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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, 2026, 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, 2026, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit 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.

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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, 2026, revenue amounting to Rs 80,597 Lakhs 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, 2026.	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

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		progress of the contracts, including the estimated total contract costs, key project risks, amendments, contingencies, and billing schedules. ○ 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 ○ verified the ageing analysis of income accrued but not billed on POC contracts 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 Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the Management Discussion and Analysis and Business Responsibility and Sustainability Report, which is expected to be made available to us after that date.

Our opinion on the standalone financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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When we read Management Discussion and Analysis and Business Responsibility and Sustainability Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

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.

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As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism 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.

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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, 2026, taken on record by the Board of Directors, none of the director is disqualified as on March 31, 2026, 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;

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(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.

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(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 misstatement.

v. The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.

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

PRATEET KUMAR MITTAL
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Date: 2026.05.21 18:18:29 +05'30'

ASA & Associates LLP Chartered Accountants

Prateet Mittal
Partner
Membership No. 402631

UDIN: 26402631LLZQZL3969

Place: Gurugram
Date: May 21, 2026

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.

(i)(a)(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.

(i)(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.

(i)(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.

(i)(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.

(i)(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.

(ii)(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.

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(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 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.

(iii)(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.

(iii)(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 interest free loan given by the Company, the repayment of principal has been stipulated, and the repayments of principal amount are generally regular. Further, the Company has not given any advance in the nature of loan to any party during the year.

(iii)(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.

(iii)(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.

(iii)(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 in the nature of loans as defined in clause (76) of section 2 of the Companies Act, 2013. Hence, reporting under clause 3(iii)(f) is not applicable.

(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.

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(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.

(vii)(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	-

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Central Goods and Services Tax Act 2017	Goods and Services Tax	47	2	FY 2018-19	Additional Commissioner Grade II (Appeals)	-
Central Goods and Services Tax Act 2017	Goods and Services Tax	16	1	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.

(ix)(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.

(ix)(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.

(ix)(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.

(ix)(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.

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(ix)(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.

(x)(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.

(xi)(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.

(xi)(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.

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(xiv)(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.

(xvi)(b) According to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities.

(xvi)(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.

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(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

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Date: 2026.05.21 18:18:59 +05'30'

Prateet Mittal
Partner
Membership No. 402631

ASA & Associates LLP Chartered Accountants

UDIN: 26402631LLZQZL3969

Place: Gurugram
Date: May 21, 2026

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 Standalone 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 Standalone Financial Statements of **Nucleus Software Exports Limited** (the "Company") as at March 31, 2026, in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management and Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control with reference to the Standalone 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 Standalone 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 Standalone 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 Standalone Financial Statements was established and maintained and if such controls operated effectively in all material respects.

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Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to the Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to the Standalone Financial Statements included obtaining an understanding of internal financial controls with reference to the Standalone Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone 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 Standalone Financial Statements.

Meaning of Internal Financial Controls with reference to the Standalone Financial Statements

A Company's internal financial control with reference to the Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to the Standalone 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 the Standalone 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 Standalone financial statements.

Inherent Limitations of Internal Financial Controls with reference to the Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to the Standalone Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to the Standalone Financial Statements to future periods are subject to the risk that the internal financial control with reference to the Standalone Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

ASA & Associates LLP
Chartered Accountants

ASA

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 Standalone Financial Statements and such internal financial controls with reference to the Standalone Financial Statements were operating effectively as at March 31, 2026, based on the internal control with reference to the Standalone 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

PRATEET KUMAR MITTAL
Digitally signed by PRATEET KUMAR MITTAL
Date: 2026.05.21 18:19:16 +05'30'

Prateet Mittal
Partner
Membership No. 402631

ASA & Associates LLP
Chartered Accountants

UDIN: 26402631LLZQZL3969

Place: Gurugram
Date: May 21, 2026

NUCLEUS SOFTWARE EXPORTS LIMITED
STANDALONE BALANCE SHEET AS AT 31 MARCH 2026

(Amount in Rupees Lakhs unless otherwise stated)

Particulars	Note	As at 31 March 2026	As at 31 March 2025
ASSETS			
Non-current assets			
Property, plant and equipment	2.1(a)	6,032	4,009
Capital work in progress	2.1(b)	6	22
Other intangible assets	2.1(a)	286	122
Intangible assets under development	2.1(c)	2	3
Right of use assets	2.2	1,249	661
Financial assets			
Investments	2.3	37,260	42,347
Loans	2.4	1	8
Other financial assets	2.5	22,231	12,503
Income tax asset (net)	2.6	1,155	875
Other non-current assets	2.7	58	930
Total non-current assets		**68,280**	**61,480**
Current assets			
Financial assets			
Investments	2.8	28,604	23,217
Trade receivables	2.9	11,322	12,899
Cash and cash equivalents	2.10	5,174	1,885
Other bank balances	2.11	4,310	7,221
Loans	2.12	88	74
Other financial assets	2.13	100	149
Other current assets	2.14	4,392	4,120
Total current assets		**53,990**	**49,565**
Total assets		**122,270**	**111,045**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	2.15	2,633	2,633
Other equity	2.16	84,833	75,700
Total equity		**87,466**	**78,333**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Lease liabilities	2.2	478	88
Provisions	2.17	5,574	3,881
Deferred tax liabilities (net)	2.18	1,368	1,551
Total non-current liabilities		**7,420**	**5,520**
Current liabilities			
Financial liabilities			
Lease liabilities	2.2	312	103
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	2,299	1,490
Other financial liabilities	2.20	6,735	4,670
Provisions	2.21	554	423
Current tax liabilities (net)	2.22	-	680
Other current liabilities	2.23	17,484	19,826
Total current liabilities		**27,384**	**27,192**
Total equity and liabilities		**122,270**	**111,045**

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

PRATEET KUMAR MITTAL Digitally signed by PRATEET KUMAR MITTAL Date: 2026.05.21 18:20:40 +05'30'

PRATEET MITTAL
Partner
Membership number : 402631

Place : Gurugram
Date : 21 May 2026

For and on behalf of the Board of Directors of
NUCLEUS SOFTWARE EXPORTS LIMITED
CIN : L74899DL1989PLC034594

Vishnu Rampratap Dusad Digitally signed by Vishnu Rampratap Dusad Date: 2026.05.21 17:45:57 +05'30'

VISHNU R DUSAD
Managing Director
DIN : 00008412

PARAG BHISE Digitally signed by PARAG BHISE Date: 2026.05.21 17:39:37 +05'30'

PARAG BHISE
CEO & Whole-time Director
DIN : 08719754

Ashok Kumar Bhura Digitally signed by Ashok Kumar Bhura Date: 2026.05.21 17:46:24 +05'30'

ASHOK KUMAR BHURA
Chief Financial Officer

Poonam Bhasin Digitally signed by Poonam Bhasin Date: 2026.05.21 17:40:12 +05'30'

POONAM BHASIN
VP (Secretarial) &
Company Secretary
Membership number : 10865

Place : Noida
Date : 21 May 2026

NUCLEUS SOFTWARE EXPORTS LIMITED
STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2026

(Amount in Rupees Lakhs unless otherwise stated)

