	Bank Charges	27	25
b.	Interest expense on lease liability	28	47
		55	**72**

2.29 RATIOS

	Ratios as per table below	As at 31 March 2025	As at 31 March 2024	Numerator and denominator for computing the above ratios	Remarks
a.	Current Ratio (in times)	1.82	2.00	Current assets/Current liabilities	-
b.	Debt-Equity Ratio (in times)	0.002	0.005	Debt consisit of lease liabilities / Total equity	₹21 Lacs Lease liabilities addition during the year
c.	Debt Service Coverage Ratio (in times)	62	68	Profit after tax+ Interest +Non cash expesese/ Debt service (interest and lease payments)-	This is due to lower profits during the current year.
d.	Inventory turnover ratio	-	-	-	Not applicable
e.	Trade Receivables turnover ratio (Days)	61	75	Trade receivables *(365)/Income from software product and services	This is due to Lower trade receivable.
f.	Trade payables turnover ratio (Days)	9	12	Trade payables* (365)/ Total expenses	This is due to higher expenses during the year
g.	Net capital turnover ratio (in times)	3.44	2.72	Income from software product and services/ working capital (CA-CL)	This is due to lower revenue during the year and lower working capital as on date
h.	Return on Equity Ratio (in %) *	21%	28%	Profit after tax/Average total equity	Refer note below
i.	Net profit ratio (in %) *	21%	24%	Profit after tax/Income from software product and services	Refer note below
j.	Return on Capital employed (in %) *	27%	33%	Profit before tax / Capital employed (Tangible net worth + deferred tax liabilities + Lease Liabilities)	Refer note below
k.	Return on investment (in %)	8.28%	7.45%	Income generated from investments/Time weighted average investments	Not applicable

Note: (*) Above ratio's movement (2.29 h to 2.29 j) for current period is more than 25% . This is due to the reason of expenses higher by ₹ 5,645 lacs.

Notes forming part of the Standalone financial statements for the year ended 31 March 2025

2.30 Financial Instruments

a) Financial Instruments by category

The carrying value and fair value of financial instruments by categories as at 31 March 2025 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
Assets:								
Cash and cash equivalents (2.10)	1,885	-	-	1,885	1,885	-	-	-
Other bank balances (2.11)	7,221	-	-	7,221	7,221	-	-	-
Investments (2.3 and 2.8)								
Equity Instruments (Other than subsidiaries)	-	-	998	998	998	998	-	-
Tax free bonds	3,334	-	-	3,334	3,352	3,352	-	-
Mutual funds	-	45,007	-	45,007	45,007	45,007	-	-
Target maturity funds (TMFs)	14,240	-	-	14,240	14,536	14,536	-	-
Trade receivables (2.9)	12,899	-	-	12,899	12,899	-	-	-
Loans (2.4 and 2.12)	82	-	-	82	82	-	-	-
Other financial assets (2.5 and 2.13)	12,646	-	6	12,652	12,652	-	-	-
	52,307	**45,007**	**1,004**	**98,318**	**98,632**	**63,893**		
Liabilities:								
Trade payables (2.19)	1,490	-	-	1,490	1,490	-	-	-
Lease liabilities (2.2)	191	-	-	191	191	-	-	-
Other financial liabilities (2.20)	4,670	-	-	4,670	4,670	-	-	-
	6,351	**-**	**-**	**6,351**	**6,351**	**-**	**-**	**-**

The carrying value and fair value of financial instruments by categories as at 31 March 2024 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
Assets:								
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	-	-
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	-	-	-
	47,121	**46,496**	**1,197**	**94,814**	**95,046**	**64,608**	**-**	**-**
Liabilities:								
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	-	-	-
	6,044	**-**	**-**	**6,044**	**6,044**	**-**	**-**	**-**

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 based on confirmations received from the bankers at the reporting date.
c) the fair value of remaining financial instruments is determined using discounted cash flows method.

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 2025

Foreign currency exposures are given below :

(Amount in ₹ Lacs unless otherwise stated)

Currency	As at 31 March 2025		As at 31 March 2024	
	Amount in foreign currency in lacs	Amount in ₹ in lacs	Amount in foreign currency in lacs	Amount in ₹ in lacs
Receivable				
USD	81	6,882	72	6,006
EUR	1	115	1	131
MYR	41	798	0	7
SGD	1	94	1	56
JPY	6	3	5	3
AED	1	27	5	106
GBP	0	2	13	1,331
AUD	18	987	1	42
CAD	-	-	0	3
THB	0	1	0	0
SAR	3	57	3	56
Payable				
USD	3	220	1	53
MYR	0	1	1	22
GBP	0	5	0	2
CAD	-	-	0	1
SGD	1	83	2	134
AED	0	6	2	45
JPY	224	127	286	157
AUD	3	160	3	170
THB	0	0	0	0
SAR	0	0	0	1

Cash flow sensitivity of currency risk

As at 31 March 2025 and as at 31 March 2024 a 10% strengthening/weakening of the Indian rupee against the respective Foreign currencies, would have affected the Company's total comprehensive income by ₹ 836 lacs and ₹ 716 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.

(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)

Particulars	Impact on profit before tax		Impact on other components of equity	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
Increase 2%				
Mutual funds	900	930	-	-
Equity instruments (other than subsidiaries)	-	-	20	24
Decrease 2%				
Mutual funds	(900)	(930)	-	-
Equity instruments (other than subsidiaries)	-	-	(20)	(24)

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 31 March 2025 (Original currency)	Equivalent amount in ₹ in lacs 31 March 2025	As at 31 March 2024 (Original currency)	Equivalent amount in ₹ in lacs 31 March 2024
In USD (Amount in USD lacs)	Sell	32.50	2,777	35.00	2,919

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 2025 Amount in USD in lacs	31 March 2025 Equivalent amount in ₹ in lacs	31 March 2024 Amount in USD in lacs	31 March 2024 Equivalent amount in ₹s in lacs
Not later than one month	5.00	427	7.50	626
Later than one month and not later than three months	15.00	1,282	12.50	1,043
Later than three months and not later than one year	12.50	1,068	15.00	1,251

Notes forming part of the Standalone financial statements for the year ended 31 March 2025

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 31 March 2025	As at 31 March 2024
Balance at the beginning of the year	4	13
Gain / (Loss) recognised in other comprehensive income during the year, net of taxes	1	(9)
Balance at the end of the year	5	4

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):

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Changes in the value of the hedging instrument recognised in other comprehensive income profit or (loss), net	2	(12)
Hedge ineffectiveness recognised in profit or (loss)	-	-
Amount reclassified from cash flow hedging reserve to profit or (loss)	(45)	(20)

The following table provides quantitative information of mark-to-market gain/loss on forward contracts

(Amount in ₹ Lacs unless otherwise stated):

Particulars	As at 31 March 2025	As at 31 March 2024
Gross amount of recognized financial asset/ (financial liabilities)	6	6
Net amount presented in balance sheet	6	6

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.

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 ₹ 12,899 lacs and ₹ 15,742 lacs as of 31 March 2025 and 31 March 2024 respectively and income accrued

but not due and unbilled revenue amounting to ₹ 1,856 lacs and ₹ 1,756 lacs as of 31 March 2025 and 31 March 2024, 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 2025	Year ended 31 March 2024
	(in %)	(in %)
Revenue from top customer	8.22%	6.62%
Revenue from top five customers	28.68%	25.49%

Credit risk exposure

a) The lifetime expected credit loss on trade receivable for the year ended 31 March 2025 is ₹ (262) lacs and for the year ended 31 March 2024 was ₹ 204 lacs.

(Amount in ₹ Lacs unless otherwise stated)

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Balance at the beginning	286	103
Impairment loss recognised	(262)	204
Amounts written off against existing provision	(15)	(21)
Balance at the end	**9**	**286**

b) The lifetime expected credit loss on income accrued but not due and unbilled revenue for the year ended 31 March 2025 is ₹ 204 lacs and for the year ended 31 March 2024 this was ₹ (193) lacs.

(Amount in ₹ Lacs unless otherwise stated)

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Balance at the beginning	34	227
Impairment loss recognised	204	(193)
Amounts written off against existing provision	(51)	-
Balance at the end	**187**	**34**

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 2025

a) **Expected credit loss for loans, security deposits and Investments**

As at 31 March 2025 **(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	17,521	0%	-	17,521
		Loans to employee	8	0%	-	8
		Security deposits	87	0%	-	87
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)	-

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)	-

b) Expected credit loss for trade receivables under simplified approach

As at 31 March 2025 (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	7,402	4,149	47	5	-	7	11,610
Less : Expected credit losses (Loss allowance provision)				2	-	7	9
Carrying amount of trade receivables (net of impairment)	7,402	4,149	47	3	-	-	11,601
Trade Receivables-Unbilled	-	866	253	99	80	-	1,298
							12,899

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

c) Expected credit loss for income accrued but not due / unbilled revenue under simplified approach

As at 31 March 2025 (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	1,193	187	141	72	450	2,043
Less : Expected credit losses (Loss allowance provision)					187	187
Carrying amount (net of impairment)	1,193	187	141	72	263	1,856

Notes forming part of the Standalone financial statements for the year ended 31 March 2025

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

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 2025, the Company had a working capital of ₹ 22,373 lacs including cash and cash equivalent of ₹ 1,885 lacs and current investment of ₹ 23,217 lacs (31 March 2024 ₹ 28,174 lacs including cash and cash equivalent of ₹ 1,829 lacs and current investment of ₹ 32,258 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 2025:

(Amount in ₹ Lacs unless otherwise stated)

Particulars	Less than 1 year	More than 1 year	Total
Trade payables	1,490	1	**1,491**
Lease liabilities	103	88	**191**
Other financial liabilities	4,670	-	**4,670**

The table below provides details regarding the contratual 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**

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.

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 it 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 2025	For the year ended 31 March 2024
Equity Shares		
(i) Final dividend of ₹ 12.50 per share (Previous year ₹ 10 per share) (On equity share of ₹ 10 each) (see note 2.16 (i))	3,347	2,677
(ii) Dividend not recognised at the end of reporting period (see note 2.16 (i))	3,291	3,347

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2025	As at 31 March 2024
2.31 Contingent liabilities and Commitments (to the extent not provided for)		
a. **Contingent liabilities**	489	687
Notes : As on 31st March 2025, claims against the company not acknowledged as debts in respect of income tax matters amounted to ₹ 402 Lacs (Previous Year As on 31st March 2024 was ₹ 640 lacs) and in respect of goods and service tax matters amounted to ₹ 87 lacs (Previous Year As on 31st March 2024 was ₹ 47 lacs). 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.		
b. **Capital Commitments (to the extent not provided for)**	437	384
Estimated amount of contracts remaining to be executed on capital account and not provided for in the books of account (net of advances).		

(Amount in ₹ Lacs unless otherwise stated)

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
2.32 Auditors remuneration (excluding taxes)		
a. As auditors - statutory audit, including quarterly audits	38	33
b. For other services	5	6
c. Reimbursement of expenses	5	6
	48	**45**

Notes forming part of the Standalone financial statements for the year ended 31 March 2025

2.33 Earnings per share

(Amount in ₹ Lacs unless otherwise stated)

Particulars		Year ended 31 March 2025	Year ended 31 March 2024
a.	Profit after taxation available to equity shareholders (₹ in Lacs)	16,176	18,595
b.	Weighted average number of equity shares used in calculating basic earnings per share (Numbers)	26,548,701	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)	26,548,701	26,773,324
e.	Basic earnings per share (₹)	60.93	69.45
f.	Diluted earnings per share (₹)	60.93	69.45

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) (till 25.07.2024)
- Anurag Mantri (Whole time Director, COO and CFO (CFO till 07.05.2024)
- Poonam Bhasin (Company Secretary)
- Parag Bhise (Whole time Director and CEO)
- Dr. Ritika Dusad (Whole time Director)
- Surya Prakash Kanodia appointed as CFO w.e.f. 08.05.2024
- Prithvi Pal Singh Haldea (Non Executive Director) (till 25.07.2024)
- Prof. Trilochan Sastry (Non Executive Director) (till 25.07.2024)
- Elaine Mathias (Non Executive Director) (till 19.09.2024)
- 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
- Madhu Dusad (person acting in concert)
- Karmayogi Holdings Private Limited (person acting in concert)

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)

Transactions with related parties

(Amount in ₹ Lacs unless otherwise stated)

Particulars	Year ended 31 March 205	Year ended 31 March 2024
a. Software development services and products		
- Nucleus Software Solutions Pte Ltd, Singapore	2,957	2,818
	2,957	**2,818**
b. Other income		
Interest income		
- Nucleus Software Limited, Jaipur	3	1
	3	**1**
c. Dividend income from subsidairy		
- Nucleus Software Solutions Pte Ltd, Singapore	396	-
	396	**-**
d. Salary and other benefits to Key managerial personnel		
Short-term employee benefits	1,494	1,343
Contribution to provident and other funds	44	41
	1,538	**1,384**
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.		
e. Remuneration to Non Executive Directors		
- Commission	172	212
- Sitting fees	128	106
	300	**318**
f. Outsourced technical service expense		
- Nucleus Software Japan Kabushiki Kaisha, Japan	437	481
- Nucleus Software Australia Pty Ltd.	448	492
	885	**973**
g. Expenditure on Corporate Social Responsibility		
Nucleus Software Foundation (see note 2.40)	277	213
	277	**213**

Notes forming part of the Standalone financial statements for the year ended 31 March 2025

(Amount in ₹ Lacs unless otherwise stated)

Particulars		Year ended 31 March 205	Year ended 31 March 2024
h.	**Reimbursement of expenses from**		
	- Nucleus Software Solutions Pte Ltd, Singapore	35	35
	- Nucleus Software Japan Kabushiki Kaisha, Japan	12	14
	- Nucleus Software Inc., USA	1	1
	- Nucleus Software Australia Pty Ltd.	2	2
	- Nucleus Software Netherlands B.V., Netherlands	-	1
	- Nucleus Software Limited, India	-	5
		50	**58**
i.	**Reimbursement of expenses to**		
	- Nucleus Software Solutions Pte Ltd, Singapore	62	50
	- Nucleus Software Japan Kabushiki Kaisha, Japan	-	2
		62	**52**
j.	**Sales & marketing fee**		
	- Nucleus Software Japan Kabushiki Kaisha, Japan	122	195
	- Nucleus Software Solutions Pte Ltd, Singapore	234	352
	- Nucleus Software Australia Pty Ltd.	149	173
		505	**720**
k.	**Business Management Servicess**		
	- Nucleus Software Solutions Pte Ltd, Singapore (see note below)*	956	1,080
	- Nucleus Software Inc. USA	48	-
		1,004	**1,080**
	*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.)		
l.	**Legal and professional**		
	- Praxis Consulting and Information services Pvt Ltd	5	5
		5	**5**
m.	**Buyback of shares**		
	- Madhu Dusad (person acting in concert) - no of shares 53,935	871	-
	- Karmayogi Holdings Private Limited (person acting in concert) -no of shares 1,58,232	2,555	-
	- Vishnu R Dusad (Managing Director) -no of shares 28,167	455	-
		3,881	**-**
n.	**Loan given to subsidiary**		
	- Nucleus Software Limited, India	-	40
	- Less Loss allowance on loan to subsidieary	-	(40)
		-	**-**
o.	**Investment in Subsidiary (addition during the year)**		
	- Nucleus Software Limited, India	-	500
		-	**500**

Outstanding balances As at period end

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2025	As at 31 March 2024
a. Outstanding balances As at period end		
- Nucleus Software Solutions Pte Ltd, Singapore	506	222
	506	**222**
b. Trade payables		
- Nucleus Software Solutions Pte Ltd, Singapore	83	92
- Nucleus Software Japan Kabushiki Kaisha, Japan	125	156
- Nucleus Software Australia Pty Ltd., Australia	159	167
- Nucleus Software Inc., USA	14	-
	381	**415**
c. Expenses Payable to Subsidiaries		
- Nucleus Software Solutions Pte Ltd, Singapore	-	39
	-	**39**
d. Advance from customers / Advance billings		
- Nucleus Software Solutions Pte Ltd, Singapore	2	27
	2	**27**
e. Income accrued but not due		
- Nucleus Software Solutions Pte Ltd, Singapore	71	3
	71	**3**
f. Loan to subsidiary		
- Nucleus Software Limited, India	422	422
	422	**422**
g. Interest Accrued on Loan		
- Nucleus Software Limited, India	-	1
	-	**1**
h. Loss allowance for loan to subsidiary	382	422
- Nucleus Software Limited, India	**382**	**422**
i. Investments in subsidiary companies (net of provision) (see note 2.3)	1,985	1,985
	1,985	**1,985**
j. Remuneration to Non Executive Directors	172	212
- Commission payable	**172**	**212**

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 period end are unsecured and settlement occurs in cash

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 2025 ₹ 3,329 lacs (Previous year ended 31 March 2024 ₹ 2,801 lacs).

Notes forming part of the Standalone financial statements for the year ended 31 March 2025

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 2025

(Amount in ₹ Lacs unless otherwise stated)

Description	India	Far East	South East Asia	Europe	Middle East	Africa	Australia	Others	Total
Revenue from operations	47,999	1,063	8,858	1,582	9,146	823	2,441	4,954	76,866
Expenses	18,719	1,479	9,595	1,108	8,379	212	1,609	3,035	44,136
Segment result	29,280	(416)	(737)	474	767	611	832	1,919	32,730
Unallocated corporate expenditure									18,156
Operating profit before taxation									14,574
Other income									7,004
Profit before taxation									**21,578**
Tax Expense									
Net current tax expense									4,552
Deferred tax (credit) / charge									850
									5,402
Profit for the year									**16,176**

a (ii) **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
Profit before taxation									**24,912**
Tax Expense									
Net current tax expense									5,658
Deferred tax (credit) / charge									659
									6,317
Profit for the year									**18,595**

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 2025

(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 2024

No customer individually accounted for more than 10% of the total revenue.	-	-	-	-	-	-	-	-	-

Notes forming part of the Standalone financial statements for the year ended 31 March 2025

Assets and liabilities of reportable segments being geographies are as follows:

a. As at 31 March 2025

(Amount in ₹ Lacs unless otherwise stated)

Description	India	Far East	South East Asia	Europe	Middle East	Africa	Australia	Others	Total
Segment assets	7,821	256	2,861	8	2,183	378	974	2,209	16,690
Unallocated corporate assets									94,355
Total assets									**111,045**
Segment liabilities	14,179	451	3,563	322	4,796	295	1,419	1,759	26,784
Unallocated corporate liabilities									5,928
Total liabilities									**32,712**
Capital employed									**78,333**

b. 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
Total assets									**107,163**
Segment liabilities	16,806	1,037	3,773	350	3,964	193	400	650	27,173
Unallocated corporate liabilities									5,084
Total liabilities									**32,257**
Capital employed									**74,906**

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 2025

(Amount in ₹ Lacs unless otherwise stated)

Description	India	Far East	South East Asia	Europe	Middle East	Africa	Australia	Others	Total
Capital expenditure	1,673	-	-	-	-	-	-	-	1,673
(Unallocated)									
Total capital expenditure		-	-	-	-	-	-	-	1,673
Depreciation expenditure									1,384
(Unallocated)									
Total depreciation									1,384
Non-cash expense other than depreciation	110	73	77	-	52	(183)	-	0	129
Total non cash expenditure other than depreciation	**110**	**73**	**77**	**-**	**52**	**(183)**	**-**	**0**	**129**

a(ii) 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	2,127	-	-	-	-	-	-	-	2,127
(Unallocated)									
Total capital expenditure	-	-	-	-	-	-	-	-	2,127
Depreciation expenditure									1,316
(Unallocated)									
Total depreciation									1,316
Segment non-cash expense other than depreciation	41	193	188	-	16	130	-	0	568
Total non cash expenditure other than depreciation	**41**	**193**	**188**	**-**	**16**	**130**	**-**	**0**	**568**

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 2025

(Amount in ₹ Lacs unless otherwise stated)

Description	India	Far East	South East Asia	Europe	Middle East	Africa	Australia	Others	Total
Revenue from operations	47,999	1,063	8,858	1,582	9,146	823	2,441	4,954	76,866

(ii) 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

*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	Services	Total
(i) For the year ended 31 March 2025			
Revenue	71,271	5,595	76,866
(ii) For the year ended 31 March 2024			
Revenue	71,035	5,577	76,612

* 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.

Notes forming part of the Standalone financial statements for the year ended 31 March 2025

2.38 Employee Benefit Obligations

Defined contribution plans

An amount of ₹ 2,289 lacs for the year ended 31 March 2025 (for the year ended 31 March 2024 ₹ 2,022 lacs), has been recognized as an expense in respect of the Company's contribution towards Provident Fund, ₹ 0.09 lacs for the year ended 31 March 2025 (for the year ended 31 March 2024 ₹ 0.19 lacs) has been recognised as an expense in respect of Employee State Insurance Fund and ₹ 477 lacs for the year ended 31 March 2025 (for the year ended 31 March 2024 ₹ 355 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 2025.

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.

Reconciliation of opening and closing balances of the present value of the defined benefit obligation as on 31 March 2025 :

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2025	As at 31 March 2024
a. **Change in defined benefit obligations (DBO)**		
Obligation at beginning of the period / year	6,047	5,064
Current service cost	596	512
Interest cost	405	337
Remeasurement due to:		
Actuarial loss/(gain)arising from change in financial assumptions	234	60
Actuarial loss/(gain)arising from change in demographic assumptions	-	(58)
Actuarial loss/(gain)arising on account of experience changes	240	442
Benefits paid	(415)	(310)
Obligation at period / year end	**7,107**	**6,047**
b. **Change in Plan Assets**		
Plan assets at year beginning, at fair value	4,912	4,078
Expected return on asset plan	330	272
Contributions by employer	565	834
Remeasurement due to :		
Actuarial return on plan assets less interest on plan assets	37	38
Benefits paid	(415)	(310)
Plan assets at period / year end, at fair value	**5,429**	**4,912**
c. **Net asset / (liability) recognised in the Balance Sheet**		
Present value of defined benefit obligation	7,107	6,047
Fair value of plan assets	5,429	4,912
Funded status- Surplus/ (Deficit)	(1,678)	(1,135)
Unrecognised past service costs	-	-
Net liability recognised in the Balance Sheet	**(1,678)**	**(1,135)**

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2025	As at 31 March 2024
d. Expected employer's contribution next year	200	200

e. Expense recognised in Profit or Loss

(Amount in ₹ Lacs unless otherwise stated)

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Current service cost	596	512
Interest cost	74	65
Net gratuity cost	670	577

f. Remeasurement income recognised in other comprehensive income:

(Amount in ₹ Lacs unless otherwise stated)

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Actuarial (gain) loss on defined benefit obligation	475	444
Return on plan assets excluding interest income	(37)	(38)
	438	406

Actuarial assumptions for gratuity and long-term compensated absences

Particulars	As at 31 March 2025	As at 31 March 2024
g. Economic assumptions :		
Discount rate	6.70%	7.20%
Salary escalation rate	10.00%	10.00%

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)

* In cases of retirement extension, gratuity will be disbursed after the employee's final working day with the organization.

Notes forming part of the Standalone financial statements for the year ended 31 March 2025

i.	**Withdrawal rates**	Ages - Withdrawal Rate (%) 21-50 years - 11% 51-57 years - 8%	Ages - Withdrawal Rate (%) 21-50 years - 11% 51-57 years - 8%
j	**Category of asset**		
	Insurer Managed Funds	5,429	4,912

The company does not invest directly in any property occupied by the company nor in financial security issued by the company.

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 2025		Year ended 31 March 2024	
	Increase	Decrease	Increase	Decrease
Increase/(Decrease) in obligation with 0.5% movement in discount rate	(227)	258	(190)	216
Increase/(Decrease) in obligation with 0.5% movement in future rate of increase in compensation levels	113	(110)	100	(98)

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 2025	Year ended 31 March 2024
Income from software product and services	76,866	76,612
Software development expenses *	52,105	46,604
Operating profit from software product & services	**24,761**	**30,008**
Less :		
Selling and marketing expenses	3,727	3,494
General and administration expenses	5,076	5,233
Operating profit before depreciation	**15,958**	**21,281**
Less :		
Depreciation and amortisation expense	1,384	1,316
Operating profit after depreciation	**14,574**	**19,965**
Add :		
Other income	7,004	4,947
Profit before tax	**21,578**	**24,912**
Less :		
Tax expense:		
Net current tax expense	4,552	5,658
Deferred tax (credit) /charge	850	659
	5,402	**6,317**
Profit for the year	**16,176**	**18,595**

* Includes indirect expenses which have been allocated on a reasonable basis.

2.40 EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY

(Amount in ₹ Lacs unless otherwise stated)

Particulars		Year ended 31 March 2025	Year ended 31 March 2024
a.	Gross amount required to be spent by Company during the year ended 31 March 2025 / 31 March 2024 :	277	213
b.	Amount approved by the Board to be spent during the year	277	213
c.	Amount spent during the year		
	(i) Construction/acquisition of any asset	-	-
	(ii) Purposes other than Construction/acquisition of any asset	277	213
	- Contribution paid to Nucleus Software Foundation during the year March 2025 / March 2024		
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 year March 2025 / March 2024	277	213

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 Enterpreneurs 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 2025 and 31 March 2024 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 2025		As at 31 March 2024	
		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 2025

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

Sd/-
NITIN GUPTA
Partner
Membership number : 122499

Place : New Delhi
Date : 16 May 2025

For and on behalf of the Board of Directors of
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 : Noida
Date : 16 May 2025

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"), which comprise the Consolidated Balance Sheet as at March 31, 2025, Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity, 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 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 so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2025, of consolidated profit and other comprehensive loss, consolidated changes in equity and its 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 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 (ICAI) 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 ICAI's Code of Ethics. We believe that the audit evidence we have obtained and on consideration of audit reports of other auditors referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, and based on 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 year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

S.No	The Key Audit Matter	How the matter was addressed in our audit
1	For the year ended March 31, 2025, revenue amounting to ₹ 83,225 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, 2025.	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: • 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. • 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.

		• Selected a sample of contracts, using a mix of quantitative and qualitative criteria, and performed the following procedures for each contract selected: o inspected key terms, including transaction price, deliverables, performance obligations, timetable, and milestones, set out in the contract. 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. 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 o verified the ageing analysis and performed analytical procedures, based on revenue trends, to assess the movements in accruals.

Other Information other than the Consolidated Financial Statements and Auditor's Report thereon

The Holding 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, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon. The aforementioned other information is expected to be made available to us after the date of this auditor's report.

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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the 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.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group 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. The respective Board of Directors of the companies included in the Group are responsible for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of their respective Companies 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 Board of Directors of the companies included in the Group are responsible for assessing the ability of their respective Companies, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate their respective Companies or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors/ Management of the companies included in the Group are responsible for overseeing the financial reporting process of their respective Companies.

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 the management's use of the going-concern basis of accounting and, based on the audit evidence obtained, whether material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or any of the companies forming part of the Group 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 Group 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 and appropriate audit evidence regarding the consolidated 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 entities 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 of the Holding Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors 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 year 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 ₹ 3,921 Lakh as at March 31, 2025, total revenue of ₹ 9,592 Lakh, net profit after tax of ₹ 209 Lakh and net cash outflow of ₹ 189 Lakh for the year ended on that date, as considered in the consolidated financial results. These subsidiaries is 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 subsidiary 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 subsidiary 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 Financial Statements includes the unaudited financial information of four subsidiaries, whose financial information reflects total assets of ₹ 1,595 Lakh as at March 31, 2025, and total revenue of ₹ 2,115 Lakh, total net profit after tax of ₹ 411 Lakh and net cash inflows of ₹ 613 Lakh for the year ended on that date, as considered in the consolidated financial statements. This unaudited financial information have been furnished to us by the Board of Directors.

Our opinion on the Financial Statements, in so far as it related 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 explanation 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 the financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. With respect to the matters specified in Para 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 ("the Order"/"CARO"), issued by the Central Government of India in terms of sub-section (11) of section 143 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 subsidiaries included in the consolidated financial statements of the Group, 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, 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 of the consolidated financial statements;

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and reports of other auditors;

   (c) The consolidated balance sheet, 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 dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   (d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified 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, 2025 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiaries incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2025 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 consolidated financial statements of the Group's companies which are incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Group's internal financial controls with reference to consolidated financial statements

(g) In our opinion, according to information and explanations given to us, the remuneration paid by the Holding Company and subsidiary company which are the companies incorporated in India to its Directors during the current year is within the limits prescribed under Sec 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, 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 the consolidated financial position of the Group. Refer Note No. 2.31 to the consolidated financial statements.

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts, 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, 2025.

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 their 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 any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that such Intermediaries shall, 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 their 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, as on the date of this audit report, that Group shall, 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 or other auditors' notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed and amount of dividend paid for the previous year in the current year is in accordance with section 123 of the Act, as applicable. 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 Holding company, its subsidiaries incorporated in India have used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been enabled and operated throughout the year for all relevant transactions recorded in the accounting software. Further, during the course of our audit, we and respective auditors of the aforementioned subsidiaries did not come across any instance of audit trail feature being tampered with.

Audit trail has been preserved by the Holding company and subsidiaries as per the statutory requirements for record retention in accordance with the requirements of Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

For ASA & Associates LLP
Chartered Accountants
Firm Registration No: 009571N/N500006

Nitin Gupta
Partner
Membership No. 122499
UDIN: 25122499BMKWJW6064

Place: New Delhi
Date: May 16, 2025

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, 2025, we have audited the internal financial controls over Financial Reporting 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 and 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 of Audit of Internal Controls over Financial Reporting issued by the 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 the respective 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls over financial reporting with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on internal financial controls over financial reporting ("Guidance Note") issued by the ICAI 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 issued by the ICAI. 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 with reference to Consolidated Financial Statements and their operating effectiveness.

Our audit of internal financial controls system over Financial Reporting with reference to Consolidated Financial Statements included obtaining an understanding of internal financial controls over Financial Reporting with reference to Consolidated 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 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 of the subsidiary which are companies incorporated in India, in terms of their reports referred to in the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal controls system over Financial Reporting with reference to Consolidated Financial Statements of the Group.

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 disposition 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 receipt 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 over Financial Reporting with reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls over Financial Reporting, with reference to Consolidated 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 Consolidated Financial Statements to future periods are subject to the risk that the internal financial controls over financial reporting with reference to consolidated 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, 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, 2025, 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 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
Membership No. 122499
UDIN: 25122499BMKWJW6064

Place: New Delhi
Date: May 16, 2025

Consolidated Balance Sheet as at 31 March 2025

(Amount in ₹ Lacs unless otherwise stated)

Particulars	Note	As at 31 March 2025	As at 31 March 2024
ASSETS			
Non-current assets			
Property, plant and equipment	2.1(a)	4,033	3,475
Capital work in progress	2.1(b)	22	9
Other intangible assets	2.1(a)	130	140
Intangible assets under development	2.1(c)	3	59
Right of use assets	2.2	670	937
Investment property	2.3	1,271	1,300
Financial assets			
Investments	2.4	40,362	32,117
Loans	2.5	8	39
Other financial assets	2.6	12,555	9,988
Income tax asset (net)	2.7	875	1,274
Other non-current assets	2.8	930	888
Total non-current assets		**60,859**	**50,226**
Current Assets			
Financial assets			
Investments	2.9	23,706	32,762
Trade receivables	2.10	13,741	16,616
Cash and cash equivalents	2.11	5,046	4,580
Other bank balances	2.12	7,221	2,814
Loans	2.13	34	46
Other financial assets	2.14	196	123
Other current assets	2.15	4,492	4,235
Total current Assets		**54,436**	**61,176**
Total assets		**115,295**	**111,402**
EQUITY & LIABILITIES			
EQUITY			
Equity share capital	2.16	2,633	2,677
Other equity	2.17	78,789	75,067
Total equity attributable to equity holders of the company		**81,422**	**77,744**
Non- controlling interest		-	-
Total Equity		**81,422**	**77,744**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Lease liabilities	2.2	88	181
Provisions	2.18	4,031	3,140
Deferred tax liabilities (net)	2.19	1,499	803
Total non-current liabilities		**5,618**	**4,124**
Current liabilities			
Financial liabilities			
Lease liabilities	2.2	112	278
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		1,290	1,646
Other financial liabilities	2.21	5,212	4,608
Provisions	2.22	556	512
Current tax liabilities (net)	2.23	925	33
Other current liabilities	2.24	20,160	22,457
Total current liabilities		**28,255**	**29,534**
TOTAL EQUITY AND LIABILITIES		**115,295**	**111,402**
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 : 16 May 2025

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 : Noida
Date : 16 May 2025

Consolidated Statement of Profit & Loss for the year ended 31 March 2025

(Amount in ₹ Lacs unless otherwise stated)

Particulars	Note	For the year ended 31 March 2025	For the year ended 31 March 2024
1. REVENUE FROM OPERATIONS	2.25	83,225	82,645
2. OTHER INCOME	2.26	6,626	5,090
3. TOTAL INCOME (1+2)		**89,851**	**87,735**
4. EXPENSES			
a. Employee benefits expense	2.27	53,464	49,106
b. Operating and other expenses	2.28	12,926	11,499
c. Finance cost	2.29	75	95
d. Depreciation, amortisation and impairment expenses	2.1(a) and 2.2	1,481	1,455
TOTAL EXPENSES		**67,946**	**62,155**
5. PROFIT BEFORE TAX (3-4)		**21,905**	**25,580**
6. TAX EXPENSE			
a. Current tax expense		4,763	5,750
b. Deferred tax credit /charge	2.19	842	670
NET TAX EXPENSE		**5,605**	**6,420**
7. PROFIT FOR THE YEAR (5-6)		**16,300**	**19,160**
8. OTHER COMPREHENSIVE INCOME / (LOSS)			
(A) (i) Items that will not be reclassified to profit or loss			
a) Remeasurements of the defined benefit plans		(438)	(406)
b) Equity instruments through Other Comprehensive Income, net		(193)	551
(ii) Tax (expense)/ income relating to Items that will not be reclassified to profit or loss		148	63
(B) (i) Items that will be reclassified subsequently to profit or loss			
a) Exchange difference on translation of foreign operations		127	(4)
b) Effective portion of gains and loss on hedging instruments in a cash flow hedge		2	(11)
(ii) Tax (expense) / income relating to Items that will be reclassified subsequently to profit or loss		(2)	3
TOTAL OTHER COMPREHENSIVE INCOME / (LOSS) NET OF TAX		**(356)**	**196**
9. TOTAL COMPREHENSIVE INCOME (7+8)		**15,944**	**19,356**
Profit attributable to			
Owners of the Company		16,300	19,160
Non- controlling interest		-	-
		16,300	**19,160**
10. Total comprehensive income attributable to			
Owners of the Company		15,944	19,356
Non- controlling interest		-	-
		15,944	**19,356**
11. Equity shares of ₹ 10 each	2.33		
Equity shares of ₹ 10 each			
a. Basic (₹)		61.40	71.56
b. Diluted (₹)		61.40	71.56
Number of shares used in computing earnings per share			
a. Basic		26,548,701	26,773,324
b. Diluted		26,548,701	26,773,324
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 : 16 May 2025

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 : Noida
Date : 16 May 2025

Consolidated Statement Of Changes in Equity for the year ended 31 March 2025

A. Equity share Capital

(Amount in ₹ Lacs unless otherwise stated)

Balance as of 1 April 2024	Changes in equity share capital during the year	Balance as on 31 March 2025
2,677	(44)	2,633
Balance as of 1 April 2023	**Changes in equity share capital during the year**	**Balance as on 31 March 2024**
2,677	-	2,677

B. Other Equity

Particulars	Reserves and Surplus			Items of OCI			Total
	Capital reserve	Capital redemption reserve	Retained earnings	Hedging reserve	Foreign currency translation reserve	Equity instrument through other comprehensive income	
Balance as of 1 April 2024	**89**	**561**	**72,947**	**4**	**300**	**1,166**	**75,067**
Profit for the year	-	-	16,300	-	-	-	16,300
Final dividend on equity shares	-	-	(3,347)	-	-		(3,347)
Buyback of equity shares	-	45	(7,235)	-	-		(7,190)
Tax on buyback of equity shares	-	-	(1,686)	-	-		(1,686)
Effective gain/(loss) on hedging instruments	-	-	-	1	-	-	1
Exchange difference on translation of foreign operations	-	-	-	-	127	-	127
Equity Instruments through Other Comprehensive Income	-	-	-	-	-	(193)	(193)
Remeasurement of the defined benefit plans, net	-	-	(290)	-	-	-	(290)
Attributable to owners of the company	**89**	**606**	**76,689**	**5**	**427**	**973**	**78,789**
Balance as on 31 March 2025	**89**	**606**	**76,689**	**5**	**427**	**973**	**78,789**

Consolidated Statement Of Changes in Equity for the year ended 31 March 2025

(Amount in ₹ Lacs unless otherwise stated)

Particulars	Reserves and Surplus			Items of OCI			Total
	Capital reserve	Capital Redemption reserve	Retained earnings	Hedging reserve	Foreign Currency translation reserve	Equity instrument through other comprehensive income	
Balance as of 1 April 2023	**89**	**561**	**56,807**	**13**	**304**	**615**	**58,389**
Profit for the year	-		19,160	-	-	-	19,160
Final dividend on equity shares	-	-	(2,677)	-	-	-	(2,677)
Effective gain/(loss) on hedging instruments	-	-	-	(9)	-	-	(9)
Exchange difference on translation of foreign operations	-	-	-	-	(4)	-	(4)
Equity Instruments through Other Comprehensive Income	-	-	-	-	-	551	551
Remeasurement of the defined benefit plans, net	-	-	(343)	-	-	-	(343)
Attributable to owners of the company	**89**	**561**	**72,947**	**4**	**300**	**1,166**	**75,067**
Balance as on 31 March 2024	**89**	**561**	**72,947**	**4**	**300**	**1,166**	**75,067**

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 : 16 May 2025

For and on behalf of the Board of Directors of
NUCLEUS SOFTWARE EXPORTS LIMITED
CIN : L74899DL1989PLC034594

Sd/-
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Chief Financial Officer

Sd/-
POONAM BHASIN
AVP (Secretarial) & Company Secretary
Membership number : 10865