		Note	For the year ended 31 March 2026	For the year ended 31 March 2025
1.	**REVENUE FROM OPERATIONS**			
	Income from software product and services	2.24	80,597	76,866
2.	**OTHER INCOME**	2.25	7,301	7,004
3.	**TOTAL INCOME (1+2)**		**87,898**	**83,870**
4.	**EXPENSES**			
	a. Employee benefits expense	2.26	51,541	47,235
	b. Operating and other expenses	2.27	17,550	13,618
	c. Finance cost	2.28	112	55
	d. Depreciation, amortisation and impairment	2.1(a) and 2.2	1,547	1,384
	TOTAL EXPENSES		**70,750**	**62,292**
5.	**PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX (3-4)**		**17,148**	**21,578**
6.	**EXCEPTIONAL ITEMS**			
	Impact of New Labour Codes	2.38	2,195	-
7.	**PROFIT BEFORE TAX (5-6)**		**14,953**	**21,578**
8.	**INCOME TAX EXPENSE**			
	a. Net current tax expense		3,435	4,552
	b. Deferred tax credit /charge	2.18	(313)	850
	NET TAX EXPENSE		**3,122**	**5,402**
9.	**PROFIT FOR THE YEAR (7-8)**		**11,831**	**16,176**
10.	**OTHER COMPREHENSIVE INCOME / (LOSS)**			
(A)	(i) Items that will not be reclassified to profit or loss			
	a) Remeasurements of the defined benefit plans		374	(438)
	b) Equity instruments through other comprehensive		467	(193)
	(ii) Tax (expense)/ income relating to Items that will not be reclassified to profit or loss		(161)	148
(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		(114)	2
	(ii) Tax (expense) / income relating to Items that will be reclassified subsequently to profit or loss		27	(2)
	TOTAL OTHER COMPREHENSIVE INCOME / (LOSS) NET OF TAX		**593**	**(483)**
11.	**TOTAL COMPREHENSIVE INCOME (9+10)**		**12,424**	**15,693**
	Profit attributable to:			
	Owners of the Company		11,831	16,176
	Other comprehensive income attributable to:			
	Owners of the Company		593	(483)
	Total comprehensive income attributable to:			
	Owners of the Company		12,424	15,693
12.	**EARNINGS PER EQUITY SHARE**	2.33		
	Equity shares of Rupees 10 each			
	a. Basic (Rs)		44.94	60.93
	b. Diluted (Rs)		44.94	60.93
	Number of shares used in computing earnings per share			
	a. Basic		26,325,306	26,548,701
	b. Diluted		26,325,306	26,548,701

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

PRATEET KUMAR MITTAL
Digitally signed by PRATEET KUMAR MITTAL
Date: 2026.05.21 18:21:00 +05'30'

PRATEET MITTAL
Partner
Membership number : 402631

Place : Gurugram
Date : 21 May 2026

For and on behalf of the Board of Directors of
NUCLEUS SOFTWARE EXPORTS LIMITED
CIN : L74899DL1989PLC034594

Vishnu Rampratap Dusad
Digitally signed by Vishnu Rampratap Dusad
Date: 2026.05.21 17:46:52 +05'30'

VISHNU R DUSAD
Managing Director
DIN : 00008412

PARAG BHISE
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Date: 2026.05.21 17:40:37 +05'30'

PARAG BHISE
CEO & Whole-time Director
DIN : 08719754

Ashok Kumar Bhura
Digitally signed by Ashok Kumar Bhura
Date: 2026.05.21 17:47:10 +05'30'

ASHOK KUMAR BHURA
Chief Financial Officer

Poonam Bhasin
Digitally signed by Poonam Bhasin
Date: 2026.05.21 17:40:57 +05'30'

POONAM BHASIN
VP (Secretarial) & Company Secretary
Membership number : 10865

Place : Noida
Date : 21 May 2026

NUCLEUS SOFTWARE EXPORTS LIMITED

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2026

A. Equity share Capital

(Amount in Rupees Lakhs unless otherwise stated)

Balance as of 1 April 2025	Changes in Equity Share Capital due to prior period change	Restated balance as of 1 April 2025	Changes in equity share capital during the year	Balance as on 31 March 2026
2,633	-	2,633	-	2,633

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

B. Other Equity

	Reserves and Surplus			Items of Other Comprehensive Income (OCI)			
	Capital reserve	Capital Redemption reserve	Retained earnings	Other components of equity	Hedging reserve	Equity instrument through other comprehensive income	Total
Opening balance 1 April 2025	**89**	**606**	**74,317**	**(290)**	**5**	**973**	**75,700**
Profit for the year	-	-	11,831	-	-	-	11,831
Effective gain/(loss) on hedging instruments (net of tax)	-	-	-	-	(87)	-	(87)
Equity Instruments through Other Comprehensive Income	-	-	-	-	-	467	467
Final dividend on equity shares	-	-	(3,291)		-	-	(3,291)
Remeasurement of the defined benefit plans, (net of tax)	-	-	-	213	-	-	213
Balance as of 31 March 2026	**89**	**606**	**82,857**	**(77)**	**(82)**	**1,440**	**84,833**

	Reserves and Surplus			Items of Other Comprehensive Income (OCI)			
	Capital reserve	Capital Redemption reserve	Retained earnings	Other components of equity	Hedging reserve	Equity instrument through other comprehensive income	Total
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 of tax)	-	-	(290)	-	-	-	(290)
Balance as of 31 March 2025	**89**	**606**	**74,027**	**-**	**5**	**973**	**75,700**

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

PRATEET KUMAR MITTAL Digitally signed by PRATEET KUMAR MITTAL Date: 2026.05.21 18:21:20 +05'30'

PRATEET MITTAL
Partner
Membership number : 402631

Place : Gurugram
Date : 21 May 2026

For and on behalf of the Board of Directors of

NUCLEUS SOFTWARE EXPORTS LIMITED

CIN : L74899DL1989PLC034594

Vishnu Rampratap Dusad Digitally signed by Vishnu Rampratap Dusad Date: 2026.05.21 17:47:34 +05'30'

VISHNU R DUSAD
Managing Director
DIN : 00008412

PARAG BHISE Digitally signed by PARAG BHISE Date: 2026.05.21 17:41:41 +05'30'

PARAG BHISE
CEO & Whole-time Director
DIN : 08719754

Ashok Kumar Bhura Digitally signed by Ashok Kumar Bhura Date: 2026.05.21 17:47:54 +05'30'

ASHOK KUMAR BHURA
Chief Financial Officer

Poonam Bhasin Digitally signed by Poonam Bhasin Date: 2026.05.21 17:41:18 +05'30'

POONAM BHASIN
VP (Secretarial) &
Company Secretary

Membership number : 10865

Place : Noida
Date : 21 May 2026

NUCLEUS SOFTWARE EXPORTS LIMITED
STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2026

(Amount in Rupees Lakhs unless otherwise stated)