Place : Noida
Date : 16 May 2025

Consolidated Cash Flow Statement for the year ended 31 March 2025

(Amount in ₹ Lacs unless otherwise stated)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
A. Cash flow from operating activities		
Net profit before tax	21,905	25,580
Adjustment for:		
Depreciation, amortisation and impairment expenses	1,481	1,455
Exchange (gain) / loss on translation of foreign currency accounts (net)	30	(29)
Dividend received from non-current investment	(44)	(44)
Interest income on financial assets- carried at amortised cost	(2,514)	(1,528)
MTM (gain) on investments	(3,800)	(3,166)
Net (gain)/loss on sale of investments	(122)	(75)
Profit on sale of property, plant and equipment (net)	-	(67)
Interest expense on lease liability	32	54
Bad debts and allowance / provision for doubtful trade receivables / advances / other current assets	(160)	125
Withholding tax charged off	467	562
Discounting of staff loan and security deposit	(25)	(24)
Assets Retirement Obligation reversal	-	1
Operating profit before working capital changes	**17,250**	**22,844**
Adjustment for (increase) / decrease in operating assets		
Trade receivables	3,331	644
Loans	42	(10)
Other assets	(12)	(1,163)
Adjustment for increase / (decrease) in operating liabilities		
Trade payables	(356)	419
Provisions and other liabilities	(1,222)	7,216
	19,033	29,950
Net Income taxes paid	(3,939)	(7,747)
Net cash from operating activities (A)	**15,094**	**22,203**
B. Cash flow from investing activities		
Acquisition of property, plant and equipment and intangible assets under development	(1,522)	(2,864)
Proceeds from sale of property, plant and equipment	-	72
Net (purchase)/sale of mutual funds, tax free bonds and preference shares	5,675	(6,882)
Bank deposits, FDR's (net) not considered as cash and cash equivalents (placed) / matured	(6,523)	(9,725)
Interest received on fixed deposits, tax free bonds	248	(344)
Dividend received from investments	44	44
Net cash (used in) investing activities (B)	**(2,078)**	**(19,699)**

Consolidated Cash Flow Statement for the year ended 31 March 2025

(Amount in ₹ Lacs unless otherwise stated)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
C. Cash flow from financing activities		
Principal repayment of lease liabilities	(280)	(285)
Interest paid on lease liabilities	(32)	(54)
Buyback of equity shares including tax thereon (see note 2.16)	(8,921)	-
Interim dividend / Final dividend paid	(3,347)	(2,677)
Net cash (used in) financing activities (C)	**(12,580)**	**(3,016)**
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	**436**	**(512)**
Opening cash and cash equivalents	4,580	5,049
Exchange difference on translation of foreign currency bank accounts	30	43
Closing cash and cash equivalents [see note 2.11]	**5,046**	**4,580**

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 : 16 May 2025

For and on behalf of the Board of Directors
NUCLEUS SOFTWARE EXPORTS LIMITED
CIN : L74899DL1989PLC034594

Sd/-
VISHNU R DUSAD
Managing Director
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Sd/-
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SURYA PRAKASH KANODIA
Chief Financial Officer

Sd/-
POONAM BHASIN
AVP (Secretarial) & Company Secretary
Membership number : 10865

Place : Noida
Date : 16 May 2025

Notes forming part of the consolidated financial statements for the year ended 31 March 2025

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 2025, 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 figures of last quarter ending 31 March 2025 are the balancing figures between audited figures in respect of the full financial year and the published year-to-date figures upto the third quarter ending 31 December 2024.

The consolidated financial statements were approved for issue by the Board of Directors of the Holding Company on 16 May 2025.

b) **Functional and Presentation currency**

The financial statements are presented in Indian ₹ (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 ₹ 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.

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

Notes forming part of the consolidated financial statements for the year ended 31 March 2025

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 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

Notes forming part of the consolidated financial statements for the year ended 31 March 2025

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. The Company applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised.

Company is recognizing Revenue upon transfer of control of promised products or services ('performance obligations') to customers in an amount that reflects the consideration the Company has received or expects to receive in exchange for these products or services (Transaction price). A contract is accounted when it is legally enforceable. Revenue is measured based on the transaction price as per the contract with a customer net of variable consideration like, volume discounts, service level credits, price concessions and incentives, if any. Further, when there is uncertainty as to collectability, revenue recognition is postponed until such uncertainty is resolved. To recognize revenues, the following five step approach is applied:

(1) Identify the contract with a customer,

(2) Identify the performance obligations in the contract,

(3) Determine the transaction price.

(4) Allocate the transaction price to the performance obligations in the contract,

(5) Recognize revenues when a performance obligation is satisfied.

- 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 which is measured based on satisfaction of milestones defined by the company for successful completion of performance obligations mentioned in the contract with customer. Output method is used to align the revenue recognised in line with the work performed for the customer. 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 licenses where the customer obtains a "right to use" the licenses is recognized at the time the license is made available to the customer.

  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 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.

Any reimbursement of expenses as term of contract i.e. reimbursements of out-of-pocket expenses, Ticket, Hotel Expenses, etc. are recognized as revenue if incurred in relation to performance obligation under the contract.

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 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

Notes forming part of the consolidated financial statements for the year ended 31 March 2025

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:

Asset category	Management estimate of useful life (in years)	Useful life as per Schedule II(in years)
Tangible asset		
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))

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

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 financial assets held within that business model) and how those risks are managed;

Notes forming part of the consolidated financial statements for the year ended 31 March 2025

- 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 OCI is limited to the cumulative change in fair

Notes forming part of the consolidated financial statements for the year ended 31 March 2025

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.

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.

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

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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 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, 2025, MCA has notified amendments to Ind AS 116 – Leases, relating to sale and leaseback transactions, applicable to the Group w.e.f. April 1, 2024, The Group has reviewed the new pronouncements and based on its evaluation has determined that it does not have any significant impact in its financial statements.

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 2024	Additions	Deductions / adjustments	As at 31 March 2025	As at 1 April 2024	Depreciation for the year	Deductions / adjustments	As at 31 March 2025	As at 31 March2025	As at 31 March 2024
Tangible assets										
Freehold land	34	-	-	34	-	-	-	-	34	34
	(34)	-	-	(34)	-	-	-	-	(34)	(34)
Leasehold improvements	14	-	-	14	14	-	-	14	-	-
	(14)	-	-	(14)	(14)	-	-	(14)	-	-
Buildings	2,423	90	-	2,513	709	107	-	816	1,697	1,713
	(1,658)	(765)	-	(2,423)	(617)	(92)	-	(709)	(1,713)	(1,041)
Plant and equipment	969	56	1	1,024	614	121	1	734	290	356
	(715)	(262)	(8)	(969)	(519)	(102)	(7)	(614)	(356)	(196)
Computer equipment	4,370	1,354	10	5,714	3,137	772	10	3,899	1,815	1,233
	(3,897)	(1,000)	(527)	(4,370)	(2,986)	(677)	(526)	(3,137)	(1,233)	(911)
Vehicles	268	-	73	195	189	30	72	147	48	79
	(365)	0	(97)	(268)	(241)	(42)	(94)	(189)	(79)	(124)
Furniture and fixtures	261	115	-	376	201	24	(1)	226	150	60
	(217)	(44)	-	(261)	(189)	(12)	(1)	(201)	(60)	(28)
	8,339	**1,615**	**84**	**9,870**	**4,864**	**1,054**	**83**	**5,837**	**4,033**	**3,475**
	(6,900)	**(2,071)**	**(632)**	**(8,339)**	**(4,566)**	**(925)**	**(628)**	**(4,864)**	**(3,475)**	**(2,334)**
Intangible assets										
Software	2,164	98	-	2,262	2,024	108	-	2,132	130	140
	(2,094)	(70)	-	(2,164)	(1,850)	(175)	-	(2,024)	(140)	(244)
Total	**10,503**	**1,713**	**84**	**12,132**	**6,888**	**1,162**	**83**	**7,969**	**4,163**	**3,615**
Previous year	(8,994)	(2,141)	(632)	(10,503)	(6,416)	(1,100)	(628)	(6,888)	(3,615)	(2,578)

Note: The title deeds of all the immovable properties are held in the name of Company.

2.1(b) Capital work in progress

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 1 April 2024	Additions	Capitalisation / adjustments	As at 31 March 2025
Capital work in progress (see note below)	9	22	9	22
	(43)	(3)	(37)	(9)

Note:

(Amount in ₹ Lacs unless otherwise stated)

Capital wok 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	22	-		-	22
	(5)	-	-	(4)	(9)

2.1(c) Intangible assets under development

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 1 April 2024	Additions	Capitalisation / adjustments	As at 31 March 2025
Intangible assets under development	59	-	(56)	3
	(38)	(21)	-	(59)

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	3	-		-	3
	(59)	-			(59)

Note:

(i) Figures in bracket pertains to the positions as of 31 March 2024.

Notes forming part of the consolidated financial statements for the year ended 31 March 2025

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 2025				As at 31 March 2024			
	Building	Lease hold land	Cars	Total	Building	Lease hold land	Cars	Total
Opening Balance	381	498	58	937	564	505	72	1,141
Additions	-	-	21	21	-	-	13	13
Addition for lease hold land	-	-	-	-	104	-	-	104
Amortisation	250	8	31	289	290	7	27	324
Translation Difference	-	1	-	1	3	-	-	3
Closing balance	**131**	**491**	**48**	**670**	**381**	**498**	**58**	**937**

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 2025	As at 31 March 2024
Current lease liabilities	112	278
Non-current lease liabilities	88	181
Total	**200**	**459**

(c) The following is the movement in lease liabilities :

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2025	As at 31 March 2024
Opening Balance	459	626
Additions	21	117
Finance cost accrued during the period	32	54
Payment of lease liabilities	(312)	(339)
Translation Difference	-	1
Closing balance	**200**	**459**

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 2025	As at 31 March 2024
Not later than 1 year	125	305
Later than 1 year but not later than 5 years	95	197
More than 5 year	-	-
Total	**220**	**502**

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 ₹ 260 lacs for the year ended 31 March 2025. (previous year ended March 2024 ₹ 218 lacs)

Notes forming part of the consolidated financial statements for the year ended 31 March 2025

2.3 Investment Property

(Amount in ₹ Lacs unless otherwise stated)

PARTICULARS	GROSS CARRYING AMOUNT				ACCUMULATED DEPRECIATION				NET CARRYING AMOUNT	
	As at 1 April 2024	Additions	Deductions/ adjustments (Note (i) & (ii))	As at 31 March 2025	1 April 2024	Depreciation for the year	Deductions/ adjustments (Note (i) & (ii))	As at 31 March 2025	As at 31 March 2025	As at 31 March 2024
Tangible assets										
Leasehold Land	1,118	-	-	1,118	102	13	(1)	114	1,004	1,017
	(1,118)	-	-	(1,118)	(89)	(13)	-	(102)	(1,017)	(1,030)
Buildings	410	-	-	410	127	17	(1)	143	267	283
	(410)	-	-	(410)	(110)	(17)	-	(127)	(283)	(300)
Total	**1,528**	**-**	**-**	**1,528**	**229**	**30**	**(2)**	**257**	**1,271**	**1,300**
Previous year	(1,528)	-	-	(1,528)	(199)	(30)	-	(229)	(1,300)	(1,330)

Note : The title deeds of all the immovable properties are held in the name of Company.

Notes forming part of the consolidated financial statements for the year ended 31 March 2025

Measurement of fair values

(Amount in ₹ Lacs unless otherwise stated)

Particulars	Leasehold Land	Building	Total
At 31 March 2025	5,639	376	6,015
At 31 March 2024	4,934	382	5,316

There is no impairment as the fair value is greater than the net carrying amount of Investment property as at 31 March 2025.

(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 in March 2025.

(iii) Amount recognised in the Statement of Profit and Loss :

Revenue from operation amounting to ₹ 1.45 lacs (Previous year ₹ NIL) is on account of rental income from investment property during the year 31 March 2025 (see note 2.25).

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, 2024.

(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.

2.4 A. NON-CURRENT INVESTMENTS (at cost)

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2025	As at 31 March 2024
- Non trade		
Investment in equity instruments (quoted)		
Equity shares at FVOCI		
2,900,000 (Nil) equity shares of ₹ 10 (₹ nil) each, fully paid up, in Ujjivan Small Finance Bank Limited	**998**	-
NIL (250,000) equity shares of ₹ 10 (₹ 10) each, fully paid up, in Ujjivan Financial Services Limited*	-	**1,191**
*11.60 Equity share against 1 share of Ujjivan Financial Services Limited towards Amalgamation of Ujjivan Financial Services Limited with Ujjivan Small Finance Bank Ltd on record date of May 03 2024.		
Investment in bonds (quoted)		
Bonds securities at Amortised cost		
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	104	105
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	1,149	1,181
j. 7.11% Power Finance Corporation (PFC) Tax Free Bonds 2025	-	53
k. 8.30% Power Finance Corporation (PFC) Tax Free Bonds 2027	1,104	1,137
	3,281	**3,400**
Investment in mutual funds (unquoted)		
Mutual funds at Fair value through profit or loss (FVTPL)		
a. Aditya Birla Sun Life Floating Rate Fund - Growth- Direct	1,434	1,326
b. Axis Banking and PSU Debt Fund - Growth-Direct	1,774	1,638
c. DSP Banking & PSU Debt Fund - Growth- Direct	720	663
d. HDFC Corporate Bond Fund - Growth-Direct	1,239	1,137
e. ICICI Prudential Corporate Bond Fund - Growth-Direct	1,657	1,526
f. ICICI Prudential Gilt Fund - Direct Plan- Growth	3,221	-
g. Kotak Bond Short Term Fund - Growth- Direct	1,427	1,312

Notes forming part of the consolidated financial statements for the year ended 31 March 2025

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2025	As at 31 March 2024
h. Nippon India Floating Rate Fund - Growth- Direct	3,722	3,477
i. SBI Corporate Bond Fund - Growth- Direct	486	446
j. SBI Magnum Gilt Fund- Direct Plan- Growth	3,217	-
k. Tata Short Term Bond Fund - Growth- Direct	2,946	2,713
	21,843	**14,238**
Investment in mutual funds (quoted)		
Target maturity Funds at Amortised cost		
a. ABSL Crisil IBX Gilt Apr 2029 Index Fund - Direct Plan-Growth	2,065	1,928
b. HDFC Nifty G-Sec Dec 2026 Index Fund -Direct Plan-Growth	2,985	2,786
c. ICICI Prudential Nifty G-Sec Dec 2030 Index Fund -Direct Plan-Growth	2,067	1,929
d. SBI Crisil IBX Gilt Index - June 2036 Index Fund -Direct Plan-Growth	1,495	1,393
e. SBI Crisil IBX Gilt Index - April 2029 Index Fund -Direct Plan-Growth	2,526	2,358
f. Tata Crisil IBX Gilt Index - April 2026 Index Fund -Direct Plan-Growth	3,102	2,894
	14,240	**13,288**
Aggregate amount of non current-investments	**40,362**	**32,117**
Aggregate book value of quoted investments	18,519	17,880
Aggregate market value of quoted investments	18,886	18,112
Aggregate value of unquoted investments	21,843	14,238
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)

Particulars	Fair value as at 31 March 2025	Change in fair value during the year ended 31 March 2025	Fair value as at 31 March 2024
Investment in Ujjivan Small Finance Bank Limited*	998	(193)	-
Investment in Ujjivan Financial Services Limited	-	-	1,191

*11.60 Equity share against 1 share of Ujjivan Financial Services Limited towards Amalgamation of Ujjivan Financial Services Limited with Ujjivan Small Finance Bank Ltd on record date of May 03 2024.

No strategic investments were disposed off during the year ended 31 March 2025 as well as in the previous year ended 31 March 2024 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 2025	As at 31 March 2024
2.5 LOANS		
Loans and advances to employees		
Loans Receivables considered good - Unsecured	8	39
	8	**39**

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2025	As at 31 March 2024
2.6 OTHER NON-CURRENT FINANCIAL ASSETS		
(Unsecured considered good unless otherwise stated)		
a. Security deposits	138	244
b. Long-term deposits	12,417	9,744
	12,555	**9,988**

[Long term deposits include ₹ 6 lacs (31 March 2024 ₹ 6 lacs) which are under lien]

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2025	As at 31 March 2024
2.7 INCOME TAX ASSETS (NET)		
Balances with government authorities		
a. Advance tax	875	1,274
	875	**1,274**

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2025	As at 31 March 2024
2.8 OTHER NON CURRENT ASSETS		
(Unsecured, considered good)		
a Capital advances	804	798
b Employee advances	37	39
Less: Provision for doubtful employee advances	(37)	(39)
	-	-
c. Prepaid expenses	126	90
	930	**888**

Notes forming part of the consolidated financial statements for the year ended 31 March 2025

2.9 Current investments - Non trade (At the lower of cost and fair value)

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2025	As at 31 March 2024
-Investment in Mutual Funds (Unquoted)		
Mutual funds at Fair value through profit or loss (FVTPL)		
a. Aditya Birla Sun Life Arbitrage Fund -Direct Plan - Growth	817	757
b. Aditya Birla Sun Life Money Manager Fund - Direct Plan - Growth	3,698	3,477
c. Axis Liquid Fund- Direct Plan- Growth	-	2,782
d. DSP Low Duration Fund - Direct Plan - Growth	-	3,420
e. HDFC Ultra Short term Fund - Direct Plan - Growth	-	1,889
f. HDFC Money Market Fund - Direct Plan - Growth	2,761	2,559
g. HSBC Liquid Fund - Direct Plan - Growth	-	2,357
i. HSBC Overnight Fund - Direct Plan - Growth	701	-
j. ICICI Prudential Money Market Fund - Direct Plan - Growth	3,299	3,058
k. Kotak Equity Arbitrage Fund - Direct Plan - Growth	3,708	-
l. Kotak Liquid Fund - Direct Plan - Growth	489	504
m. Nippon India Liquid Fund-Direct Plan -Growth	-	1,517
n. Nippon India Arbitrage Fund - Direct Plan - Growth	1,670	1,548
o. SBI Arbitrage Opportunities Fund-Direct Plan-Growth	3,278	3,038
p. Tata Arbitrage Fund- Direct Plan - Growth	398	369
q. Tata Liquid Fund - Direct Plan - Growth	-	1,532
r. Tata Treasury Advantage Fund - Direct Plan - Growth	342	697
s. UTI Arbitrage Fund - Direct Plan - Growth	674	625
t. UTI Liquid Fund - Direct Plan - Growth	-	948
u. UTI Money Market Fund - Direct Plan - Growth	1,818	1,685
	23,653	**32,762**
Investment in bonds (quoted)		
Bonds securities at amortised cost		
a. 7.11% Power Finance Corporation (PFC) Tax Free Bonds 2025	53	-
	53	**-**
Investment in Preference Shares (quoted)		
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)
	-	-
Aggregate amount of investments	**23,706**	**32,762**
Aggregate amount of quoted investments	52	-
Aggregate market value of quoted investments	53	-
Aggregate amount of unquoted investments	23,653	32,762
Aggregate amount of impairment in value of quoted investments	601	601

(Amount in ₹ Lacs unless otherwise stated)