	For the year ended 31 March 2026	For the year ended 31 March 2025
A. Cash flow from operating activities		
Net profit before tax	14,953	21,578
Adjustment for:		
Depreciation, amortisation and impairment expenses	1,547	1,384
Unrealised exchange (gain) / loss on translation of foreign currency accounts (net)	(442)	36
Dividend received from non-current investment	-	(44)
Dividend received from subsidiary companies	(903)	(396)
Interest income on financial assets- carried at amortised cost	(2,934)	(2,516)
Discounting of staff loan and security deposit	(12)	(21)
MTM (gain) on investments	(2,684)	(3,765)
Net (gain)/loss on sale of investments	-	(122)
Profit on sale of property, plant and equipment (net)	(31)	-
Interest expense on lease liability	58	28
Bad debts and allowance / provision for doubtful trade receivables / advances / other current assets	(105)	(200)
Provision for diminishing in value of investment	30	-
Withholding tax charged off	376	329
Operating profit before working capital changes	**9,853**	**16,291**
Adjustment for (increase) / decrease in operating assets		
Trade receivables	1,414	3,179
Loans	103	43
Other assets	(158)	(532)
Adjustment for increase / (decrease) in operating liabilities		
Trade payables	816	(342)
Provisions and other liabilities	2,097	(963)
	14,125	17,676
Income taxes paid (net)	(3,965)	(3,808)
Net cash from operating activities (A)	**10,160**	**13,868**
B. Cash flow from investing activities		
Acquisition of property, plant and equipment and intangible assets under development	(2,819)	(1,506)
Proceeds from sale of property, plant and equipment	39	-
Net (purchase)/sale of mutual funds, tax free bonds and preference shares	4,447	6,020
Bank deposits, FDR's (net) and other bank balances not considered as cash and cash equivalents	(6,258)	(6,523)
Interest received on fixed deposits, tax free bonds	248	248
Dividend received from investments	-	44
Dividend from subsidiary company	903	396
Net cash used in investing activities (B)	**(3,440)**	**(1,321)**
C. Cash flow from financing activities		
Principal repayment of lease liabilities	(244)	(228)
Interest paid on lease liabilities	(58)	(28)
Buyback of equity shares including tax thereon (see note 2.16)	-	(8,921)
Interim dividend / Final dividend paid	(3,291)	(3,347)
Net cash used in financing activities (C)	**(3,593)**	**(12,524)**
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	**3,127**	**23**
Opening cash and cash equivalents	1,885	1,829
Exchange difference on translation of foreign currency bank accounts	162	33
Closing cash and cash equivalents [see note 2.10]	**5,174**	**1,885**

(Amount in Rupees Lakhs unless otherwise stated)

Supplementary information	For the year ended 31 March 2026	For the year ended 31 March 2025
1. Cash and cash equivalents represents :		
Remittance in transit	652	4
Balances with scheduled banks	1,120	673
Balance with non scheduled banks in current accounts	53	40
Balances with scheduled banks in deposit accounts with original maturity of less than 3 months	3,349	1,168
	5,174	**1,885**
2.Reconciliation of movements of lease liabilities to cash flows arising from financing activities :-		
At the beginning (current and non current)	191	398
Addition in lease liabilities	843	21
Interest accrued	58	28
Net Cash outflow	(302)	(256)
At the end (current and non current)	**790**	**191**

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

PRATEET KUMAR MITTAL Digitally signed by PRATEET KUMAR MITTAL Date: 2026.05.21 18:21:42 +05'30'

PRATEET MITTAL
Partner
Membership number : 402631

For and on behalf of the Board of Directors of
NUCLEUS SOFTWARE EXPORTS LIMITED
CIN : L74899DL1989PLC034594

Vishnu Rampratap Dusad Digitally signed by Vishnu Rampratap Dusad Date: 2026.05.21 17:48:41 +05'30'

VISHNU R DUSAD
Managing Director
DIN : 00008412

PARAG BHISE Digitally signed by PARAG BHISE Date: 2026.05.21 17:42:36 +05'30'

PARAG BHISE
CEO & Whole-time Director
DIN : 08719754

Ashok Kumar Bhura Digitally signed by Ashok Kumar Bhura Date: 2026.05.21 17:48:13 +05'30'

ASHOK KUMAR BHURA
Chief Financial Officer

Poonam Bhasin Digitally signed by Poonam Bhasin Date: 2026.05.21 17:42:17 +05'30'

POONAM BHASIN
VP (Secretarial) & Company Secretary
Membership number : 10865

Place : Gurugram
Date : 21 May 2026

Place : Noida
Date : 21 May 2026

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 10th October 1994. The Company made an initial public offer in August 1995. As at 31 March 2026 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 2026 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 2025.
The standalone financial statements were approved for issue by the Board of Directors on 21 May 2026.

b) Functional and presentation currency

The standalone financial statements are presented in Indian Rupees (INR), which is also the Company`s functional currency. All amounts have been rounded-off to the nearest Lakhs 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 Lakhs 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 ts settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of the non-current financial liabilities.
All other liabilities are classified as non-current.
Deferred tax assets and liabilities (if any) are classified as non-current assets and liabilities.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Company has ascertained its operating cycle, being a period within 12 months for the purpose of classification of assets and liabilities as current and non-current.

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 2.14

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 - Note 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 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 including any import duties and other taxes (other than those subsequently recoverable from the tax authorities), 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 period 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	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;
- 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 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 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 period. Diluted earnings per share is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the period-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 period 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 period when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the year in which the employee renders the related service.

The Company does not recognize liability or expense for non-accumulating short term compensated absences as these do not carry forward and lapses if the current period's entitlement is not used in full. Further, employees are not entitled to any cash payment in respect of such non accumulating short term compensated absences.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the year in which the employee renders the related service are recognized as a liability at the present value of the defined benefit obligation as at the Balance Sheet date. For the long term employee benefits, the obligation is measured on the basis of an independent actuarial valuation using the projected 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 Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

The Company has evaluated the impact of these amendments and the relevant disclosures are summarised below:

Amendments to Ind AS 21 – The Effects of Changes in Foreign Exchange Rates w.e.f. April 1, 2025

The amendments provide guidance for determining the exchange rate when a currency is not exchangeable and require additional disclosures in such cases.
The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.

Amendments to Ind AS 1, Presentation of Financial Statements, applicable w.e.f. April 1, 2025

The amendment relates to classification of liabilities as current or non-current and non-current liabilities with covenants. In the context of classifying a liability as current, it removes the requirement of existence of a right to defer settlement for at least 12 months after the reporting date and instead requires that the said right should exist on the reporting date and have substance. The amendment also introduces guidance onclassification of liabilities with covenants.

The Company has no impact of these amendments in its classification criteria of current and non-current liabilities.

Amendments to Ind AS 7 – Statement of Cash Flows and Ind AS 107 – Financial Instruments: Disclosures w.e.f. April 1, 2025

The amendment in Ind AS 7 requires to inform users of financial statements of the existence of supplier finance arrangements and explain the nature of the arrangements, the carrying amount of liabilities and the range of payment due dates. Ind AS 107 has been amended to add supplier finance arrangements as a factor that may cause concentration of liquidity risk.

Amendments to Ind AS 12 – Income Taxes (International Tax Reform – Pillar Two Model Rules)

The Company has evaluated the applicability of these amendments and determined that the provisions relating to International Tax Reform – Pillar Two Model Rules are not applicable to the Company. Accordingly, no impact or additional disclosures are required in the financial statements.

NUCLEUS SOFTWARE EXPORTS LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

2.1(a) Property, plant and equipment

(Amount in Rupees Lakhs unless otherwise stated)