Particulars		As at 31 March 2025	As at 31 March 2024
2.10	**CURRENT TRADE RECEIVABLES**		
a.	Considered good - Unsecured	12,443	14,924
	Credit impaired	9	286
		12,452	15,210
	Less: Allowances for doubtful trade receivables/ credit impaired	(9)	(286)
		12,443	**14,924**
b.	Trade receivables - Unbilled		
	Considered good - Unsecured	1,298	1,692
	Credit impaired	69	175
		1,367	1,867
	Less: Allowances for doubtful trade receivables unbilled/ credit impaired	(69)	(175)
		1,298	**1,692**
		13,741	**16,616**

(Amount in ₹ Lacs unless otherwise stated)

	Outstanding for following periods from due date of payment	As at 31 March 2025					
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed Trade receivables – considered good	12,443	-	-	-	-	**12,443**
(ii)	Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	**-**
(iii)	Undisputed Trade Receivables – credit impaired	-	2	7	-	-	**9**
(iv)	Disputed Trade Receivables– considered good	-	-	-	-	-	**-**
(v)	Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	**-**
(vi)	Disputed Trade Receivables – credit impaired		-	-	-	-	**-**
		12,443	**2**	**7**	**-**	**-**	**12,452**
	Less: Provision for doubtful trade receivables						**(9)**
TRADE RECEIVABLES							**12,443**
TRADE RECEIVABLES-Unbilled							**1,298**
							13,741

Notes forming part of the consolidated financial statements for the year ended 31 March 2025

(Amount in ₹ Lacs unless otherwise stated)

Sl. No.	Outstanding for following periods from due date of payment	As at 31 March 2024					
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed Trade receivables – considered good	14,454	363	-		-	**14,817**
(ii)	Undisputed Trade Receivables – which have significant increase in credit risk						-
(iii)	Undisputed Trade Receivables – credit impaired			213			**213**
(iv)	Disputed Trade Receivables– considered good						-
(v)	Disputed Trade Receivables – which have significant increase in credit risk		79		28		**107**
(vi)	Disputed Trade Receivables – credit impaired		61		12		**73**
		14,454	**503**	**213**	**40**	-	**15,210**
	Less: Provision for doubtful trade receivables						**(286)**
TRADE RECEIVABLES							**14,924**
TRADE RECEIVABLES-Unbilled							**1,692**
							16,616

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2025	As at 31 March 2024
2.11 CASH AND CASH EQUIVALENTS		
A. Cash and cash equivalents		
a. Cash on hand (₹ 0.44 Lacs, previous year ₹ 0.11 Lacs)	-	-
b. Remittance in transit	4	0
c. Balances with scheduled banks:		
- in current accounts	82	195
- in EEFC accounts	565	637
- in Escrow accounts	30	30
d. Balance with non scheduled banks in current accounts:		
- Citibank, United Kingdom	3	9
-Citibank, U.A.E	37	48
- Citibank, Singapore	1,403	1,892
- PNC Bank, USA	34	34
- Citibank, USA	350	343
- Bank of Tokyo Mitsubishi, Japan	10	42
- Citibank, Japan	815	179
- Citibank, Australia	505	413

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2025	As at 31 March 2024
- Nedbank, South Africa	38	36
- Citibank, Netherlands	2	2
e. Balances with scheduled banks in deposit accounts with original maturity of less than 3 months	1,168	720
Total - Cash and cash equivalents	**5,046**	**4,580**

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2025	As at 31 March 2024
2.12 OTHER BANK BALANCES		
a. Balances with scheduled banks in earmarked accounts:		
- unclaimed dividend accounts	28	27
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	7,193	2,787
Total - Other bank balances	**7,221**	**2,814**

[Balance with scheduled banks in deposit accounts include ₹ 55 lacs (31 March 2024 ₹ 29 lacs) which are under lien]

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2025	As at 31 March 2024
2.13 LOANS		
(Unsecured)		
a. Loans and advances to employees considered good - Unsecured	34	46
	34	**46**

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2025	As at 31 March 2024
2.14 OTHER CURRENT FINANCIAL ASSETS		
(Unsecured considered good unless otherwise stated)		
a. Security deposit	174	100
b. Mark-to-market gain on forward contracts	6	6
c. Expenses recoverable from customers	16	17
	196	**123**

Notes forming part of the consolidated financial statements for the year ended 31 March 2025

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2025	As at 31 March 2024
2.15 OTHER CURRENT ASSETS		
(Unsecured)		
a. Income accrued but not due		
Considered good	2,111	2,277
Credit impaired	187	34
	2,298	2,311
Less : Provision for income accrued but not due	(187)	(34)
	2,111	**2,277**
b Employee advances	34	45
c. Prepaid expenses (considered good)	1,564	1,115
d. Contract cost	1	34
e. Balances with Government authorities (considered good)		
- GST/ VAT credit receivable	62	7
f. Others		
- Supplier advances		
'Considered good	714	746
g. Deferred payroll	6	11
	4,492	**4,235**

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2025	As at 31 March 2024
2.16 SHARE CAPITAL		
a. Authorised		
Equity shares		
41,100,000 (As at 31 March 2024 - 41,100,000) equity shares of ₹ 10 each	**4,110**	**4,110**
Preference shares	**400**	**400**
4,000,000 (As at 31 March 2024 - 4,000,000) 11% redeemable non cumulative preference shares of ₹ 10 each		
	4,510	**4,510**
b. Issued, Subscribed and Paid-Up		
Issued		
26,328,106 (As at 31 March 2024 - 26,776,124) equity shares of ₹ 10 each	2633	2,678
Subscribed and Paid-Up		
26,325,306 (As at 31 March 2024 - 26,773,324) equity shares of ₹ 10 each	2,633	2,677
	2,633	**2,677**

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 year :-**

Particulars	Opening balance	Extinguishment of equity shares during the year	" Closing balance "
a. For the period ended 31 March, 2025			
- Number of shares	26,773,324	(448,018)	26,325,306
- Amount (In ₹)	267,733,240	(4,480,180)	263,253,060
b. For the year ended 31 March, 2024			
- 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 promotor shareholders in the Company :-**

Particulars	As at 31 March 2025			As at 31 March 2024		
	(Number)	(Percentage)	% Change during the year	(Number)	(Percentage)	% Change during the year
Karmayogi Holdings Private Limited	8,841,768	33.59%	-0.03%	9,000,000	33.62%	0.00%
Madhu Dusad	3,012,313	11.44%	-0.01%	3,066,248	11.45%	0.00%
Nucleus Software Engineers Private Limited	2,385,882	9.06%	0.15%	2,385,882	8.91%	0.00%
Vishnu R Dusad	1,575,325	5.98%	-0.01%	1,603,492	5.99%	0.00%
Ritika Dusad	1,000,000	3.80%	0.06%	1,000,000	3.74%	0.00%
Kritika Dusad	1,000,000	3.80%	0.06%	1,000,000	3.74%	0.00%
Yogesh Andlay	863,534	3.28%	0.05%	863,534	3.23%	0.00%
Nucleus Software Workshop Private Limited	600,000	2.28%	0.04%	600,000	2.24%	0.00%
Naveen Kumar	71,952	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 Private Limited	-	-	-	-	0.00%	-0.01%

(iv) **Number of shares held by shareholders holding more than 5% of the aggregate shares in the Company:-**

Particulars	31 March 2025		31 March 2024	
	(Number)	(Percentage)	(Number)	(Percentage)
Karmayogi Holdings Private Limited	8,841,768	33.59%	9,000,000	33.62%
Madhu Dusad	3,012,313	11.44%	3,066,248	11.45%
Nucleus Software Engineers Private Limited	2,385,882	9.06%	2,385,882	8.91%
Vishnu R Dusad	1,575,325	5.98%	1,603,492	5.99%

Notes forming part of the consolidated financial statements for the year ended 31 March 2025

(v) **Details of forfeited shares**

Particulars	As at 31 March 2025		As at 31 March 2024	
	(Number)	(₹)	(Number)	(₹)
Equity shares with voting rights	2,800	15,000	2,800	15,000

(vi) **EMPLOYEES STOCK OPTION PLAN ("ESOP")**

a. 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.

b.. 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 2025	As at 31 March 2024
2.17 OTHER EQUITY		
a. Capital reserve	89	89
b. Capital Redemption reserve	606	561
c. Retained Earnings	76,689	72,947
d. Other comprehensive Income	1,405	1,470
	78,789	**75,067**

(Amount in ₹ Lacs unless otherwise stated)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
a. Capital reserve		
Opening balance	89	89
Add: addition during the period	-	-
Closing balance	**89**	**89**
b. Capital Redemption reserve		
Opening balance	561	561
Addition during the year	45	-
Closing balance	**606**	**561**
c. Retained Earnings		
Opening balance	72,947	56,807
Add: Profit for the period	16,300	19,160
- Final dividend on equity shares [see note (i) below]	(3,347)	(2,677)
- Buyback of equity shares	(7,235)	-
- Tax on buyback of equity shares	(1,686)	-
- Remeasurement of the defined benefit plans, net	(290)	(343)
Closing balance	**76,689**	**72,947**

(Amount in ₹ Lacs unless otherwise stated)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
d. Other comprehensive Income		
Equity instrument through other comprehensive income	1,166	615
Add: Income for the period	(193)	551
	973	1,166
Foreign currency translation reserve		
Opening balance	300	304
Add: Addition during the year	127	(4)
Closing balance	427	300
Hedging reserve, net		
Opening balance	4	13
Add / (Less) : Effect of foreign exchange rate variations on hedging instruments outstanding at the end of the period	1	(9)
Closing balance	5	4
	1,405	**1,470**
Closing balance	**78,789**	**75,067**

(i) **Dividend**

The Board of Directors on 16 May 2025 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 2025. The payment is subject to approval of shareholders at the ensuing AGM.

The Board of Directors on 23 May 2024 had 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 was approved by shareholders at the annual general meeting held on 15 July 2024. This dividend was paid on 24 July 2024.

(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.

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 period ended 31 March 2025 year ended 31 March 2022 and for the year ended 31 March 2017. 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.

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.

Notes forming part of the consolidated financial statements for the year ended 31 March 2025

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 2025	As at 31 March 2024
2.18 NON CURRENT - PROVISIONS		
Provision for employee benefits		
- Provision for compensated absences	2,350	2,002
- Provision for gratuity	1,678	1,135
Provision for asset retirement obligations	3	3
	4,031	**3,140**

(Amount in ₹ Lacs unless otherwise stated)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
2.19 DEFERRED TAX LIABILITIES (NET)		
A. Amounts recognised in profit or loss		
Current tax	4,763	5,750
Deferred tax	842	670
Net tax expense	**5,605**	**6,420**
B. Income tax recognised in other comprehensive income		
Remeasurements of net defined benefit plans	148	63
Effective portion of gain/ (loss) on hedging instruments of effective cash flow hedges(net of tax)	(2)	3
Income tax recognised in other comprehensive income	**146**	**66**

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 2025	Percentage	For the year ended 31 March 2024
Profit before tax		**21,905**		**25,580**
Computed tax expense	25.17%	5,513	25.17%	6,438
Effect of exempt non-operating income	-0.72%	(157)	-0.31%	(80)
Effect of non- deductible expenses	1.10%	242	0.59%	151
Taxes on income at different rates	-0.79%	(174)	-0.77%	(198)
Tax effect due to non taxable income for Indian tax purpose	0.50%	110	-0.04%	(10)
Tax reversals, overseas and domestic	0.00%	-	0.48%	122
Change in tax rate and others	0.12%	26	0.00%	-
Effect of subsidiaries different tax rates	0.21%	45	-0.01%	(3)
Effective tax	**25.59%**	**5,605**	**25.10%**	**6,420**

2.19 DEFERRED TAX LIABILITIES (NET)

(Amount in ₹ Lacs unless otherwise stated)

Particular		Opening As at 1 April 2024	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 2025
a.	**Deferred tax assets**					
	Provisions- compensated absences, gratuity and other employee benefits	590	(32)	110	-	668
	Provision for doubtful trade receivables / loans and service income accrued but not due and others	253	(62)	-	-	191
	Trade receivables, security deposit and loans at amortised cost	13	-	-	-	13
	Lease liability	8	2	-	-	10
		864	**(92)**	**110**	**-**	**882**
b.	**Deferred tax liabilities**					
	Property, plant and equipment	60	(43)	-	-	17
	Forward contracts	(2)	-	(2)	-	(4)
	Investments	(1,769)	(715)	38	-	(2,446)
		(1,711)	**(758)**	**36**	**-**	**(2,433)**
	Net Deferred tax Asset/(Liability)	**(847)**	**(850)**	**146**	**-**	**(1,551)**
a.	**Deferred tax assets**					
	Provisions- compensated absences, gratuity and other employee benefits	37	8	-	-	45
	Accruals and others	7	-	-	-	7
	Net Deferred tax Asset/(Liability)	**44**	**8**	**-**	**-**	**52**
	Total Deferred tax Asset/(Liability)	**(803)**	**(842)**	**146**	**-**	**(1,499)**

(Amount in ₹ Lacs unless otherwise stated)

Particular		Opening As at 1 April 2023	Recognised [(Credited)/ Charge] in profit or loss during the period	Recognised [(Credited)/ Charge] in OCI during the period	MAT created / (utilised) during the period	As at 31 March 2024
a.	**Deferred tax assets**					
	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
	Forward contracts	-	-	-	-	-
	MAT credit entitlement	-	-	-	-	-
	Trade receivables, security deposit and loans at amortised cost	14	(1)	-	-	13
	Lease liability	4	4	-	-	8
		688	**74**	**102**	**-**	**864**

Notes forming part of the consolidated financial statements for the year ended 31 March 2025

(Amount in ₹ Lacs unless otherwise stated)

	Particular	Opening As at 1 April 2023	Recognised [(Credited)/ Charge] in profit or loss during the period	Recognised [(Credited)/ Charge] in OCI during the period	MAT created / (utilised) during the period	As at 31 March 2024
b.	**Deferred tax liabilities**					
	Property, plant and equipment	67	(7)	-	-	60
	Forward contracts	(4)	-	3	-	(2)
	Investments	(1,004)	(726)	(39)	-	(1,769)
		(941)	**(733)**	**(36)**	**-**	**(1,711)**
	Net Deferred tax Asset/(Liability)	**(253)**	**(659)**	**66**	**-**	**(847)**
a.	**Deferred tax assets**					
	Provisions- compensated absences, gratuity and other employee benefits	51	(14)	-	-	37
	Accruals and others	4	3	-	-	7
	Net Deferred tax Asset/(Liability)	**55**	**(11)**	**-**	**-**	**44**
a.	**Deferred tax assets**					
	Brought forward losses	-	-	-	-	-
	MAT credit entitlement	-		-	-	-
		-	-	-	-	-
b.	**Deferred tax liabilities**					
	Property, plant and equipment and Investment property	-	-	-	-	-
	Rent Equilization reserve	-	-	-	-	-
		-	-	-	-	-
	Net Deferred tax Asset/(Liability)	**-**	**-**	**-**	**-**	**-**
	Total Deferred tax Asset/(Liability)	**(198)**	**(670)**	**66**	**-**	**(803)**

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2025	As at 31 March 2024
2.20 TRADE PAYABLES		
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	67	315
Accrued expenses	1,223	1,331
	1,290	**1,646**

Note 1 : Aging for Trade payable outstanding as at 31 March 2025 is as follows:

Outstanding for following period from due date	Not Due	As at 31 March 2025				
		Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	38	28	1	-	-	67
(iii) Disputed dues MSME	-	-	-	-	-	-
(iv) Disputed dues others	-	-	-	-	-	-
Total	38	28	1	-	-	67
Accrued expenses						1,223
Total						1,290

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				
		Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	138	177	-	-	-	315
(iii) Disputed dues MSME	-	-	-	-	-	-
(iv) Disputed dues others	-	-	-	-	-	-
Total	138	177	-	-	-	315
Accrued expenses						1,331
Total						1,646

Relationship with the struck off companies

No transactions with struck off companies during the year ended 31 March 2025 (NIL in previous year ended 31 March 2024).

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2025	As at 31 March 2024
2.21 OTHER CURRENT FINANCIAL LIABILITIES		
a. Unpaid dividends	28	27
b. Payable for purchase of fixed assets	178	25
c. Employee payable	5,006	4,556
	5,212	**4,608**

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2025	As at 31 March 2024
2.22 CURRENT PROVISIONS		
Provision for employee benefits		
- Provision for compensated absences	534	490
Provision for asset retirement obligations	22	22
	556	**512**

Notes forming part of the consolidated financial statements for the year ended 31 March 2025

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2025	As at 31 March 2024
2.23 CURRENT TAX LIABILITIES (NET)		
Provision for tax	925	33
	925	**33**

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2025	As at 31 March 2024
2.24 OTHER CURRENT LIABILITIES		
a. Advance from customers / Advance billings	6,158	8,750
b. Deferred revenue	12,280	11,815
c. Other payables - statutory liabilities	1,722	1,892
	20,160	**22,457**

(Amount in ₹ Lacs unless otherwise stated)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
2.25 REVENUE FROM OPERATIONS		
Software products and services (see note 2.38)		
- Sale of products	71,379	71,140
- Sale of services	11,845	11,505
Other revenue	1	-
	83,225	**82,645**

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
- prolonged lock-down situation resulting in its inability to deploy resources at different locations due to restrictions in mobility
- 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 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 2025, other than those meeting the exclusion criteria is ₹ 9,250 Lacs, out of which 58% is expected to be recognised as revenue in the next year and the balance thereafter. The aggregate value of transaction price allocated to unsatissfied (or paritally satisfied) performatnce obligation 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.