PARTICULARS	GROSS CARRYING AMOUNT				ACCUMULATED DEPRECIATION				NET CARRYING AMOUNT	
	As at 1 April 2025	Additions	Deductions / adjustments	As at 31 March 2026	As at 1 April 2025	Depreciation for the year	Deductions / adjustments	As at 31 March 2026	As at 31 March 2026	As at 31 March 2025
Tangible assets										
Freehold land (see note below)	34	-	-	34	-	-	-	-	34	34
	(34)	-	-	(34)	-	-	-	-	(34)	(34)
Buildings (see note below)	2,513	1,103	-	3,616	816	112	-	928	2,688	1,697
	(2,423)	(90)	-	(2,513)	(709)	(107)	-	(816)	(1,697)	(1,714)
Plant and equipment	650	164	3	811	512	70	3	579	232	138
	(641)	(10)	(1)	(650)	(432)	(81)	(1)	(512)	(138)	(209)
Office equipment	336	12	4	344	190	41	3	228	116	146
	(291)	(45)	-	(336)	(152)	(38)	-	(190)	(146)	(139)
Computer equipment	5,601	1,869	546	6,924	3,801	870	547	4,124	2,800	1,800
	(4,269)	(1,342)	(10)	(5,601)	(3,048)	(762)	(9)	(3,801)	(1,800)	(1,221)
Vehicles	194	-	23	171	146	19	16	148	23	48
	(267)	-	(73)	(194)	(188)	(30)	(72)	(146)	(48)	(79)
Furniture and fixtures	368	36	-	404	223	42	-	265	139	145
	(253)	(115)	-	(368)	(198)	(24)	1	(223)	(145)	(55)
	9,695	**3,184**	**576**	**12,304**	**5,687**	**1,154**	**569**	**6,272**	**6,032**	**4,009**
	(8,177)	(1,602)	(84)	(9,695)	(4,727)	(1,042)	(81)	(5,687)	(4,009)	(3,450)
Other intangible assets										
Software	2,253	276	-	2,529	2,130	112	(1)	2,243	286	122
	(2,163)	(90)	-	(2,253)	(2,023)	(107)	-	(2,130)	(122)	(140)
	2,253	**276**	**-**	**2,529**	**2,130**	**112**	**(1)**	**2,243**	**286**	**122**
Total	**11,948**	**3,460**	**576**	**14,833**	**7,817**	**1,266**	**568**	**8,515**	**6,318**	**4,131**
	(10,340)	(1,692)	(84)	(11,948)	(6,750)	(1,149)	(81)	(7,817)	(4,131)	(3,590)

Note : (i) The title deeds of all the immovable properties are held in the name of Company.
(ii) Figures in bracket pertains to the positions as of 31 March 2025.

2.1(b) Capital work in progress

(Amount in Rupees Lakhs unless otherwise stated)

PARTICULARS	As at 1 April 2025	Additions	Capitalisation / adjustments	As At 31 March 2026
Capital work in progress (see note below)	22	22	38	6
	(6)	(22)	(6)	(22)

Note:

(Amount in Rupees Lakhs 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	6	-	-	-	6
	(22)	-	-	-	(22)

2.1(c) Intangible assets under development

(Amount in Rupees Lakhs unless otherwise stated)

PARTICULARS	As at 1 April 2025	Additions	Capitalisation / adjustments	As At 31 March 2026
Intangible assets under development (see note below)	3	175	176	2
	(59)	-	(56)	(3)

Note:

(Amount in Rupees Lakhs 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	-	2	-	-	-	2
	(3)	-	-	-	-	(3)

Note:
(i) Figures in bracket pertains to the positions as of 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 Rupees Lakhs unless otherwise stated)

Particulars	As at 31 March 2026				As at 31 March 2025			
	Building	Lease hold land	Cars	Total	Building	Lease hold land	Cars	Total
Opening balance	123	490	48	661	318	498	58	874
Additions	503	-	367	870	-	-	21	21
Amortisation	210	8	64	282	195	8	31	234
Closing balance	**416**	**482**	**351**	**1,249**	**123**	**490**	**48**	**661**

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.

(b) The following is the break-up of current and non-current lease liabilities :

(Amount in Rupees Lakhs unless otherwise stated)

Particulars	As at 31 March 2026	As at 31 March 2025
Current lease liabilities	312	103
Non-current lease liabilities	478	88
Total	**790**	**191**

(c) The following is the movement in lease liabilities :

(Amount in Rupees Lakhs unless otherwise stated)

Particulars	As at 31 March 2026	As at 31 March 2025
Opening balance	191	398
Additions	843	21
Finance cost accrued during the year	58	28
Payment of lease liabilities	(302)	(256)
Closing balance	**790**	**191**

(d) The table below provides details regarding future lease payments on an undiscounted basis:

(Amount in Rupees Lakhs unless otherwise stated)

Particulars	As at 31 March 2026	As at 31 March 2025
Not later than 1 year	372	116
Later than 1 year but not later than 5 years	522	95
More than 5 year	-	-
Total	**894**	**211**

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 Rs 69 Lakhs for the year ended 31 March 2026 (previous year ended 31 March 2025 Rs 70 Lakhs)

2 NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

2.3 A. NON-CURRENT INVESTMENTS

(Amount in Rupees Lakhs unless otherwise stated)

	Particulars	As at 31 March 2026	As at 31 March 2025
	Investments in equity shares of subsidiaries* (unquoted)		
	Equity shares at cost		
a.	625,000 (As at 31 March 2025 - 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 2025 -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 2025 - 200) equity shares of Japanese Yen 50,000 each, fully paid up, in Nucleus Software Japan Kabushiki Kaisha, Japan	41	41
d.	7,800 (As at 31 March 2025 - 7,500) equity shares of Euro 100 each, fully paid up, in Nucleus Software Netherlands B.V., Netherlands	519	489
	Less: Provision for diminution in value of investment in Nucleus Software Netherlands B.V., Netherlands	(519)	(489)
e.	15,000,000 (As at 31 March 2025 - 15,000,000) equity shares of Rs. 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 2025 - 100,000) equity shares 1 AUD each, fully paid in Nucleus Software Australia Pty. Ltd., Australia	55	55
g.	10 (As at 31 March 2025 - 10) equity shares of ZAR 61,200 each fully paid up, in Nucleus Software South Africa (Pty.) Limited, South Africa	32	32
		1.985	**1.985**

* During the year, the Company incorporated a wholly-owned subsidiary, Nucleus Software VietnamCompany Limited, in the Socialist Republic of Vietnam on February 05, 2026. As at 31 March 2026, the Company had not infused any share capital into the subsidiary. Accordingly, no investment has been recognised in the financial statements as at the reporting date. Subsequent to the reporting period, the Company infused the share capital of USD 100,000 on 06 May 2026. (refer note 2.31 b)

	Particulars	As at 31 March 2026	As at 31 March 2025
	Investment in equity instruments (Quoted)		
	Equity shares at FVOCI		
	2,900,000 (As at 31 March 2025- 2,900,000) equity shares of Rs. 10 each, fully paid up, in Ujjivan Small Finance Bank Limited*	**1,465**	**998**
	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	103	104
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	1,116	1,149
j.	8.30% Power Finance Corporation (PFC) Tax Free Bonds 2027	-	1,104
		2,143	**3,281**
	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	1,532	1,434
b.	Axis Banking and PSU Debt Fund - Direct Plan-Growth	1,877	1,774
c.	DSP Banking & PSU Debt Fund - Direct Plan-Growth	752	720
d.	HDFC Corporate Bond Fund - Direct Plan-Growth	1,299	1,239
e.	ICICI Prudential Corporate Bond Fund - Direct Plan-Growth	1,760	1,657
f.	ICICI Prudential Gilt Fund - Direct Plan	3,324	3,221
g.	Kotak Bond Short Term Fund - Direct Plan-Growth	1,516	1,427
h.	Nippon India Floating Rate Fund - Direct Plan-Growth	3,969	3,722
i.	SBI Corporate Bond Fund - Direct Plan-Growth	514	486
j.	SBI Magnum Gilt Fund Direct Growth	3,275	3,217
k.	Tata Short Term Bond Fund - Direct Plan-Growth	3,112	2,946
		22.930	**21.843**
	Investment in mutual funds (quoted)		
	Target maturity Funds at Amortised cost		
a.	ABSL Crisil IBX Gilt Apr 2029 Index Fund - Direct Plan-Growth	2,212	2,065
b.	HDFC Nifty G-Sec Dec 2026 Index Fund -Direct Plan-Growth	-	2,985
c.	ICICI Prudential Nifty G-Sec Dec 2030 Index Fund -Direct Plan-Growth	2,215	2,067
d.	SBI Crisil IBX Gilt Index - June 2036 Index Fund -Direct Plan-Growth	1,603	1,495
e.	SBI Crisil IBX Gilt Index - April 2029 Index Fund -Direct Plan-Growth	2,707	2,526
f.	Tata Crisil IBX Gilt Index - April 2026 Index Fund -Direct Plan-Growth	-	3,102
		8.737	**14.240**
	Aggregate amount of non-current investments	**37,260**	**42,347**
	Aggregate book value of quoted investments	12,345	18,519
	Aggregate market value of quoted investments	12,519	18,886
	Aggregate value of unquoted investments	24,915	23,828
	Aggregate amount of impairment in value of quoted investments	-	-
	Aggregate amount of impairment in value of unquoted investments	682	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

	Fair value as at 31 March 2026	Change in fair value during the year ended 31 March 2026	Fair value as at 31 March 2025
Investment in Ujjivan Small Finance Bank Limited	1,465	467	998
Investment in Ujjivan Financial Services Limited	-	-	-

*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 year ended 31 March 2026 as well as in the previous year ended 31 March 2025 and there were no transfers of any cumulative gain or loss within equity relating to these investments.

(Amount in Rupees Lakhs unless otherwise stated)

	Particulars	As at 31 March 2026	As at 31 March 2025
2.4	**LONG-TERM LOANS**		
	(Unsecured considered good unless otherwise stated)		
a.	Loans and advances to employees	1	8
b.	Loan to subsidiary credit impaired (refer note 1 below and refer note 2.34)	272	382
	Interest Accrued on loan	-	-
		273	390
	Less: Loss allowance on loan to subsidiary	(272)	(382)
		1	**8**

Note 1:

Type of borrower	Amount of loan / advance in the nature of loan outstanding as at 31 March 2026	Percentage to the total Loans and Advances in the nature of loans as at 31 March 2026	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
Promoter	-	-	-	-
Directors	-	-	-	-
KMP's	-	-	-	-
Related parties*	272	75%	382	82%
	272	**75%**	**382**	**82%**

* The loan has been granted to support working capital requirements and day-to-day operations. In the previous year, the loan was repayable on demand. During the current year, the repayment terms were revised and the loan is now recoverable as per the agreed repayment schedule of ₹20 lakhs per quarter. Accordingly, the portion recoverable within 12 months from the reporting date has been classified as a current, with the balance classified as non-current.

(Amount in Rupees Lakhs unless otherwise stated)

	Particulars	As at 31 March 2026	As at 31 March 2025
2.5	**OTHER NON-CURRENT FINANCIAL ASSETS**		
	(Unsecured considered good unless otherwise stated)		
a.	Security deposits	191	87
b.	Long-term deposits with more than 12 months maturity	22,040	12,416
		22,231	**12,503**
2.6	**INCOME TAX ASSETS (NET)**		
a.	Advance income tax (net of provisions)	1,155	875
		1,155	**875**
2.7	**OTHER NON- CURRENT ASSETS**		
	(Unsecured considered good unless otherwise stated)		
a.	Capital advances	3	804
b.	Employee advances	37	37
	Less: Allowances for doubtful trade receivables	(37)	(37)
		-	-
c.	Prepaid expenses	55	126
		58	**930**

2.8 Current investments

Investment in mutual funds

(Amount in Rupees Lakhs unless otherwise stated)

Name	As at 31 March 2026	As at 31 March 2025
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	873	817
b. Aditya Birla Sun Life Money Manager Fund - Direct Plan - Growth	3,944	3,698
c. Axis Income Plus Arbitrage FOF- Direct Plan- Growth	1,794	-
e. DSP Liquidity Fund - Direct Plan - Growth	283	-
f. HDFC Money Market Fund - Direct Plan - Growth	2,947	2,761
h. HSBC Overnight Fund- Direct Plan- Growth	-	701
i. ICICI Prudential Money Market Fund - Direct Plan - Growth	1,515	3,299
j. Kotak Equity Arbitrage Fund - Direct Plan-Growth	3,961	3,708
k. Nippon India Arbitrage Fund - Direct Plan - Growth	1,782	1,670
l. SBI Arbitrage Opportunities Fund- Direct Plan -Growth	3,500	3,278
m. Tata Arbitrage Fund- Direct Plan - Growth	426	398
n. Tata Treasury Advantage Fund - Direct Plan - Growth	-	342
o. UTI Arbitrage Fund - Direct Plan - Growth	720	674
p. UTI Money Market Fund - Direct Plan - Growth	1,941	1,818
	24,337	**23,164**
Investment in mutual funds (quoted)		
Target maturity Funds at Amortised cost		
a. Tata Crisil IBX Gilt Index - April 2026 Index Fund -Direct Plan-Growth	-	-
a. HDFC Nifty G-Sec Dec 2026 Index Fund -Direct Plan-Growth	3,198	-
	3,198	**-**
Investment in bonds (quoted)		
Bonds securities at Amortised cost		
a. 7.11% Power Finance Corporation (PFC) Tax Free Bonds 2025	-	53
b. 8.30% Power Finance Corporation (PFC) Tax Free Bonds 2027	1,069	-
	1,069	**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	**28,604**	**23,217**
Aggregate book value of quoted investments	4,267	53
Aggregate market value of quoted investments	4,267	53
Aggregate value of unquoted investments	24,337	23,164
Aggregate amount of impairment in value of quoted investments	601	601

(Amount in Rupees Lakhs unless otherwise stated)

	Particulars	As at 31 March 2026	As at 31 March 2025
2.9	**CURRENT TRADE RECEIVABLES**		
a.	Due from subsidiaries - considered good (see note 1 below and note 2.34)	398	506
b.	Other trade receivable (see note 1 below)		
	Considered good - Unsecured	9,344	11,095
	Credit impaired	17	9
		9,361	11,104
	Less: Allowances for doubtful trade receivables/credit impaired	(17)	(9)
		9,344	11,095
		9,742	**11,601**
c.	Trade receivable -Unbilled		
	Considered good - Unsecured	1,580	1,298
	Credit impaired	64	69
		1,644	1,367
	Less: Allowances for doubtful trade receivables unbilled/credit impaired	(64)	(69)
		1,580	1,298
		11,322	**12,899**

Note 1:

	Outstanding for following periods from due date of payment (Billed)	As at 31 March 2026					
		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	9,359	383	-	-	-	**9,742**
(ii)	Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	**-**
(iii)	Undisputed Trade Receivables – credit impaired	15	-	2	-	-	**17**
(iv)	Disputed Trade Receivables–considered good	-	-	-	-	-	**-**
(v)	Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	**-**
(vi)	Disputed Trade Receivables – credit impaired	-	-	-	-	-	**-**
		9,374	**383**	**2**	**-**	**-**	**9,759**
	Less: Allowances for doubtful trade receivables						**(17)**
	TRADE RECEIVABLES						**9,742**
	TRADE RECEIVABLES-Unbilled						**1,580**
							11,322

	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	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 Rupees Lakhs unless otherwise stated)

	Particulars	As at 31 March 2026	As at 31 March 2025
2.10	**CASH AND CASH EQUIVALENTS**		
a.	Remittance in transit	652	4
b.	Balances with scheduled banks:		
	- in Current accounts	88	78
	- in Escrow accounts	30	30
	- in EEFC accounts	1,002	565
c.	Balance with non scheduled banks in current accounts:		
	- Citibank, United Kingdom	11	3
	- Citibank, United Arab Emirates	42	37
d.	Balances with scheduled banks in deposit accounts with original maturity of less than 3 months	3,349	1,168
		5,174	**1,885**

Note:
[Balance with scheduled banks in current accounts include Rs 34 Lakhs (31 March 2025 Rs 19 Lakhs) which are under lien]