Changes in contract assets (income accrued but not due) are as follows:

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2025	As at 31 March 2024
Balance at the beginning of the year	2,311	1,606
Revenue recognised during the year	11,690	27,319
Invoices raised during the year	(12,356)	(26,104)
Translation exchange difference	29	(1,777)
Movement of contract assets	623	1,267
Impairment of a contract asset	-	-
Balance at the end of the year	**2,297**	**2,311**

Changes in contract liabilities (unearned and deferred revenue) are as follows:

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2025	As at 31 March 2024
Balance at the beginning of the year	20,565	14,356
Revenue recognised during the year	(66,416)	(53,889)
Invoices raised during the year	63,642	58,839
Translation exchange difference	23	(38)
Other movement liability	623	1,297
Impairment of liability	-	-
Balance at the end of the year	**18,437**	**20,565**

(Amount in ₹ Lacs unless otherwise stated)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
2.26 OTHER INCOME		
a. Interest income on		
- Deposits with banks and others	1,381	324
- Tax free bonds	182	316
- Target maturity fund	951	888
- others	25	24
b. Interest income on Income tax refund	47	0

Notes forming part of the consolidated financial statements for the year ended 31 March 2025

(Amount in ₹ Lacs unless otherwise stated)

Particulars		For the year ended 31 March 2025	For the year ended 31 March 2024
c.	Dividend income from	-	-
	- Current, non trade investments	44	44
	- Non-current, non trade investment		
d.	Net gain on sale of investments		
	- Non-current, non trade investment	-	-
	- Profit on Sale of Mutual Funds	122	75
e.	MTM gain or (loss) on mutual funds		
	- Current, non trade investments	2,145	2,118
	- Non-current, non trade investment	1,655	1,047
f.	- Gain / (Loss) on exchange fluctuation	57	28
	- Net profit on sale of property, plant and equipment	-	67
	- Premium on Forward Contracts	-	-
	- Deferred lease income on Security deposit received	-	-
	- Miscellaneous income	17	159
		6,626	**5,090**

(Amount in ₹ Lacs unless otherwise stated)

Particulars		For the year ended 31 March 2025	For the year ended 31 March 2024
2.27	**EMPLOYEE BENEFITS EXPENSE**		
a.	Salaries and wages	48,810	44,972
b.	Contribution to provident and other funds	3,152	2,763
c.	Gratuity expense (see note 2.41)	670	624
d.	Staff welfare expenses	832	747
		53,464	**49,106**

(Amount in ₹ Lacs unless otherwise stated)

Particulars		For the year ended 31 March 2025	For the year ended 31 March 2024
2.28	**OPERATING AND OTHER EXPENSES**		
a.	Outsourced technical service expense	616	596
b.	Cost of software purchased for delivery to clients	14	38
c.	Power and fuel	383	344
d.	Rent (see note 2.2)	260	218
e.	Repair and maintenance		
	- Buildings	53	66
	- Others	468	400

(Amount in ₹ Lacs unless otherwise stated)

Particulars		For the year ended 31 March 2025	For the year ended 31 March 2024
f.	Insurance	112	136
g.	Rates and taxes	81	42
h.	Travel expenses	1,804	1,525
i.	Advertisement, business development and promotion	561	277
j.	Legal and professional	1,643	1,702
k.	Directors remuneration	301	321
l.	Conveyance	89	69
m.	Communication	168	150
n.	Training and recruitment	649	431
o.	Conference, exhibition and seminar	727	619
p.	Information technology expenses	4,124	3,374
q.	Provision for doubtful trade receivables/advances/other current assets	(160)	125
r.	Withholding tax charged off	467	562
s.	Commission to channel partners	82	90
t.	Expenditure on Corporate Social Responsibility (see note 2.41)	277	213
u.	Miscellaneous expenses	207	201
		12,926	**11,499**
Non Executive Directors			
a.	Commission	172	212
b.	Sitting fees	129	109
		301	**321**

(Amount in ₹ Lacs unless otherwise stated)

Particulars		For the year ended 31 March 2025	For the year ended 31 March 2024
2.29	**FINANCE COST**		
a.	Bank charges	43	41
b.	Interest expense on lease liability	32	54
		75	**95**

2.30 Financial Instruments

a) Financial Instruments by category

The carrying value and fair value of financial instruments by categories of 31 March 2025 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
Assets:								
Cash and cash equivalents (2.11)	5,046	-	-	5,046	5,046	-	-	-
Other bank balances (2.12)	7,221	-	-	7,221	7,221	-	-	-
Investments (2.4 and 2.9)								
Equity Instruments	-	-	998	998	998	998	-	-
Tax free bonds	3,333	-	-	3,333	3,352	3,352	-	-
Mutual funds	-	45,496	-	45,496	45,496	45,496	-	-
Target maturity funds (TMFs)	14,240	-	-	14,240	14,536	14,536	-	-
Preference shares	-	-	-	-	-	-	-	-
Trade receivables (2.10)	13,741	-	-	13,741	13,741	-	-	-
Loans (2.5 and 2.13)	42	-	-	42	42	-	-	-
Other financial assets (2.6 and 2.14)	12,744	-	6	12,750	12,750	-	-	-
	56,367	**45,496**	**1,004**	**102,867**	**103,182**	**64,382**	**-**	**-**
Liabilities:								
Trade payables (2.20)	1,290	-	-	1,290	1,290	-	-	-
Lease liabilities	200	-	-	200	200	-	-	-
Other financial liabilities (2.21)	5,212	-	-	5,212	5,212	-	-	-
	6,702	**-**	**-**	**6,702**	**6,702**	**-**	**-**	**-**

The carrying value and fair value of financial instruments by categories of 31 March 2024 were as follows:

Notes forming part of the consolidated financial statements for the year ended 31 March 2025

(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
Assets:								
Cash and cash equivalents (2.11)	4,580	-	-	4,580	4,580	-	-	-
Other bank balances (2.12)	2,814	-	-	2,814	2,814	-	-	-
Investments (2.2 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	-	-	-
	50,889	**47,000**	**1,197**	**99,085**	**99,317**	**65,112**	**-**	**-**
Liabilities:								
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	-	-	-
	6,713	**-**	**-**	**6,713**	**6,713**	**-**	**-**	**-**

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

Notes forming part of the consolidated financial statements for the year ended 31 March 2025

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.

The year end foreign currency exposures are given below :

Currency	As at 31 March 2025		As at 31 March 2024	
	Amount in foreign currency in lacs	Amount in ₹ in lacs	Amount in foreign currency in lacs	Amount in ₹ in lacs
Receivable				
USD	84	7,170	73	6,060
EUR	2	179	3	265
MYR	41	798	0	7
SGD	-	-	0	4
JPY	6	3	5	3
AED	1	27	5	106
GBP	0	2	13	1,331
AUD	18	987	1	42
SAR	3	57	3	56
THB	0	1	0	0
CAD	-	-	0	3
PHP	1	1	1	1
IDR	8	0	6	0
Payable				
USD	2	209	1	68
EUR	1	48	1	90
MYR	0	1	1	22
GBP	0	5	0	2
SGD	-	-	0	2
AED	0	6	2	45
CAD	-	-	0	1
JPY	3	2	2	1
AUD	0	1	0	2
PHP	2	2	5	6
THB	0	0	0	0
IDR	102	1	36	0
SAR	0	0	0	1

Cash flow sensitivity of currency risk

For the year ended 31 March 2025 and 31 March 2024, 10% depreciation / appreciation in the exchange rate between the Indian rupee and Foreign currencies, would have affected the Group's total comprehensive income by ₹ 895 lacs and ₹ 764 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 2025

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)

Particulars	Impact on profit before tax		Impact on other components of equity	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
Increase 2%				
Mutual funds	910	940		-
Equity instruments (other than subsidiaries)			20	24
Decrease 2%				
Mutual funds	(910)	(940)		-
Equity instruments (other than subsidiaries)			(20)	(24)

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 2025	Equivalent amount in ₹ 31 March 2025	As at 31 March 2024	Equivalent amount in ₹ 31 March 2024
In USD (Amount in USD lacs)	Sell	32.50	2,777	35.00	2,919

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 2025	Equivalent amount in ₹ 31 March 2025	As at 31 March 2024	Equivalent amount in ₹ 31 March 2024
Not later than one month	5.00	427	7.50	626
Later than one month and not later than three months	15.00	1,282	12.50	1,043
Later than three months and not later than one year	12.50	1,068	15.00	1,251

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 2025:

(Amount in ₹ Lacs unless otherwise stated)

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Balance at the beginning of the year	4	13
Gain / (Loss) recognised in other comprehensive income during the year	1	(9)
Balance at the end of the year	5	4

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 2025	Year ended 31 March 2024
Changes in the value of the hedging instrument recognised in other comprehensive income profit or (loss), net	2	(11)
Hedge ineffectiveness recognised in profit or (loss)	-	-
Amount reclassified from cash flow hedging reserve to profit or (loss)	(45)	(20)

The following table provides quantitative information about offsetting of derivative financial assets

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2025	As at 31 March 2024
Gross amount of recognized financial asset/ (financial liabilities)	6	6
Net amount presented in balance sheet	6	6

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 2025

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 ₹ 13,742 lacs and ₹ 16,616 lacs as of 31 March 2025 and 31 March 2024 respectively and unbilled revenue/ income accrued but not due amounting to ₹ 2,111 lacs and ₹ 2,277 lacs as of 31 March 2025 and 31 March 2024 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 2025	Year ended 31 March 2024
	(in %)	(in %)
Revenue from top customer	7.59%	6.13%
Revenue from top five customers	26.96%	23.69%

Credit risk exposure

a) The lifetime expected credit loss on trade receivable for the year ended 31 March 2025 is ₹ (262) lacs and for the year ended 31 March 2024 was ₹ 204 lacs.

(Amount in ₹ Lacs unless otherwise stated)

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Balance at the beginning	286	103
Impairment loss recognised/ reversed	(262)	204
Amounts written off	(15)	(21)
Balance at the end	9	286

b) The lifetime expected credit loss on income accrued but not due / unbilled revenue for the period ended 31 March 2025 is ₹ 204 lacs and for the year ended 31 March 2024 was ₹ (193 lacs).

(Amount in ₹ Lacs unless otherwise stated)

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Balance at the beginning	34	228
Impairment loss recognised/ reversed	204	(193)
Amounts written off	(51)	-
Balance at the end	187	34

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.

a) Expected credit loss for loans, security deposits and Investments

As at 31 March 2025 (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	17,521	0%	-	17,521
		Loans to employee	8	0%	-	8
		Security deposits	138	0%	-	138
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 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)	-

Notes forming part of the consolidated financial statements for the year ended 31 March 2025

b) **Expected credit loss for trade receivables under simplified approach**

As at 31 March 2025 (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	8,248	4,165	27	5	-	7	12,452
Expected credit losses (Loss allowance provision)	-	-	-	2	-	7	9
Carrying amount of trade receivables (net of impairment)	8,248	4,165	27	3	-	-	12,443
TRADE RECEIVABLES-Unbilled	-	866	253	99	80	-	1,298
							13,741

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	1,458	511	(9)	29	14,924
TRADE RECEIVABLES-Unbilled	-	1,193	306	192	-	-	1,692
							16,616

c) **Expected credit loss for Service income accrued but not due under simplified approach**

As at 31 March 2025 (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	1,447	188	141	72	450	2,298
Expected credit losses (Loss allowance provision)	-	-	-	-	187	187
Carrying amount of trade receivables (net of impairment)	1,447	188	141	72	263	2,111

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

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, 2025 the Group had a working capital of ₹ 26,181 lacs including cash and cash equivalent of ₹ 5,046 lacs and current investment of ₹ 23,706 lacs (31 March 2024 ₹ 31,642 lacs lacs including cash and cash equivalents of ₹ 5,049 lacs and current investments of ₹ 32,762 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 2025:

(Amount in ₹ Lacs unless otherwise stated)

Particulars	Less than 1 year	1-2 years	Total
Trade payables	1,290	-	**1,290**
Lease Liability	112	88	**200**
Other financial liabilities	5,212	-	**5,212**

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**

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 monitors the return on capital, which the Company defines as result from operating activities divided by total shareholders' equity.

Notes forming part of the consolidated financial statements for the year ended 31 March 2025

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 it 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 2025	For the year ended 31 March 2024
Equity Shares		
(i) Final dividend of ₹ 12.50 per share (Previous year ₹ 10 per share) (On equity share of ₹ 10 each) (see note 2.17 (i))	3,347	2,677
(ii) Dividend not recognised at the end of reporting period (see note 2.17 (i))	3,291	3,347

(Amount in ₹ Lacs unless otherwise stated)

Particulars	As at 31 March 2025	As at 31 March 2024
2.31 Contingent liabilities & commitments (to the extent not provided for)		
a. **Contingent liabilities**	489	687
Notes : As on 31st March 2025, claims against the company not acknowledged as debts in respect of income tax matters amounted to ₹ 402 Lacs (Previous Year As on 31st March 2024 was ₹ 640 lacs) and in respect of goods and service tax matters amounted to ₹ 87 lacs (Previous Year As on 31st March 2024 was ₹ 47 lacs). 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.		
b. **Capital Commitments**	437	384
Estimated amount of contracts remaining to be executed on capital account and not provided for in the books of account (net of advances).		

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

iii 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 2025	Year ended 31 March 2024
2.32 Auditors Remuneration (excluding tax)			
a.	As auditors - statutory audit and quarterly audits (refer note below)	69	68
b.	For other services	5	6
c.	Reimbursement of expenses	6	7
		80	**81**

Note:
Includes payment to other auditors ₹ 31 lacs (previous year ended 31 March 2024 ₹ 31 lacs)

2.33 Earnings per share

(Amount in ₹ Lacs unless otherwise stated)

Particulars		Year ended 31 March 2025	Year ended 31 March 2024
a.	Profit after taxation available to equity shareholders (₹ in lacs)	16,300	19,160
b.	Weighted average number of equity shares used in calculating basic earnings per share (Numbers)	26,548,701	26,773,324
c.	Effect of dilutive issue of shares	-	-
d.	Weighted average number of equity shares used in calculating diluted earnings per share	26,548,701	26,773,324
e.	Basic earnings per share (₹)	61.40	71.56
f.	Diluted earnings per share (₹)	61.40	71.56

2.34 RELATED PARTY TRANSACTIONS

Key managerial personnel:

- Vishnu R Dusad (Managing Director)
- Ravi Pratap Singh (Whole time Director) (till 25.07.2024)
- Anurag Mantri (Whole time Director, COO and CFO (CFO till 07.05.2024)
- Poonam Bhasin (Company Secretary)
- Parag Bhise (Whole time Director and CEO)
- Dr. Ritika Dusad (Whole time Director)
- Surya Prakash Kanodia appointed as CFO w.e.f. 08.05.2024
- Prithvi Pal Singh Haldea (Non Executive Director) (till 25.07.2024)
- Prof. Trilochan Sastry (Non Executive Director) (till 25.07.2024)
- Elaine Mathias (Non Executive Director) (till 19.09.2024)
- 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
- Mark McCoy (Director, Subsidiary Company)

Notes forming part of the consolidated financial statements for the year ended 31 March 2025

Others :

- 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)

(Amount in ₹ Lacs unless otherwise stated)

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Transactions with related parties		
a. Salary and other benefits to Key managerial personnel		
Short-term employee benefits	1,539	1,388
Contribution to provident and other funds	45	42
	1,584	**1,429**
Note: Above employee benefits includes charge taken from subsidiary company Nucleus Software Solutions Pte. Ltd. for services by Whole time Director, COO and CFO)		
b. Remuneration to other Non Executive Directors		
- Commission	172	212
- Sitting fees	129	109
	301	**321**
c. Expenditure on Corporate Social Responsibility		
- Nucleus Software Foundation	277	213
	277	**213**
d. Legal and professional		
- Praxis Consulting and Information services Pvt Ltd	5	5
	5	**5**
e. Buyback of shares		
- Madhu Dusad (person acting in concert) - no of shares 53,935	871	-
- Karmayogi Holdings Private Limited (person acting in concert) - no of shares 1,58,232	2,555	-
- Vishnu R Dusad (Managing Director) - no of shares 28,167	455	-
	3,881	**-**
Outstanding balances As at year end		
a. Remuneration to Non Executive Directors		
- Commission payable	172	212
	172	**212**

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.

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 2025 ₹ 3,329 lacs (Previous year ended 31 March 2024 ₹ 2,801 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 2025

(Amount in ₹ Lacs unless otherwise stated)

Description	India	Far East	South East Asia	Europe	Middle East	Africa	Australia	Others	Total
Revenue from operations	48,000	2,907	9,904	4,941	9,147	823	2,441	5,062	83,225
Expenses	18,766	2,442	11,344	3,190	8,380	212	1,538	3,082	48,954
Segment result	**29,234**	**465**	**(1,440)**	**1,751**	**767**	**611**	**903**	**1,980**	**34,271**
Unallocated corporate expenditure									18,992
Operating profit before tax									**15,279**
Other income									6,626
Profit before tax									**21,905**
Tax Expense									
Net current tax expense									4,763
Net deferred tax credit									842
									5,605
Profit for the year									**16,300**

Notes forming part of the consolidated financial statements for the year ended 31 March 2025

b 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
Segment result	**29,769**	**14**	**(773)**	**1,833**	**2,207**	**795**	**1,722**	**2,215**	**37,782**
Unallocated corporate expenditure									17,292
Operating profit before tax									**20,490**
Other income									5,090
Profit before tax									**25,580**
Tax Expense									
Net current tax expense									5,750
Net deferred tax credit									670
									6,420
Profit for the year									**19,160**

Revenue from top customers, who are contributing more than 10% of total revenue, are presented segmentwise as follows:

For the year ended 31 March 2025

(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 2024

No customer individually accounted for more than 10% of the total revenue.	-	-	-	-	-	-	-		-

Assets and liabilities of reportable primary segment are as follows:

a. **As at 31 March 2025**

(Amount in ₹ Lacs unless otherwise stated)

Description	India	Far East	South East Asia	Europe	Middle East	Africa	Australia	Others	Total
Segment assets	7,789	542	3,515	355	2,183	378	980	2,209	17,951
Unallocated corporate assets									97,344
Total assets									**115,295**
Segment liabilities	14,193	350	4,305	373	4,796	295	1,418	1,770	27,500
Unallocated corporate liabilities									6,373
Total liabilities									**33,873**
Capital employed									**81,422**

b. **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
Total assets									**111,402**
Segment liabilities	16,823	1,106	4,893	453	3,964	193	364	662	28,458
Unallocated corporate liabilities									5,200
Total liabilities									**33,658**
Capital employed									**77,744**

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 2025**

(Amount in ₹ Lacs unless otherwise stated)

Description	India	Far East	South East Asia	Europe	Middle East	Africa	Australia	Others	Total
Capital expenditure	1,673	1	20	-	-	-	-	-	1,694
Total capital expenditure									1,694
Depreciation and amortisation expenditure	1,415	52	14	-	-	-	-	-	1,481
Total depreciation									1,481
Segment non-cash expense other than depreciation	150	115	173	-	52	(183)	-	0	307
Total non cash expenditure other than depreciation	**150**	**115**	**173**	**-**	**52**	**(183)**	**-**	**0**	**307**

Notes forming part of the consolidated financial statements for the year ended 31 March 2025

b. 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**
Total non cash expenditure other than depreciation	**1**	**242**	**298**	**-**	**16**	**130**	**-**	**0**	**687**

Information in respect of secondary segment

Information for business segments

(Amount in ₹ Lacs unless otherwise stated)

Description	Products	Software projects and services	Total
a. **For the year ended 31 March 2025**			
Revenue	71,379	11,846	**83,225**
Carrying amount of segment assets	15,396	2,555	**17,951**
b. **For the year ended 31 March 2024**			
Revenue	71,140	11,505	**82,645**
Carrying amount of segment assets	17,765	2,873	**20,638**

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 2025

(Amount in ₹ Lacs unless otherwise stated)

Description	India	Far East	South East Asia	Europe	Middle East	Africa	Australia	Others	Total
Revenue from operations	48,000	2,907	9,904	4,941	9,147	823	2,441	5,062	83,225

(ii) 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

* 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
a. For the year ended 31 March 2025			
Revenue	71,379	11,846	83,225
b. For the year ended 31 March 2024			
Revenue	71,140	11,505	82,645

* 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 ₹ 2,511 lacs for the year ended 31 March, 2025 (Year ended 31 March, 2024 ₹ 2,243 lacs), have been recognized as an expense in respect of Group's contribution towards Provident Fund and ₹ 0.09 lacs (Year ended 31 March, 2024 ₹ 0.19 lacs) has been recognised as an expense in respect of Employee State Insurance Fund & ₹ 477 lacs year ended 31 March 2025 (Year ended 31 March 2024 ₹ 355 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.

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 2025.

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 2025

Reconciliation of opening and closing balances of the present value of the defined benefit obligation as on 31 March 2025 :

(Amount in ₹ Lacs unless otherwise stated)

Particulars		As at 31 March 2025	As at 31 March 2024
a.	**Change in defined benefit obligations (DBO)**		
	Obligation at beginning of the year	6,047	5,064
	Current service cost	596	512
	Interest cost	405	337
	Remeasurement due to:	-	-
	Actuarial loss/(gain)arising from change in financial assumptions	234	60
	Actuarial loss/(gain)arising from change in demographic assumptions	-	(58)
	Actuarial loss/(gain)arising on account of experience changes	240	442
	Benefits paid	(415)	(310)
	Obligation at year end	**7,107**	**6,047**
b.	**Change in Plan Assets**		
	Plan assets at year beginning, at fair value	4,912	4,078
	Expected return on asset plan	330	272
	Contributions by employer	565	834
	Remeasurement due to :	-	-
	Actuarial return on plan assets less interest on plan assets	37	38
	Benefits paid	(415)	(310)
	Plan assets at year end, at fair value	**5,429**	**4,912**
c.	**Net asset / (liability) recognised in the Balance Sheet**		
	Present value of defined benefit obligation	7,107	6,047
	Fair value of plan assets	5,429	4,912
	Funded status- Surplus/ (Deficit)	(1,678)	(1,135)
	Unrecognised past service costs	-	-
	Net liability recognised in the Balance Sheet	**(1,678)**	**(1,135)**
d.	**Expected employer's contribution next year**	**200**	**200**

e. **Expense recognised in Profit or Loss**

(Amount in ₹ Lacs unless otherwise stated)

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Current service cost	596	512
Interest cost	74	65
Net gratuity cost	**670**	**577**

f. **Remeasurements income recognised in other comprehensive income:**

(Amount in ₹ Lacs unless otherwise stated)

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Actuarial (gain) loss on defined benefit obligation	475	444
Return on plan assets excluding interest income	(37)	(38)
	438	**406**

Actuarial assumptions for gratuity and long-term compensated absence

Particulars	As at 31 March 2024	As at 31 March 2023
g. **Economic assumptions :**		
Discount rate	6.70%	7.20%
Salary escalation rate	10.00%	10.00%

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)

* In cases of retirement extension, gratuity will be disbursed after the employee's final working day with the organization.

i.	**Withdrawal rates**	Ages - Withdrawal Rate (%)	Ages - Withdrawal Rate (%)
		21-50 years - 11%	21-50 years - 11%
		51-57 years - 8%	51-54 years - 8%
			55-57 years - 8%
j	**Category of asset**		
	Insurer Managed Funds	5,429	4,912

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 2025

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 2025		Year ended 31 March 2024	
	Increase	Decrease	Increase	Decrease
Increase/(Decrease) in obligation with 0.5% movement in discount rate	(227)	258	(190)	216
Increase/(Decrease) in obligation with 0.5% movement in future rate of increase in compensation levels	113	(110)	100	(98)

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 2025	Year ended 31 March 2024
Income from software product and services	83,225	82,645
Software development expenses *	56,870	51,100
Gross Profit	**26,355**	**31,545**
Selling and marketing expenses	3,613	3,659
General and administration expenses	5,982	5,941
Operating profit before depreciation	**16,760**	**21,945**
Depreciation and amortisation expense	1,481	1,455
Operating profit after depreciation	**15,279**	**20,490**
Other income	6,626	5,090
Profit before tax	**21,905**	**25,580**
Tax expense:		
Net current tax expense	4,763	5,750
Net deferred tax credit	842	670
	5,605	**6,420**
Profit for the year	**16,300**	**19,160**

* Includes indirect expenses which have been allocated on a reasonable basis.

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
Holding Company				
Nucleus Software Exports Limited	78,333	96%	16,176	99%
Domestic Subsidiary				
1. Nucleus Software Ltd.	1,285	2%	(60)	0%
Foreign Subsidiaries				
1. Nucleus Software Inc., USA	381	0%	(2)	0%
2. Nucleus Software Australia Pty. Limited	516	1%	32	0%
3. Nucleus Software Netherlands B.V.	(11)	0%	(5)	0%
4. Nucleus Software Japan K.K	864	1%	418	3%
5. Nucleus Software Solutions Pte. Ltd, Singapore	1,552	2%	177	1%
6. Nucleus Software South Africa Pty. Ltd.	38	0%	(0)	0%
Adjustment arising out of consolidation	(1,536)	-2%	(436)	-3%
Nucleus Software Exports Limited (Consolidated)	**81,422**		**16,300**	

(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
Holding Company				
Nucleus Software Exports Limited	(483)	136%	15,693	98%
Domestic Subsidiary				
1. Nucleus Software Ltd.	-	-	(60)	-
Foreign Subsidiaries				
1. Nucleus Software Inc., USA	-	-	(2)	0%
2. Nucleus Software Australia Pty. Limited	-	-	32	0%
3. Nucleus Software Netherlands B.V.	-	-	(5)	0%
4. Nucleus Software Japan K.K	-	-	418	3%
5. Nucleus Software Solutions Pte. Ltd, Singapore	-	-	177	1%
6. Nucleus Software South Africa Pty. Ltd.	-	-	(0)	0%
Non-controlling Interests in all subsidiaries	127	-36%	(309)	-2%
Nucleus Software Exports Limited (Consolidated)	**(356)**		**15,944**	

Notes forming part of the consolidated financial statements for the year ended 31 March 2025

2.41 EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY

(Amount in ₹ Lacs unless otherwise stated)

Particulars		Year ended 31 March 2025	Year ended 31 March 2024
a.	Gross amount required to be spent by Group during the year ended 31 March, 2025 / 31 March, 2024 :	277	213
b.	Amount approved by the Board to be spent during the year	277	213
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	277	213
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	277	213

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 : 16 May 2025

For and on behalf of the Board of Directors
NUCLEUS SOFTWARE EXPORTS LIMITED

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 : Noida
Date : 16 May 2025

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, 2024 to 31 March, 2025	
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year :	AUD = INR 53.80	
		AUD	**INR**
4	Share capital	100,000	5,380,000
5	Reserves & surplus	859,323	46,231,577
6	Total assets	1,340,419	72,114,542
7	Total Liabilities	381,096	20,502,965
8	Investments	-	-
9	Turnover	1,084,286	58,334,587
10	Profit/(Loss) before taxation	85,979	4,625,670
11	Provision for taxation	25,654	1,380,185
12	Profit/(Loss) after taxation	60,325	3,245,485
13	Proposed Dividend	350,000	18,830,000
14	% of shareholding	100%	100%

1	Name of the subsidiary	NUCLEUS SOFTWARE NETHERLANDS B.V.	
2	Reporting period for the subsidiary :	1 April, 2024 to 31 March, 2025	
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year :	Euro = INR 92.09	
		Euro	**INR**
4	Share capital	750,000	69,067,500
5	Reserves & surplus	(761,672)	(70,142,374)
6	Total assets	2,874	264,667
7	Total Liabilities	14,546	1,339,541
8	Investments	-	-
9	Turnover	-	-
10	Profit/(Loss) before taxation	(5,057)	(465,699)
11	Provision for taxation	-	-
12	Profit/(Loss) after taxation	(5,057)	(465,699)
13	Proposed Dividend	-	-
14	% of shareholding	100%	100%

1	Name of the subsidiary	NUCLEUS SOFTWARE INC.
2	Reporting period for the subsidiary :	1 April, 2024 to 31 March, 2025
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year :	USD = INR 85.46

		USD	INR
4	Share capital	350,000	29,911,000
5	Reserves & surplus	95,715	8,179,804
6	Total assets	465,218	39,757,530
7	Total Liabilities	19,503	1,666,726
8	Investments	-	-
9	Turnover	55,346	4,729,869
10	Profit/(Loss) before taxation	(1,293)	(110,500)
11	Provision for taxation	500	42,730
12	Profit/(Loss) after taxation	(1,793)	(153,230)
13	Proposed Dividend	-	-
14	% of shareholding	100%	100%

1	Name of the subsidiary	NUCLEUS SOFTWARE SOLUTIONS PTE LTD
2	Reporting period for the subsidiary :	1 April, 2024 to 31 March, 2025
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year :	SGD = INR 63.71

		SGD	INR
4	Share capital	625,000	39,818,750
5	Reserves & surplus	1,811,399	115,404,230
6	Total assets	5,022,541	319,986,087
7	Total Liabilities	2,586,142	164,763,107
8	Investments	-	-
9	Turnover	14,210,625	905,358,919
10	Profit/(Loss) before taxation	562,948	35,865,417
11	Provision for taxation	228,162	14,536,201
12	Profit/(Loss) after taxation	334,786	21,329,216
13	Proposed Dividend	625,000	39,818,750
14	% of shareholding	100%	100%

1	Name of the subsidiary	NUCLEUS SOFTWARE JAPAN KABUSHIKI KAISHA
2	Reporting period for the subsidiary :	1 April, 2024 to 31 March, 2025
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year :	JPY = INR 0.5672

		JPY	INR
4	Share capital	10,000,000	5,672,000
5	Reserves & surplus	142,403,137	80,771,059
6	Total assets	203,987,775	115,701,866
7	Total Liabilities	51,584,638	29,258,807
8	Investments	-	-
9	Turnover	374,008,354	212,137,538
10	Profit/(Loss) before taxation	109,046,056	61,850,923
11	Provision for taxation	32,393,035	18,373,329
12	Profit/(Loss) after taxation	76,653,021	43,477,594
13	Proposed Dividend	-	-
14	% of shareholding	100%	100%

1	Name of the subsidiary	NUCLEUS SOFTWARE SOUTH AFRICA PTY. LTD.	
2	Reporting period for the subsidiary :	1 April, 2024 to 31 March, 2025	
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year :	ZAR = INR 4.71	
		ZAR	**INR**
4	Share capital	612,000	2,882,520
5	Reserves & surplus	190,726	898,319
6	Total assets	802,726	3,780,839
7	Total Liabilities	-	-
8	Investments	-	-
9	Turnover	-	-
10	Profit/(Loss) before taxation	(8,676)	(40,864)
11	Provision for taxation	-	-
12	Profit/(Loss) after taxation	(8,676)	(40,864)
13	Proposed Dividend	-	-
14	% of shareholding	100%	100%

1	Name of the subsidiary	NUCLEUS SOFTWARE LIMITED	
2	Reporting period for the subsidiary :	1 April, 2024 to 31 March, 2025	
3	Reporting currency of the subsidiary :	INR	
			INR
4	Share capital		150,000,000
5	Reserves & surplus		(21,476,201)
6	Total assets		129,356,325
7	Total Liabilities		49,797,308
8	Investments		48,964,782
9	Turnover		146,875
10	Profit/(Loss) before taxation		(6,016,612)
11	Provision for taxation		-
12	Profit/(Loss) after taxation		(6,016,612)
13	Proposed Dividend		-
14	% of shareholding		100%

For and on behalf of the Board of Directors
NUCLEUS SOFTWARE EXPORTS LIMITED

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 : Noida
Date : May 16, 2025

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 201 307, 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. Buyback of Equity Shares

The Company completed the Buyback of 4,48,018 equity shares in FY 2024-25, from the existing shareholders / beneficial owners holding Equity Shares aggregating to ₹ 72.35 crore. The Buyback size was 9.57% of the aggregate Paid-up equity share capital and Free Reserves of the Company based on audited consolidated financials as on March 31, 2024.

D. 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.

E. Share Transfer System:

Pursuant to the amendments in SEBI Listing Regulations, the Company is not processing any requests for transfer of securities in physical form.

Further, all requests for transmission, transposition, issue of duplicate share certificate, claim from unclaimed suspense account, renewal / exchange of securities certificate, endorsement, sub-division / splitting of securities certificate and consolidation of securities certificates / folios are being processed only in demat form. In such cases, the Company issues a letter of confirmation, which needs to be submitted by the shareholder to the Depository Participant to get credit of these securities in his / her demat account.

F. Dividend Related Data

I. Dividend Recommended for FY 25

The Board of Directors at their meeting held on May 16, 2025 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)
2023-24	125%	12.50	33.47
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 2001-02 was on the enhanced capital consequent to 1:2 bonus issue made during the respective year.

** 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. Unclaimed Dividend

The Company is taking following initiatives to encourage shareholders to claim the dividend which remains unpaid or unclaimed:

- Reminder letters are sent to shareholders providing details of unclaimed dividend . Details of unclaimed dividend is made available under "Investor Relations" section on the Company's website at www.nucleussoftware.com
- A special cycle of remittance is initiated annually resulting in shareholders receiving their dividend(s) to their updated bank account before they are transferred to Investor Education and Protection Fund (IEPF)

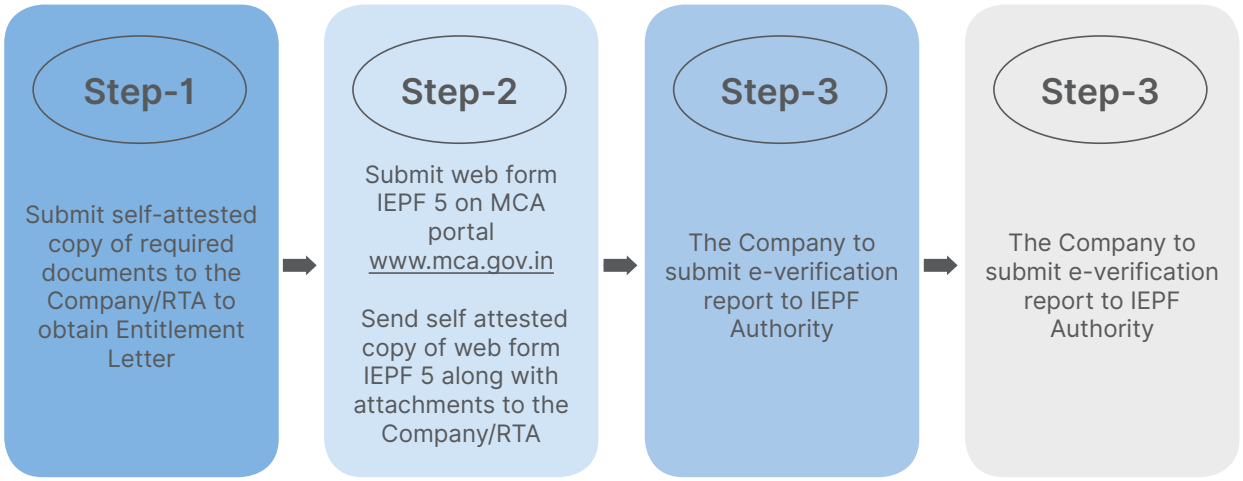
- Annual reminder letters are sent for encouraging shareholders to update their KYC details.

IV. Investor Education & Protection Fund (IEPF)

As per Section 124(5) and 124(6) of the Companies Act, 2013 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.

Brief procedure for claiming such dividends and shares from IEPF Authority is as under:



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, 2015-16 and 2016-17 have been transferred to the IEPF.

The dates for declaration of dividend for subsequent financial years 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
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
2023-24 (Final)	July 15, 2024	July 14, 2031	August 13, 2031

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

E Investor Services:

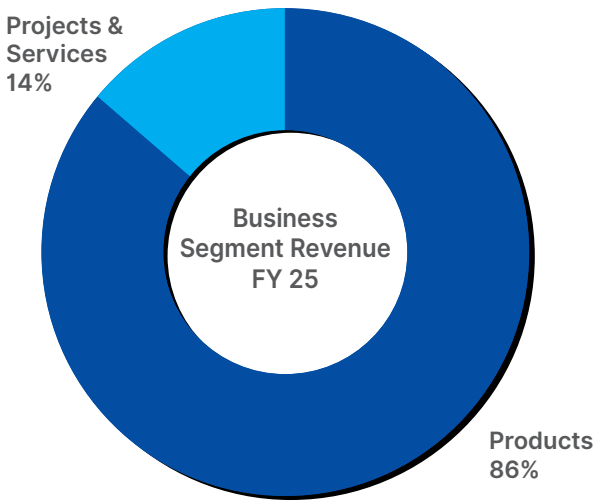
Designated e-mail Address for Investor Services

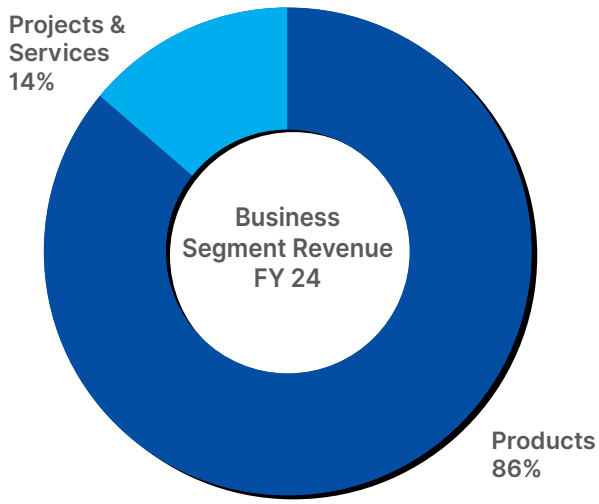
In terms of Regulations 13 and 46 of the SEBI (LODR) Regulations, 2015, the designated e-mail address for investor complaints is investorrelations@nucleussoftware.com

Consolidated Segment Information of Nucleus Software Group

(₹ in crore)

REVENUE BY	2025	% of Revenue	2024	% of Revenue
GEOGRAPHICAL SEGMENTS				
India	480.00	57.67	437.86	52.98
Far East	29.07	3.49	33.00	3.99
South East Asia	99.04	11.90	107.13	12.96
Europe/ U.K.	49.41	5.94	53.42	6.46
Middle East	91.47	10.99	102.22	12.37
Africa	8.23	0.99	15.17	1.84
Australia	24.41	2.93	27.91	3.38
Rest of the World	50.62	6.09	49.74	6.02
TOTAL	**832.25**	**100.00**	**826.45**	**100.00**
CURRENCY SEGMENT				
Indian Rupee	480.00	57.68	437.86	52.98
US $	228.93	27.51	252.00	30.49
Japanese Yen	15.08	1.81	9.94	1.20
Singapore $	40.03	4.81	46.10	5.58
Malaysian Ringgit	13.08	1.57	8.34	1.01
Euro	13.35	1.60	8.59	1.04
British Pound	8.37	1.01	21.11	2.55
Australian $	24.41	2.93	27.92	3.38
Arab Emirates Dirham	7.55	0.91	11.61	1.40
Others	1.45	0.17	2.98	0.37
TOTAL	**832.25**	**100.00**	**826.45**	**100.00**
Products	**713.79**	**85.77**	**711.40**	**86.08**
Own	712.37	85.60	709.54	85.85
Traded	1.42	0.17	1.86	0.23
Projects & Services	**118.46**	**14.23**	**115.05**	**13.92**
TOTAL	**832.25**	**100.00**	**826.45**	**100.00**