	Particulars	As at 31 March 2026	As at 31 March 2025
2.11	**OTHER BANK BALANCES**		
a.	Balances with scheduled banks in earmarked accounts:		
	- unclaimed dividend accounts	28	28
b.	Balances with scheduled banks in deposit accounts		
	- Maturity with in 12 months of the reporting date	4,282	7,193
		4,310	**7,221**

Note:
[Balance with scheduled banks in deposit accounts include Rs 31 Lakhs (31 March 2025 Rs 56 Lakhs) which are under lien]

	Particulars	As at 31 March 2026	As at 31 March 2025
2.12	**SHORT-TERM LOANS**		
a.	Loans and advances to employees considered good - Unsecured	8	34
b.	Loan to subsidiary (refer note 1 below)	80	40
		88	**74**

Note 1:

Type of borrower	Amount of loan / advance in the nature of loan outstanding as at 31 March 2026	Percentage to the total Loans and Advances in the nature of loans as at 31 March 2026	Amount of loan / advance in the nature of loan outstanding as at 31 Match 2025	Percentage to the total Loans and Advances in the nature of loans as at 31 March 2025
Promoter	-	-	-	-
Directors	-	-	-	-
KMP's	-	-	-	-
Related parties*	80	22%	40	9%
	80	**22%**	**40**	**9%**

* This loan is for Working Capital to meet day-to-day operations.

	Particulars	As at 31 March 2026	As at 31 March 2025
2.13	**OTHER CURRENT FINANCIAL ASSETS** (Unsecured, considered good unless otherwise stated)		
a.	Security deposit	7	127
b.	Mark-to-market gain on forward contracts	-	6
c.	Expenses recoverable from customers	93	16
		100	**149**
2.14	**OTHER CURRENT ASSETS** (Unsecured considered good unless otherwise stated)		
a.	Income accrued but not due		
	Considered good	2,413	1,785
	Credit impaired	190	187
		2,603	1,972
	Less : Loss allowance for income accrued but not due	(190)	(187)
		2,413	1,785
	Due from subsidiaries - considered good (see note 2.34)	-	71
b.	Employee advances	35	33
c.	Prepaid expenses	1,133	1,540
d.	Contract cost	6	1
e.	Balances with government authorities		
	-Tax credit receivable GST/VAT	39	50
f.	Others		
	- Supplier advances		
	- Considered good	764	634
		764	634
	Less : Provision for doubtful advances	-	-
		764	634
g.	Deferred employee benefits	2	6
		4,392	**4,120**

(Amount in Rupees Lakhs unless otherwise stated)

Particulars	As at 31 March 2026	As at 31 March 2025
2.15 SHARE CAPITAL		
a. Authorised		
Equity shares		
41,100,000 (As at 31 March 2025 - 41,100,000) equity shares of Rs. 10 each	**4,110**	**4,110**
Preference shares		
4,000,000 (As at 31 March 2025 - 4,000,000) 11% redeemable non cumulative preference shares of Rs. 10 each	**400**	**400**
	4,510	**4,510**
b. Issued, Subscribed and Paid-Up		
Issued		
26,328,106 (As at 31 March 2025 - 26,328,106) equity shares of Rs. 10 each	2,633	2,633
Subscribed and Paid-Up		
26,325,306 (As at 31 March 2025 - 26,325,306) equity shares of Rs. 10 each	2,633	2,633
	2,633	**2,633**

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 year :-**

Particulars	Opening balance	Extinguishment of equity shares during the year	Closing balance
a. For the year ended 31 March 2026			
- Number of shares	26,325,306	-	26,325,306
- Amount (In Rupees)	263,268,060	-	263,268,060
b. For the year ended 31 March 2025			
- Number of shares	26,773,324	(448,018)	26,325,306
- Amount (In Rupees)	267,748,240	(4,480,180)	263,268,060

(ii) **Rights, preferences and restrictions attached to shares**

The Company has one class of equity shares having a par value of Rs. 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 2026			31 March 2025		
	(Number)	(Percentage)	% Change during the year	(Number)	(Percentage)	% Change during the year
Karmayogi Holdings Private Limited	8,841,768	33.59%	0.00%	8,841,768	33.59%	-0.03%
Madhu Dusad	3,012,313	11.44%	0.00%	3,012,313	11.44%	-0.01%
Nucleus Software Engineers Private Limited	2,385,882	9.06%	0.00%	2,385,882	9.06%	0.15%
Vishnu R Dusad	1,575,325	5.98%	0.00%	1,575,325	5.98%	-0.01%
Ritika Dusad	1,000,000	3.80%	0.00%	1,000,000	3.80%	0.06%
Kritika Dusad	1,000,000	3.80%	0.00%	1,000,000	3.80%	0.06%
Yogesh Andlay	863,534	3.28%	0.00%	863,534	3.28%	0.05%
Nucleus Software Workshop Pvt Ltd	600,000	2.28%	0.00%	600,000	2.28%	0.04%
Naveen Kumar	71,952	0.27%	0.00%	71,952	0.27%	0.00%
Suman Mathur	23,758	0.09%	0.00%	23,758	0.09%	0.00%

(iv) **Number of shares held by shareholders holding more than 5% of the aggregate shares in the Company :-**

Particulars	31 March 2026		31 March 2025	
	(Number)	(Percentage)	(Number)	(Percentage)
Karmayogi Holdings Private Limited	8,841,768	33.59%	8,841,768	33.59%
Madhu Dusad	3,012,313	11.44%	3,012,313	11.44%
Nucleus Software Engineers Private Limited	2,385,882	9.06%	2,385,882	9.06%
Vishnu R Dusad	1,575,325	5.98%	1,575,325	5.98%

(v) The subscribed and paid capital of Rs 2,633 Lakhs (2,633 Lakhs as on 31 March 2025) includes Rs. 15,000 in respect of 2,800 forfeited equity shares pending reissue.

(vi) **Employees Stock Option Plan ("ESOP")**

a. Employee Stock Option Scheme and SEBI (Share Based Employee Benefits) Regulations, 2014, is effective for regulation of all schemes by the Company for the benefits for its employees dealing in shares, directly or indirectly from 28 October 2014. In accordance with these Guidelines, the excess of the market price of the underlying equity shares as on the date of grant of options over the exercise price of the option, including up-front payments, if any, is to be recognized and amortised on graded vesting basis over the vesting period of the options.

b. The Company currently has one ESOP scheme- ESOP Scheme - 2015 (instituted in 2015) which was duly approved by the Board of Directors and Shareholders. The ESOP Scheme 2015 provides for 500,000 options to eligible employees. As per ESOP scheme 2015, equity shares would be transferred to eligible employees on exercise of options through Nucleus Software Employee Welfare Trust. The Scheme is administered by the Compensation Committee comprising three members, majority of whom are independent directors.

c. No options have been granted till date under the ESOP Scheme 2015.

(Amount in Rupees Lakhs unless otherwise stated)

	Particulars	As at 31 March 2026	As at 31 March 2025
2.16	**OTHER EQUITY**		
a.	Capital reserve	89	89
b.	Capital redemption reserve	606	606
c.	Retained earnings	82,857	74,317
d.	Other comprehensive income	1,281	688
	Total	**84,833**	**75,700**

(Amount in Rupees Lakhs unless otherwise stated)

	Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
a.	**Capital reserve**		
	Opening balance	89	89
	Addition during the year	-	-
	Closing balance	**89**	**89**
b.	**Capital Redemption reserve**		
	Opening Balance	606	561
	Addition during the year	-	45
	Closing balance	**606**	**606**
c.	**Retained Earnings**		
	Opening balance	74,317	70,409
	Add: Profit for the year	11,831	16,176
	Less : Appropriations		
	- Final dividend on equity shares [see note (i) below]	(3,291)	(3,347)
	- Buyback of equity shares	-	(7,235)
	- Tax on buyback of equity shares	-	(1,686)
	Closing balance	**82,857**	**74,317**
d.	**Other comprehensive income**		
	Equity instrument through other comprehensive income		
	Opening balance	973	1,166
	Addition / (Deletion)	467	(193)
	Closing balance	1,440	973
	Remeasurement of the defined benefit plans, net		
	Opening balance	(290)	-
	Addition / (Deletion)	213	(290)
	Closing balance	(77)	(290)
	Hedging reserve, net		
	Opening balance	5	4
	Addition / (Deletion)	(87)	1
	Closing balance	(82)	5
	Total other comprehensive income (net of tax)	**1,281**	**688**
	Closing balance	**84,833**	**75,700**

2.16 OTHER EQUITY

Note :

(i) **Dividend**

The Board of Directors on 21 May 2026 have recommended a payment of Final Dividend of Rs.12.50 per share (on equity share of par value of Rs.10 each) for the year ended 31 March 2026. The payment is subject to approval of shareholders at the ensuing AGM.

The Board of Directors on 16 May 2025 had recommended a payment of Final Dividend of Rs. 12.50 per share (on equity share of par value of Rs.10 each) for the year ended 31 March 2025. The payment was approved by shareholders at the annual general meeting held on 28 July 2025. This dividend was paid on 31 July 2025..

(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 Rs. 1,615/- per Equity Share ("Maximum Buyback Price") payable in cash for an aggregate amount not exceeding Rs. 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.

(iii) **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 a buy back of shares by the Company for the year ended 31 March 2025, for the year ended 31 March 2017 and for the year ended 31 March 2022. A sum equal to the nominal value of the shares so purchased was transferred to capital redemption reserve. The reserve shall be utilised in accordance with the provisions of section 69 of the Companies Act, 2013.

Hedging reserve

This comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

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 Rupees Lakhs unless otherwise stated)

Particulars	As at 31 March 2026	As at 31 March 2025
2.17 NON-CURRENT PROVISIONS		
Provision for employee benefits		
a. Provision for compensated absences	2,844	2,203
b. Provision for gratuity (see note 2.38)	2,730	1,678
	5,574	**3,881**

2.18 DEFERRED TAX LIABILITIES (NET)

A. Amounts recognised in profit or loss

(Amount in Rupees Lakhs unless otherwise stated)

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Current tax	3,435	4,552
Deferred tax	(313)	850
Net tax expense	**3,122**	**5,402**

B. Income tax recognised in other comprehensive income

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Remeasurements of net defined benefit plans	(161)	148
Remeasurements of Equity Shares	-	-
Effective portion of gain/ (loss) on hedging instruments of effective cash flow hedges	27	(2)
Income tax recognised in other comprehensive income	**(134)**	**146**

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 Rupees Lakhs unless otherwise stated)

Particulars	Percentage	For the year ended 31 March 2026	Percentage	For the year ended 31 March 2025
Profit before tax		**14,953**		**21,578**
Domestic tax rate	25.17%	3,763	25.17%	5,431
Effect of exempt non-operating income	-1.82%	(272)	-0.73%	(157)
Effect of non- deductible expenses and others	-0.29%	(43)	1.28%	276
Taxes on income at different rates	-2.11%	(316)	-0.81%	(174)
Change in tax rate and others	-0.07%	(10)	0.12%	26
Effective tax	**20.88%**	**3,122**	**25.04%**	**5,402**

D. Movement in temporary differences

(Amount in Rupees Lakhs unless otherwise stated)

	Particulars	Balance as at 1 April 2025	Recognised [Credited/ (Charge)] in the statement of profit or loss during the year	Recognised [Credited/ (Charge)] in OCI during the year	Translation exchange difference	Balance as at 31 March 2026
(i)	**Deferred tax assets**					
	Provisions- compensated absences, gratuity and other employee benefits	668	862	(94)	-	1,436
	Provision for doubtful trade receivables / loans and service income accrued but not due and others	191	(9)	-	-	182
	Trade receivables, security deposit and loans at amortised cost	13	1	-	-	14
	Lease liability	10	5	-	-	15
		882	**859**	**(94)**	**-**	**1,647**
(ii)	**Deferred tax liabilities**					
	Property, plant and equipment	17	(139)	-	-	(122)
	Forward contracts	(4)	-	27	(2)	25
	Investments	(2,446)	(405)	(67)	-	(2,918)
		(2,433)	**(544)**	**(40)**	**(2)**	**(3,015)**
	Net deferred tax asset (Liability)	**(1,551)**	**315**	**(134)**	**2**	**(1,368)**

(Amount in Rupees Lakhs unless otherwise stated)

	Particulars	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	Translation exchange difference	Balance as at 31 March 2025
(i)	**Deferred tax assets**					
	Provision for compensated absences, gratuity and other employee benefits	590	(32)	110	-	668
	Provision for doubtful debts / loans and service income accrued but not due	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 Rupees Lakhs unless otherwise stated)

	Particulars	As at 31 March 2026	As at 31 March 2025
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)	623	381
	-Total outstanding dues of creditors other than micro enterprises and small enterprises (see note 1 below)	328	58
	-Accrued expenses	1,348	1,051
		2,299	**1,490**

Note 1 : Aging for Trade payable outstanding as at 31 March 2026 is as follows:

(Amount in Rupees Lakhs unless otherwise stated)

Outstanding for following period from due date	Not due	As at 31 March 2026				
		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)	-	623	-	-	-	623
(iii) Others	56	271	-	1	-	328
(iv) Disputed dues MSME	-	-	-	-	-	-
(v) Disputed dues others	-	-	-	-	-	-
Total	**56**	**894**	**-**	**1**	**-**	**951**
Accrued expenses						**1,348**
						2,299

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				
		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)	-	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

(Amount in Rupees Lakhs unless otherwise stated)

	Particulars	As at 31 March 2026	As at 31 March 2025
2.20	**OTHER CURRENT FINANCIAL LIABILITIES**		
a.	Unpaid dividends	28	28
b.	Payable for purchase of Property, plant and equipment and Intangible assets	-	178
c.	Mark-to-market gain/loss on forward contracts	109	-
d.	Employee payable	6,598	4,464
		6,735	**4,670**
2.21	**CURRENT PROVISIONS**		
	Provision for employee benefits		
a.	Provision for compensated absences	554	423
		554	**423**
2.22	**CURRENT TAX LIABILITIES**		
a.	Provision for tax	-	680
		-	**680**
2.23	**OTHER CURRENT LIABILITIES**		
a.	Advance from customers / Advance billings	4,510	6,098
b.	Deferred revenue	11,603	12,267
	Deferred revenue due to subsidiaries (see note 2.34)	2	2
c.	Other payables - statutory liabilities	1,369	1,459
		17,484	**19,826**

(Amount in Rupees Lakhs unless otherwise stated)

	Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
2.24	**INCOME FROM SOFTWARE PRODUCTS AND SERVICES**		
a.	Software products and services (see note 2.37)		
	- Sale of products	73,901	71,271
	- Sale of services	6,696	5,595
		80,597	**76,866**

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 2026, other than those meeting the exclusion criteria is Rs.7,190 Lakhs, out of which 56% 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 2025, other than those meeting the exclusion criteria is Rs 9,250 Lakhs, out of which 58% 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 Rupees Lakhs unless otherwise stated)