Ratio Analysis

Consolidated Performance

Particulars	2025	2024	2023	2022	2021
Ratios- Financial Performance					
Export Revenue/ Revenue (%)	42.32	47.02	47.94	56.66	61.99
Domestic Revenue/ Revenue (%)	57.68	52.98	52.06	43.34	38.01
Total Operating Expenses/ Revenue (%)	79.86	73.45	75.45	92.71	75.05
Operating Profit/ Revenue (%)	20.14	26.55	24.55	7.29	24.95
Depreciation/ Revenue (%)	1.78	1.76	2.95	3.09	2.70
Other Income/ Revenue (%)	7.96	6.16	5.37	6.97	7.70
Tax/ Revenue (%)	6.73	7.77	6.82	2.94	6.98
Effective Tax Rate - Tax/ PBT (%)	25.59	25.10	25.30	26.30	23.31
PAT from Ordinary Activities/ Revenue(%)	11.62	17.02	14.77	1.26	15.27
PAT from Ordinary Activities/Net Worth(%)	11.88	18.10	15.35	1.27	11.67
Ratios - Balance Sheet					
Debt-Equity Ratio	-	-	-	-	-
Debtors Turnover (Days)	60	73	100	61	61
Asset Turnover Ratio	0.72	0.74	0.73	0.67	0.58
Current Ratio	1.93	2.07	2.07	2.09	3.11
Cash and Equivalents Including Current Investments/ Shareholders' funds (%)	44.18	51.65	45.43	69.27	74.82
Cash and Equivalents Including Current Investments/ Revenue (%)	43.22	48.59	43.73	68.77	97.91
Depreciation/Gross Carrying Amount(%)	12.21	13.85	20.83	17.48	21.53
Technology Investment/ Revenue (%)	1.74	1.30	0.29	4.40	1.35
Ratios - Growth (YoY)					
Growth in Total Revenue (%)	0.70	30.26	27.61	(3.18)	(1.40)
Growth in Export Revenue (%)	(9.35)	27.76	7.98	(11.52)	(6.44)
Operating Expenses Growth (%)	9.50	26.80	3.85	19.60	(9.89)
Operating Profit Growth (%)	(23.63)	40.90	329.95	(71.73)	37.61
PAT Growth (%)	(14.93)	49.94	212.40	(65.32)	32.54
EPS Growth (%)	(14.21)	49.94	234.24	(64.84)	32.57
Per- Share Data (Period End)					
Earning Per Share from Ordinary Activities (₹)	38.17	62.95	35.01	2.33	26.99
Earning Per Share (Including Other Income) (₹)	61.40	71.56	47.73	15.28	40.62
Cash Earning Per Share from Ordinary Activities (₹)	45.86	53.02	42.00	8.08	31.77
Cash Earning Per Share (Including Other Income)(₹)	66.98	77.00	54.73	21.02	45.39
Book Value Per Share (₹)	306.69	290.38	228.09	184.35	231.41
Price/Earning (Annualized)	13.07	16.56	13.39	29.01	11.85
Price/ Cash Earning (Annualized)	11.98	15.39	11.68	19.71	10.60
Price/Book Value	2.62	4.08	2.80	2.25	2.08
Dividend Per Share (DPS)	12.50	12.50	10.00	7.00	9.00
Dividend (%)	125	125	100	70	90
Dividend Payout (In ₹ crore)	33.19	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, Website : www.nucleussoftware.com

Notice of the Annual General Meeting

Notice is hereby given that the Thirty Sixth Annual General Meeting (AGM) of the Members of Nucleus Software Exports Limited will be held on Monday, July 28, 2025, at 10.00 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:

a) The audited financial statements of the Company for the financial year ended March 31, 2025, including audited Balance Sheet and Profit and Loss account as on March 31, 2025 along with Cash Flow Statement on that date together with the reports of the Board of Directors and Auditors thereon and

b) The audited consolidated financial statements of the Company together with the report of the Auditors thereon for the financial year ended March 31, 2025.

2. Declaration of Dividend

To declare a final dividend of ₹ 12.50 per Equity Share for the financial year ended March 31, 2025.

3. To re-appoint Mr. Vishnu R Dusad (DIN: 00008412), as Director of the Company who retires by rotation and being eligible offers himself for re-appointment.

4. 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.

Special Business:

5. Re-appointment of Mr. Parag Bhise (DIN: 08719754), as a Whole Time Director of the Company.

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**, with or without modification(s):

"**RESOLVED THAT** in accordance with the provisions of Sections 196, 197, 198, 203 and other applicable provisions if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification or re-enactment thereof) read with Schedule V of the Companies Act, 2013, and pursuant to the recommendation of the Nomination and Remuneration/Compensation Committee and the Board of Directors of the Company, Mr. Parag Bhise (DIN: 08719754), Whole Time Director of the Company whose period of office is liable to expire on July 30, 2025, and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, be and is hereby re-appointed as a Whole Time Director of the Company for a further period of eight months i.e. from July 31, 2025, till March 31, 2026 and whose office will be liable to retire by rotation under the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors of the Company with the recommendation of the Nomination & Remuneration /Compensation Committee be and are hereby authorized to alter and vary or modify the different components of the terms and conditions of his re-appointment, as it may deem fit.

RESOLVED FURTHER THAT In the event of inadequacy or absence of profits in any financial year during his tenure, Mr. Parag Bhise will be entitled for the payment of remuneration along with perquisites/benefits as mentioned in the explanatory statement, by way of minimum remuneration.

RESOLVED FURTHER THAT the Board of Directors of the Company are hereby authorized or further delegate such authority as may be required to take such steps as may be necessary for obtaining approvals, statutory or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and sign and execute all applications, documents and writings that may be required, on behalf of the Company and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid Resolution."

The above re-appointment of Mr. Parag Bhise as a Whole Time Director of the Company is recommended by the Board of Directors.

6. Re-appointment of Dr. Ritika Dusad (DIN: 07022867), as a Whole Time Director of the Company.

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**, with or without modification(s):

"**RESOLVED THAT** in accordance with the provisions of Sections 196, 197, 198, 203 and other applicable provisions if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification or re-enactment thereof) read with Schedule V of the Companies Act, 2013, and pursuant to the recommendation of the Nomination and Remuneration/Compensation Committee and the Board of Directors of the Company, Dr. Ritika Dusad (DIN: 07022867), Whole Time Director of the Company whose period of office is liable to expire on August

06, 2025, and in respect of whom the Company has received a notice in writing from a Member proposing her candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, be and is hereby re-appointed as a Whole Time Director of the Company for a period of five years with effect from August 07, 2025 to August 06, 2030 and whose office will be liable to retire by rotation under the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors of the Company with the recommendation of the Nomination & Remuneration /Compensation Committee be and are hereby authorized to alter and vary or modify the different components of the terms and conditions of her re-appointment, as it may deem fit.

RESOLVED FURTHER THAT In the event of inadequacy or absence of profits in any financial year during her tenure, Dr. Ritika Dusad will be entitled for the payment of remuneration along with perquisites/benefits as mentioned in the explanatory statement, by way of minimum remuneration.

RESOLVED FURTHER THAT the Board of Directors of the Company are hereby authorized or further delegate such authority as may be required to take such steps as may be necessary for obtaining approvals, statutory or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and sign and execute all applications, documents and writings that may be required, on behalf of the Company and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid Resolution."

The above re-appointment of Dr. Ritika Dusad as a Whole Time Director of the Company is recommended by the Board of Directors.

7. Re-appointment of Mrs. Yasmin Javeri Krishan (DIN: 08801422) as an Independent Director of the Company.

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**, with or without modification(s):

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152, Schedule IV and other applicable provisions of the Companies Act, 2013 ("the Act") read with the Rules framed thereunder and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("the LODR Regulations") (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Articles of Association of the Company, approval and recommendation of the Nomination and Remuneration/Compensation Committee, and that of the Board of Directors, Mrs. Yasmin Javeri Krishan (DIN: 08801422), who holds office as an Independent Director up to July 29, 2025, be and is hereby re-appointed as an Independent Director, not liable to retire by rotation, for a second term of 5 (Five) years with effect from July 30, 2025 up to July 29, 2030.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers to any committee of directors with power to further delegate to any other Officer(s)/ Authorized Representative(s) of the Company to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

The above re-appointment of Mrs. Yasmin Javeri Krishan as an Independent Director of the Company is recommended by the Board of Directors.

8. Appointment of M/s. PI & Associates as Secretarial Auditors and to fix their remuneration.

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**, with or without modification(s):

"**RESOLVED THAT** pursuant to the provisions of Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time read with provisions of Sections 179 and 204 of the Companies Act, 2013 & Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including any amendment, modification or variation thereof, for the time being in force), and other applicable provisions, if any, based on the recommendations of the Audit Committee and the Board of Directors, the approval of the members be and is hereby accorded for the appointment of M/s. PI & Associates, Practicing Company Secretaries (Firm Registration No: **P2014UP035400**, Peer Review No: **1498/2021**), as Secretarial Auditors of the Company for a term of five consecutive years, commencing from Financial Year 2025- 26 till Financial Year 2029-30 at such remuneration and on such terms and conditions as may be determined by the Board of Directors (including its committees thereof), and to avail any other services, certificates, or reports as may be permissible under applicable laws.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers to any committee of Directors with power to further delegate to any other Officer(s)/ Authorized Representative(s) of the Company to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

The above appointment of M/s PI & Associates as secretarial auditors of the Company is recommended by the Board of Directors.

By Order of the Board of Directors
For Nucleus Software Exports Limited

Sd/-
Poonam Bhasin
Company Secretary
(Membership No.: A10865)

Place: Noida
Date: June 26, 2025

Registered Office:
33-35, Thyagraj Nagar Market,
New Delhi 110 003
CIN: L74899DL1989PLC034594

Notes:

1. 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.
2. All documents referred to in the accompanying Notice and the Explanatory Statement are available on the website of the Company for inspection by the Members up to the date of AGM.
3. Pursuant to the General Circular No. 09/2024 dated September 19, 2024, issued by the Ministry of Corporate Affairs (MCA) and Circular SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated October 3, 2024 issued by SEBI (hereinafter collectively referred to as "the Circulars"), companies are allowed to hold AGM through VC, without the physical presence of members at a common venue. Hence, in compliance with the Circulars, the AGM of the Company is being held through VC.
4. A member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a member of the Company. Since the AGM is being held through VC, the facility for the appointment of proxies by the members will not be available.
5. The register of Directors and Key Managerial Personnel (KMP) and their shareholding, maintained under Section 170 of the Act, and the register of contracts or arrangements in which the Directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee from the date of circulation of this Notice up to the date of AGM, i.e. July 28, 2025. Members seeking to inspect such documents can send an email to investorrelations@nucleussoftware.com
6. Members whose shareholding is in demat mode are requested to notify any change in address or bank account details to their respective depository participant(s) (DP). Members whose shareholding is in physical mode are requested to opt for the Electronic Clearing System (ECS) mode to receive dividend on time in line with the SEBI Circulars from time to time. We urge members to utilize the ECS for receiving dividends. Please refer to point no. 13 for the process to be followed for updating bank account details.
7. 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 or write an email to einward.ris@kfintech.com.
8. 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").
9. 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 i.e. July 21, 2025 only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM.
10. Any person holding shares in physical mode or a person, who acquires shares and becomes a member of the Company after the Notice is sent and holding shares as on the cut-off date, i.e. July 21, 2025, may obtain the login ID and password by sending a request to einward.ris@kfintech.com. However, if he / she is already registered with NSDL for remote e-voting, then he / she can use his / her existing user ID and password for casting the vote.
11. Members may note that the Board, at its meeting held on May 16, 2025, has recommended a final dividend of ₹12.50 per equity share for the financial year ended March 31, 2025. The record date for the purpose of final dividend is July 11, 2025. The final dividend, once approved by the members in the ensuing AGM, will be paid on or before 30 days from the date of declaration, through various modes. To avoid delay in receiving dividend, members are requested to update their KYC with their depositories (where shares are held in dematerialized mode) and with the Company's Registrar and Transfer Agent (RTA) (where shares are held in physical mode) to receive the dividend directly into their bank account.
12. 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, to receive copies of the Annual Report 2024-25 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 einward.ris@kfintech.com or by post to KFin Technologies Limited, Unit: Nucleus Software Exports Limited, Selenium Tower B, Plot 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad-500032	
	Form for availing investor services to register PAN, email address, bank details and other KYC details or changes / update thereof for securities held in physical mode	Form No. ISR-1
	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 mode	Form No. ISR 4
	The forms for updating the above details are available at https://www.nucleussoftware.com	
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.	

13. Effective April 1, 2024, SEBI has mandated that the shareholders, who hold shares in physical mode and whose folios are not updated with any of the KYC details [viz., (i) PAN (ii) Choice of Nomination (iii) Contact Details (iv) Mobile Number (v) Bank Account Details and (vi) Signature], shall be eligible to get dividend only in electronic mode. Accordingly, payment of final dividend, subject to approval at the AGM, shall be paid to physical holders only after the above details are updated in their folios. Members are requested to complete their KYC by writing to the Company's RTA, KFin Technologies Limited, at einward.ris@kfintech.com.

14. 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.

15. Members who have not yet encashed their dividend warrant(s) pertaining to the final dividend for the financial year 2018-19 onwards for the Company, are requested to lodge their claims, It may be noted that the unclaimed Final Dividend for the financial year 2017-18 declared by the Company on July 02, 2018, could have claimed by the Members on or before June 26, 2025. 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. July 30, 2025.

16. Members are requested to note that dividends that are not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will be transferred to the Investor Education and Protection Fund (IEPF). Shares on which dividend remains unclaimed for seven consecutive years shall be transferred to the IEPF as per Section 124 of the Act, read with applicable IEPF rules

17. 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.

18. In compliance with the Circulars, the Annual Report for FY 2024-25, the Notice of the 36th AGM, and instructions for e-voting are being sent through electronic mode to those members whose email addresses are registered with the Company / depository participant(s) (DP). A letter providing the web-link for accessing the Annual report, including the exact path, will be sent to those members who have not registered their email address with the Company. Members may note that the Notice and Annual Report 2024-25 will also be available on the Company's website www.nucleussoftware.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively.

19. Since the AGM will be held through VC in accordance with the Circulars, the route map, proxy form and attendance slip are not attached to this Notice.

20. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC but shall not be entitled to cast their vote again.

21. 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.

22. 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.

23. Members are requested to address all correspondence, including dividend-related matters, to RTA, KFin Technologies Limited, Unit: Nucleus Software Exports Limited, Selenium Tower B, Plot 31-32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad 500032.

24. 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.

25. The Board of Directors has appointed M/s Pravesh Kumar & Associates (Membership No. A60671) (CP No. 27218), Practicing Company Secretaries, as the scrutinizer ("Scrutinizer") for conducting the e-voting process in a fair and transparent manner

26. 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 48 hours from the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same

27. 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.

28. 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.

29. **Instructions For Members for Attending the AGM through VC are as under:**

PROCEDURE FOR REMOTE E-VOTING

(i) In compliance with the provisions of Section 108 of the Companies Act, 2013, read with rule 20 of the Companies(Management and Administration) Rules, 2014, as amended and as per 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 AGM Notice, to Members holding shares as on Monday, July 21, 2025, 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 Wednesday, July 23, 2025 (9:00 a.m. IST) and ends on Sunday, July 27, 2025 (5:00 p.m. IST). During this period, Member holding shares either in physical form or in dematerialized form, as on Monday, July 21, 2025, 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 member holding shares in physical form and non-individual members, may obtain the login ID and password by sending a request at 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 thevote.

(vi) In compliance with the provisions of Sections 108 and 110 of the Act read with the Rules as amended and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended from time to time, the Company is providing facility to the Members to exercise voting through electronic voting system ("remote e-voting") on the e-voting platform provided by KFin. The Members may cast their votes remotely, using remote e-voting only on the dates mentioned hereunder. The instructions for remote e-voting forms part of this Notice.

(vii) Facility to exercise vote through remote e-voting will be available during the following period:

Commencement of Remote e-voting	End of Remote e-voting
Wednesday, July 23, 2025	Sunday, July 27, 2025

(viii) The remote e-voting module shall be disabled by KFin for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently or cast the vote again.

(ix) During the above period, Members of the Company holding shares either in physical form or in dematerialised form, as on Monday, July 21, 2025, i.e., cut-off date, may cast their vote by remote e-voting.

(x) The process and manner for remote e-voting is as under:

a. In compliance with the provisions of Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the Listing Regulations read with SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December, 2020 relating to 'e-voting Facility Provided by Listed Entities' ("SEBI e-voting Circular") the Members are provided with the facility to cast their vote electronically, through the remote e-voting services provided by KFin, on the resolutions set forth in this Notice. The instructions for remote e-voting are given herein below.

b. e-voting process has been enabled for all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process.

c. Individual demat account holders would be able to cast their vote without having to register again with the e-voting Service Provider ("ESP") thereby not only facilitating seamless authentication but also ease and convenience of participating in e-voting process. Members are advised to update their mobile number and e-mail ID with their DPs to access e-voting facility.

d. The process and manner of remote e-voting is explained below:

i. Access to Depositories e-voting system in case of individual Members holding shares in demat mode.

ii. Access to KFin e-voting system in case of Members holding shares in physical and non-individual Members in demat mode.

I. Access to Depositories e-voting system in case of individual Members holding shares in demat mode.

Type of Member	Login Method
Individual Members holding securities in demat mode with NSDL	1. For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID,8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on the company name or e-voting service provider name and you will be re-directed to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.

Type of Member	Login Method
	2. Existing Internet-based Demat Account Statement ("IDeAS") facility Users: i. Visit the e-services website of NSDL https://eservices.nsdl.com either on a personal computer or on a mobile. ii. On the e-services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. Thereafter enter the existing user id and password. iii. After successful authentication, Members will be able to see e-voting services under 'Value Added Services'. Please click on "Access to e-voting" under e-voting services, after which the e-voting page will be displayed. iv. Click on company name i.e. **'Nucleus Software Exports Limited'** or ESP i.e. KFin. v Members will be re-directed to KFin's website for casting their vote during the remote e-voting period. **3. Those not registered under IDeAS:** i. Visit https://eservices.nsdl.com for registering. ii. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp

Type of Member	Login Method
	iii. Visit the e-voting website of NSDL https://www.evoting.nsdl.com iv. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder / Member' section. A new screen will open. v. Members will have to enter their User ID (i.e. the sixteen digit demat account number held with NSDL), password / OTP and a verification code as shown on the screen. vi. After successful authentication, Members will be redirected to NSDL Depository site wherein they can see e-voting page. vii. Click on company name i.e **Nucleus Software Exports Limited** or ESP name i.e KFin after which the Member will be redirected to ESP website for casting their vote during the remote e-voting period. viii. Members can also download the NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play

Type of Member	Login Method
Individual Members holding securities in demat mode with CDSL	**1. Existing user who have opted for Electronic Access To Securities Information ("Easi/ Easiest") facility:** Visit https://web.cdslindia.com/myeasitoken/Home/Login or www.cdslindia.com. i. Click on New System Myeasi. ii. Login to Myeasi option under quick login. iii. Login with the registered user ID and password. iv. Members will be able to view the e-voting Menu. v. The Menu will have links of KFin e-voting portal and will be redirected to the e-voting page of KFin to cast their vote without any further authentication. **2. User not registered for Easi/ Easiest** i. Visit https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration or https://web.cdslindia.com/myeasitoken/Registration/EasiestRegistration or registering. ii. Proceed to complete registration using the DP ID, Client ID (BO ID), etc. iii. After successful registration, please follow the steps given in point no. 1 above to cast your vote. **3. Alternatively, by directly accessing the e-voting website of CDSL** i. Visit www.cdslindia.com ii. Provide demat account number and PAN. iii. System will authenticate user by sending OTP on registered mobile and email as recorded in the demat Account.

Type of Member	Login Method
	iv. After successful authentication, please enter the e-voting module of CDSL. Click on the e-voting link available against the name of the Company, viz. '**Nucleus Software Exports Limited**' or select **KFin**. v. Members will be re-directed to the e-voting page of KFin to cast their vote without any further authentication.
Individual Members login through their demat accounts / website of DPs	i. Members can also login using the login credentials of their demat account through their DPs registered with the Depositories for e-voting facility. ii. Once logged-in, Members will be able to view e-voting option. iii. Upon clicking on e-voting option, Members will be redirected to the NSDL / CDSL website after successful authentication, wherein they will be able to view the e-voting feature. iv. Click on options available against name of the Company, viz. '**Nucleus Software Exports Limited**' or '**KFin**'. v. Members will be redirected to e-voting website of KFin for casting their vote during the remote e-voting period without any further authentication.

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 Members 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	Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: **1800 102 0990** and **1800 22 4430**
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at **022-62343625, 022-62343626, 022-62343259**

II. **Access to KFin e-voting system in case of members holding shares in physical and non-individual members in demat mode.**

Members whose e-mail IDs are registered with the Company / DPs, will receive an e-mail from KFin which will include details of e-voting Event Number (EVEN), USER ID and password. They will have to follow the following process:

i. Launch internet browser by typing the URL: https://emeetings.kfintech.com

ii. Enter the login credentials (i.e., User ID and password). In case of physical folio, User ID will be EVEN (e-voting Event Number) 8918, 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 KFin for e-voting, you can use your existing User ID and password for casting the vote.

iii. After entering these details appropriately, click on "LOGIN".

iv. 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, e-mail 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.

v. You need to login again with the new credentials.

vi. On successful login, the system will prompt you to select the "EVEN" i.e., 'Nucleus Software Exports Limited' and click on "Submit"

vii. 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.

viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/ demat accounts.

ix. In case you do not desire to cast your vote, it will be treated as abstained.

x. You may then cast your vote by selecting an appropriate option and click on "Submit".

xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution, 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.

General Guidelines for Members:

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 22, 2025 to July 24, 2025. 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.

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 opened from July 22, 2025 to July 24, 2025.

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 Mr. Suresh Babu, (Unit: Nucleus Software Exports Limited) of KFin Technologies Limited, Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500032 or at einward.ris@kfintech.com or evoting@kfintech.com or phone no. 040 – 6716 2222 or call toll free No. 1800-309-4001 for any further clarifications.

By Order of the Board of Directors
For Nucleus Software Exports Limited

Sd/-
Poonam Bhasin
Company Secretary
(Membership No.: A10865)

Place: Noida
Date: June 26, 2025

Registered Office:
33-35, Thyagraj Nagar Market,
New Delhi 110 003
CIN: L74899DL1989PLC034594
e-mail: investorrelations@nucleussoftware.com

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 5:

Mr. Parag Bhise was appointed as a Whole time Director of the Company, by the members of the Company at the AGM held on July 31, 2020, to hold office for five consecutive years for a term up to July 30, 2025. Accordingly, his term of appointment as a Whole time Director will end on July 30, 2025.

The Board of Directors on the recommendation of the Nomination and Remuneration/Compensation committee, at the meeting held on June 26, 2025, and subject to the approval of members, approved the re-appointment of Mr. Parag Bhise as a Whole time Director of the Company for the period i.e. July 31, 2025, till March 31, 2026., at the terms and conditions including his remuneration as below:

1. Fixed Salary: Rs. 2,10,42,450/ p.a. (Comprising primarily of Basic salary, House rent allowance, medical allowance, leave travel allowance, Refreshment allowance and others) to be paid in accordance with Company's policy and subject to withholding tax.
2. Performance bonus /Special bonus/ Variable payout: Annual Variable pay/Special bonus for each fiscal year subject to Company's achievements or as determined by the Board or its committee.
3. Employee benefits: Benefit Plans as maintained by the Company including Provision of Company Cars with Driver, Communication facilities at office and/ or residence for official purposes, Personal accident insurance/ Group life insurance, contribution to retirement benefits such as Provident fund, Pension fund, Gratuity, etc.
4. Leave with full pay and allowances shall be allowed per the Rules of the Company.
5. Commission: Such remuneration by way of commission in addition to the salary, perquisites and allowances payable, calculated with reference to the net profits of the Company in a particular financial year as may be determined by the Board of Directors of the Company at the end of each financial year subject to the overall ceilings stipulated in Sections 196 and 197 of the Companies Act 2013 and rules made thereunder.
6. Periodic increment: The components of Mr. Parag Bhise compensation as set above may be revised from time to time, by the Board or Committee at its sole discretion

All the above-mentioned components of the Compensation shall be paid, in accordance with the Company's normal payroll practices and subject to withholding tax and shall always be subject to the overall ceiling laid down in Section 196 and 197 and other applicable provisions of the Companies Act 2013

Minimum Remuneration: In the event of absence or inadequacy of profits in any financial year during the tenure of his directorship, the remuneration as stated above, by way of salary and perquisites shall be paid as minimum remuneration subject to the limits specified under Section II of Part II of Schedule V to the Companies Act, 2013 (including any statutory modifications or re-enactment thereof, for the time being in force) or such other limits as prescribed by the Government from time to time as minimum remuneration.

The Company has received the following from Mr. Parag Bhise:

i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 ("the Appointment Rules");

ii) Intimation in Form DIR-8 in terms of the Appointment Rules to the effect that he is not disqualified under sub-section (2) of Section 164 of the Act;

iii) Declaration pursuant to BSE Circular No. LIST/ COMP/14/2018-19 dated June 20, 2018, and NSE Circular No. NSE/ CML/2018/24 dated June 20, 2018, that he has not been debarred from holding office of a Director by virtue of any order passed by SEBI or any other such authority.

Pursuant to the provisions of Sections 196, 197, 198, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act 2013, the Board recommends the re-appointment of Mr. Parag Bhise, as a Whole-time Director of the Company, to the Members for their approval.

The requisite details and information pursuant to Regulation 36(3) of the Listing Regulations, the Act and the Secretarial Standards, as on the date of Notice, are provided in this Annual Report.

None of the Directors, Key Managerial Personnel of the Company or their relatives, except Mr. Parag Bhise, are in any way concerned or interested in the Ordinary Resolution set out at item No. 5 of the Notice.

Brief profile of Mr. Parag Bhise is as follows:

Mr. Parag Bhise, Chief Executive Officer of Nucleus Software since March 2020, brings over three decades of diverse experience in technology and business strategy. A stalwart in product engineering and enterprise delivery, he has led the evolution of flagship solutions such as FinnAxia® and FinnOne Neo®, anchoring the Company's growth journey in a dynamic global marketplace.

A technologist with business acumen, Parag has worked across domains including product development, IT infrastructure, delivery, and quality assurance. He has played a defining role in forging strategic customer partnerships, notably with institutions such as Shinsei Bank and Citibank, delivering value through resilient and scalable technology.

As a catalyst of the Nucleus 2.0 vision, Parag has driven internal transformation with a focus on agility, customer success, and innovation. His educational credentials include a Professional Certificate in Innovation & Technology from MIT, an MCA from BIT Mesra, and an MBA from MDI Gurgaon.

Beyond his professional accomplishments, Parag remains a staunch believer in integrity, learning, and collaboration—principles that continue to shape the organization's culture and strategy.

The Board of Directors recommends the Resolution No. 5 for Members consideration and approval as an Ordinary Resolution.

Item No. 6:

Dr. Ritika Dusad was appointed as a Whole time Director of the Company, by the members of the Company at the AGM held on July 23, 2021, to hold office for five consecutive years for a term up to August 6, 2025. Accordingly, her term of appointment as a Whole time Director will expire on August 6, 2025.

Further the Board of Directors at their meeting held on March 30, 2024, had approved one-year sabbatical period of Dr. Ritika Dusad, Whole time Director. On the request submitted by Dr. Ritika Dusad, Whole time Director, for the extension of her sabbatical period, the Board at its meeting held on March 25, 2025, has approved the extension of sabbatical period for another term of a maximum of one year.

The Board of Directors on the recommendation of Nomination and Remuneration/Compensation Committee, at the meeting held on June 26, 2025, and subject to the approval of members, approved the re-appointment of Dr. Ritika Dusad as a Whole Time Director at the following terms and conditions including her remuneration from the date Dr. Ritika Dusad resumes her responsibilities:

1. Fixed Salary: Rs. 1,00,00,000 p.a. (Comprising primarily of Basic salary, House rent allowance, medical allowance, leave travel allowance, Refreshment allowance and others) to be paid in accordance with Company's policy and subject to withholding tax.
2. Performance bonus /Special bonus/ Variable payout: Annual Variable pay/Special bonus for each fiscal year subject to Company's achievements or as determined by the Board or its committee.
3. Employee benefits: Benefit Plans as maintained by the Company including Provision of Company Cars with Driver, Communication facilities at office and/ or residence for official purposes, Personal accident insurance/ Group life insurance, contribution to retirement benefits such as Provident fund, Pension fund, Gratuity, etc.
4. Leave with full pay and allowances shall be allowed per the Rules of the Company.
5. Commission: Such remuneration by way of commission in addition to the salary, perquisites and allowances payable, calculated with reference to the net profits of the Company in a particular financial year as may be determined by the Board of Directors of the Company at the end of each financial year subject to the overall ceilings stipulated in Sections 196 and 197 of the Companies Act 2013 and rules made thereunder.
6. Periodic increment: The components of Dr. Ritika Dusad compensation as set above may be revised from time to time, by the Board or Committee at its sole discretion.

All the above-mentioned components of the Compensation shall be paid in accordance with the Company's normal payroll practices and subject to withholding tax and shall always be subject to the overall ceiling laid down in Section 196 and 197 and other applicable provisions of the Companies Act 2013.

Minimum Remuneration: In the event of absence or inadequacy of profits in any financial year during the tenure of her directorship, the remuneration as stated above, by way of salary and perquisites shall be paid as minimum remuneration subject to the limits specified under Section II of Part II of Schedule V to the Companies Act, 2013 (including any statutory modifications or re-enactment thereof, for the time being in force) or such other limits as prescribed by the Government from time to time as minimum remuneration.

The Company has received the following from Dr. Ritika Dusad:

i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 ("the Appointment Rules");

ii) Intimation in Form DIR-8 in terms of the Appointment Rules to the effect that she is not disqualified under sub-section (2) of Section 164 of the Act;

iii) Declaration pursuant to BSE Circular No. LIST/ COMP/14/2018-19 dated June 20, 2018, and NSE Circular No. NSE/ CML/2018/24 dated June 20, 2018, that she has not been debarred from holding office of a director by virtue of any order passed by SEBI or any other such authority.

Pursuant to the provisions of Sections 196, 197, 198, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, the Board recommends the re-appointment of Dr. Ritika Dusad, as a Whole-time Director of the Company, to the Members for their approval.

The requisite details and information pursuant to Regulation 36(3) of the Listing Regulations, the Act and the Secretarial Standards, as on the date of Notice, are provided in this Annual Report.

None of the Directors, Key Managerial Personnel of the Company or their relatives, except Mr. Vishnu R Dusad and Dr. Ritika Dusad, are in any way concerned or interested in the Ordinary Resolution set out at item No. 6 of the Notice.

The brief profile of Dr. Ritika Dusad is as follows:

Dr. Ritika Dusad serves as a Whole time Director at Nucleus Software, where she leads strategic initiatives with a strong focus on data-driven decision-making, marketing, and innovation. Her leadership continues to shape the organization's transformation journey, aligning technological advancement with customer-centric outcomes.

An alumna of the University of California, Los Angeles (UCLA), and a PhD in Physics from Cornell University, Dr. Dusad brings a unique blend of scientific acumen and strategic vision. Her doctoral research earned the prestigious Springer Thesis Award, and her postdoctoral work at Lawrence Berkeley National Lab contributed significantly to the field of quantum magnetism.

Since joining the Nucleus Board in 2016 and being appointed as a Whole time Director in 2020, Dr. Dusad has played a key role in strengthening the Company's global positioning. Her previous leadership in Global Marketing and Strategy helped expand brand visibility and drive growth across key markets.

A passionate advocate for diversity, governance, and inclusive innovation, Dr. Dusad continues to contribute meaningfully to Board deliberations, emphasizing the need for a strong innovation culture and ethical growth. Her vision and commitment underscore Nucleus Software's pursuit of excellence in a rapidly evolving fintech landscape.

The Board of Directors recommends the Resolution No. 6 for Members consideration and approval as an Ordinary Resolution.

Item No. 7:

The Members had approved the appointment of Mrs. Yasmin Javeri Krishan (DIN: 08801422**)** as an Independent Director of the Company at the AGM held on July 23, 2021, for a term of five consecutive years from July 30, 2020, to July 29, 2025. Accordingly, the first term of five years of Mrs. Yasmin Javeri Krishan, as Non-Executive Independent Director of the Company, is due to expire on July 29, 2025.

The Nomination and Remuneration Committee of the Board after taking into account the performance evaluation of Mrs. Yasmin Javeri Krishan for her existing term and considering her knowledge, expertise and experience has recommended the Board to consider the re-appointment of Mrs. Yasmin Javeri Krishan (DIN: 08801422) as the Independent Director of the Company

Accordingly, the Board of Directors, at their meeting held on June 26, 2025, recommended the re-appointment of Mrs. Yasmin Javeri Krishan as Non-Executive Independent Director for a second consecutive term of five years from July 30, 2025, up to July 29, 2030, not liable to retire by rotation, subject to the approval of the Members by way of Special Resolution.

The Company has received the following from Mrs. Yasmin Javeri Krishan:

i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 ("the Appointment Rules");

ii) Intimation in Form DIR-8 in terms of the Appointment Rules to the effect that she is not disqualified under sub-section (2) of Section 164 of the Act;

iii) A declaration to the effect that she meets the criteria of independence as provided in sub-section (6) of Section 149 of the Act and under the LODR Regulations;

iv) Declaration pursuant to BSE Circular No. LIST/ COMP/14/2018-19 dated June 20, 2018, and NSE Circular No. NSE/ CML/2018/24 dated June 20, 2018, that she has not been debarred from holding office of a Director by virtue of any order passed by SEBI or any other such authority;

v) Confirmation that she is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact her ability to discharge her duties as an Independent Director of the Company;

vi) A declaration that she is in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to her registration with the data bank of independent directors maintained by the Indian Institute of Corporate Affairs.

The Company has received a notice in writing from a Member under the provisions of Section 160(1) of the Act proposing the candidature of Mrs. Yasmin Javeri Krishan for the office of the Director.

None of the Directors, Key Managerial Personnel of the Company or their relatives, except Ms. Yasmin Javeri Krishan, are in any way, concerned or interested, in the Special Resolution set out at item No. 7 of the Notice.

Brief profile of Mrs. Yasmin Javeri Krishan is as follows:

Mrs. Yasmin Javeri Krishan has multi-faceted global experience of more than 25 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 (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. Javeri 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.

The Board recommends the Special Resolution set out in item no. 7 of the notice for the approval by the members.

Item No. 8:

In accordance with Section 204 of the Companies Act 2013, read with the rules framed thereunder, and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), every listed entity is required to undertake Secretarial Audit by a Peer Reviewed Secretarial Auditor who shall be appointed by the Members of the Company, on the recommendation of the Audit Committee and Board of Directors, for a period of five consecutive years.

Accordingly the Board of Directors at the meeting held on May 16, 2025,, after considering the expertise and experience of PI & Associates, Company Secretaries (Firm Registration No: **P2014UP035400,** Peer Review No: **1498/2021**), who were the Secretarial auditors for the year 2024-2025 and based on the recommendation of the Audit Committee, has proposed their appointment as the Secretarial Auditors of the Company subject to the approval of Members at the ensuing 36th AGM of the Company i.e. for a period of 5 years in compliance with the amended provisions of Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 vide SEBI Notification dated December 12, 2024 read with provisions of Section 204 of the Companies Act, 2013 &. Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Term of Appointment: Appointment for a term of 5 (Five) consecutive years from the conclusion of the ensuing 36th AGM, subject to the approval of Members at the ensuing 36th AGM of the Company. The proposed fees payable to the Secretarial Auditors would be mutually agreed between the Board of Directors and Secretarial Auditors.

Brief Profile: M/s. PI & Associates is first of its kind, a mega-firm of Company Secretaries in Practice having wide expertise in the legal, secretarial and financial arena. The firm has been created by several highly experienced practicing professionals having wide range of domain expertise with an aim of providing its clientele multi-disciplinary, multi-geographic, high quality, legal, financial & secretarial services in a cost effective and simplified manner.

Considering the profile of the firm and practicing professionals associated with the firm, it has been recommended to appoint PI & Associates as the Secretarial Auditors of the Company.

None of the Directors, Key Managerial Personnel and their relatives are in any way concerned or interested in the said resolution.

The Board of Directors recommends the Resolution No. 8 for Members consideration and approval as an Ordinary Resolution.

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. Vishnu R Dusad	Dr. Ritika Dusad	Mrs. Yasmin Javeri Krishan	Mr. Parag Bhise
Age	68 Years	35 Years	65 Years	59 Years
Qualifications	Bachelor's Degree in Technology from the Indian Institute of Technology (IIT), Delhi	Graduated from University of California, Los Angeles and PhD in Physics at Ivy League- Cornell University, USA	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	Master's degree in computer applications from BIT Mesra and MBA from the Management Development Institute – Gurgaon
Experience	As mentioned in profile in Corporate Governance Report	As mentioned in profile in Corporate Governance Report	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	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	As per Letter of Appointment	As per Letter of Appointment
Date of first appointment on the board	Jan 01, 1989	July 20, 2016	July 30, 2020	March 16, 2020
The remuneration last drawn	Details provided in Annexure H to the Directors' Report	Details provided in Annexure H to the Directors' Report	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	15,75,325	10,00,000	Nil	28,959
Directorship held in other companies	• Nucleus Software Limited • Karmayogi Holding Pvt. Ltd. • Indian Software Product Industry Round Table Foundation • Nucleus Software Solutions Pte. Ltd. • Nucleus Software Inc. • Nucleus Software Kabushiki Kaisha • Nucleus Software Netherlands B.V. • Nucleus Software Australia Pty Limited • Nucleus Software South Africa (Pty) Ltd	• Karmayogi Holdings Private Limited	• Nucleus Software Solutions Pte. Ltd.	• Nucleus Software Limited • Nucleus Software Kabushiki Kaisha

Particulars	Mr. Vishnu R Dusad	Dr. Ritika Dusad	Mrs. Yasmin Javeri Krishan	Mr. Parag Bhise
Inter-se relations between the Board members/ relationship with other Directors, Manager and other Key Managerial Personnel of the company.	Dr. Ritika Dusad (Daughter)	Mr. Vishnu R Dusad (Father)	NA	NA
Number of Meetings of the Board attended during the Year	8	1*	8	8
Memberships/ Chairmanships of committees of other companies (includes only Audit Committee and Stakeholders/ Investor Grievance Committee	NA	NA	NA	NA
Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:	NA	NA	NA	NA

* The Board of Directors at their meeting held on March 30, 2024, had approved one-year sabbatical period of Dr. Ritika Dusad, Whole time Director of the Company.

NUCLEUS SOFTWARE

Making Financial Services Access Easy and Enriching Worldwide

sales@nucleussoftware.com

www.nucleussoftware.com

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