	As at 31 March 2026	As at 31 March 2025
Balance at the beginning of the year	2,043	1,793
Revenue recognised during the year	9,752	9,072
Invoices raised during the year	(9,845)	(10,288)
Translation exchange difference	(80)	76
Movement of contract assets	733	1,390
Impairment of a contract asset	-	-
Balance at the end of the year	**2,603**	**2,043**

Changes in contract liabilities (unearned and deferred revenue) are as follows:	As at 31 March 2026	As at 31 March 2025
Balance at the beginning of the year	18,369	20,288
Revenue recognised during the year	(57,990)	(60,087)
Invoices raised during the year	46,585	52,858
Translation exchange difference	(1)	76
Other movement liability	9,153	5,234
Impairment of liability	-	-
Balance at the end of the year	**16,116**	**18,369**

(Amount in Rupees Lakhs unless otherwise stated)

	Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
2.25	**OTHER INCOME**		
a.	Interest income on financial assets- carried at amortised cost :		
	- Deposits with banks and others	1,773	1,380
	- Loan to subsidiary (see note 2.34)	0	3
	- Tax free bonds	178	182
	- Target Maturity Fund	982	951
	- Others	12	21
b.	Interest income on income tax refund	97	47
c.	Dividend income		
	- Non-current investments	-	44
	- Subsidiary companies (see note 2.34)	903	396
d.	Net gain / (loss) on investment carried at Fair value through Profit and Loss account	2,684	3,887
e.	- Gain on exchange fluctuation	617	78
f.	Other non-operating income		
	- Net profit on sale of property, plant and equipment	31	-
	- Miscellaneous income	24	15
		7,301	**7,004**

(Amount in Rupees Lakhs unless otherwise stated)

	Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
2.26	**EMPLOYEE BENEFITS EXPENSES**		
a.	Salaries and wages	46,896	43,066
b.	Contribution to provident and other funds	3,012	2,766
c.	Gratuity expense (see note 2.38)	900	670
d.	Staff welfare expenses	733	733
		51,541	**47,235**

(Amount in Rupees Lakhs unless otherwise stated)

	Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
2.27	**OPERATING AND OTHER EXPENSES**		
a.	Outsourced technical service expense	1,730	1,501
b.	Cost of software purchased for delivery to clients	17	14
c.	Power and fuel	397	367
d.	Rent (see note 2.2)	69	70
e.	Repair and maintenance		
	- Buildings	47	17
	- Others	464	443
f.	Insurance	71	95
g.	Rates and taxes	24	79
h.	Travel expenses		
	- Foreign	1,862	1,252
	- Domestic	640	526
i.	Advertisement, business development and promotion	1,003	507
j.	Legal and professional (including Auditors Remuneration - see note 2.32)	609	607
k.	Remuneration to Non Executive Directors	251	300
l.	Conveyance	107	81
m.	Communication	138	132
n.	Training and recruitment	968	593
o.	Conference, exhibition and seminar	830	727
p.	Information technology expenses	4,402	4,116
q.	Bad debts and allowance / provision for doubtful trade receivables / advances / other current assets	(105)	(200)
r.	Provision for diminution in value of investment in Subsidiary at FVTPL (see note 2.34)	30	-
s.	Withholding tax charged off	376	329
t.	Commission to channel partners	41	82
u.	Expenditure on corporate social responsibility (see note 2.40)	369	277
v.	Sales and marketing fee	1,697	505
w.	Business Management & Consultancy Expenses (see note 2.34)	1,276	1,004
x.	Miscellaneous expenses	237	194
		17,550	**13,618**
	Remuneration to Non Executive Directors		
a.	Commission	121	172
b.	Sitting fees	130	128
		251	**300**
2.28	**FINANCE COST**		
a.	Bank Charges	41	27
b.	Interest expense on lease liability	58	28
c.	Interest others	13	-
		112	**55**

2.29 RATIOS

	Ratios as per table below	As at 31 March 2026	As at 31 March 2025	Numerator and denominator for computing the above ratios	Remarks for variance more than 25%
a.	Current Ratio (in times)	1.97	1.82	Current assets/Current liabilities	-
b.	Debt-Equity Ratio (in times)	0.009	0.002	Debt consisit of lease liabilities /Total equity	Rs 869 Lakhs Lease liabilities addition during the year
c.	Debt Service Coverage Ratio (in times)	37	62	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	Not applicable
e.	Trade Receivables turnover ratio (Days)	51	61	Trade receivables *(365)/Income from software product and services	Not applicable
f.	Trade payables turnover ratio (Days)	12	9	Trade payables*(365)/Total expenses	This is due to higher trade payable.
g.	Net capital turnover ratio (in times)	3.03	3.44	Income from software product and services/ working capital (CA-CL)	Not applicable
h.	Return on Equity Ratio (in %) *	14%	21%	Profit after tax/Average total equity	Refer note below
i.	Net profit ratio (in %) *	15%	21%	Profit after tax/Income from software product and services	Refer note below
j.	Return on Capital employed (in %) *	17%	27%	Profit before tax / Capital employed (Tangible net worth + deferred tax liabilities + Lease Liabilities)	Refer note below
k.	Return on investment (in %) * (not annualised)	7.22%	8.28%	Income generated from investments/Time weighted average investments	Not applicable

Note: (*) This is due to the reason of revenue higher by Rs. 3,731 Lakhs, expenses higher by Rs 8,459 Lakhs and Impact of New Labour Code of Rs.2,195 Lakhs.

2.30 Financial Instruments

a) Financial Instruments by category

The carrying value and fair value of financial instruments by categories as at 31 March 2026 as follows:

(Amount in Rupees Lakhs 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)	5,174	-	-	5,174	5,174	-	-	-
Other bank balances (2.11)	4,310	-	-	4,310	4,310	-	-	-
Investments (2.3 and 2.8)								
Equity Instruments (Other than subsidiaries)	-	-	1,465	1,465	1,465	1,465	-	-
Tax free bonds	3,212	-	-	3,212	3,262	3,262	-	-
Mutual funds	-	47,267	-	47,267	47,267	47,267	-	-
Target maturity funds (TMFs)	11,935	-	-	11,935	12,059	12,059	-	-
Trade receivables (2.9)	11,322	-	-	11,322	11,322	-	-	-
Loans (2.4 and 2.12)	90	-	-	90	90	-	-	-
Other financial assets (2.5 and 2.13)	22,331	-	-	22,331	22,331	-	-	-
	58,374	**47,267**	**1,465**	**107,106**	**107,280**	**64,053**		
Liabilities:								
Trade payables (2.19)	2,299	-	-	2,299	2,299	-	-	-
Lease liabilities (2.2)	790	-	-	790	790	-	-	-
Other financial liabilities (2.20)	6,626	-	109	6,735	6,735	-	-	-
	9,715	**-**	**109**	**9,824**	**9,824**	**-**	**-**	**-**

The carrying value and fair value of financial instruments by categories as at 31 March 2025 were as follows:

(Amount in Rupees Lakhs 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**			

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).

2.30 Financial Instruments (Cont'd)

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.

Foreign currency exposures are given below :

Currency	As at 31 March 2026		As at 31 March 2025	
	Amount in foreign currency in Lakhs	Amount in Rupees in Lakhs	Amount in foreign currency in Lakhs	Amount in Rupees in Lakhs
Receivable				
USD	65	6,186	81	6,882
EUR	0	7	1	115
MYR	2	58	41	798
SGD	1	99	1	94
JPY	3	2	6	3
AED	1	39	1	27
GBP	0	4	0	2
AUD	1	61	18	987
THB	-	-	0	1
VND	10,694	37	-	-
SAR	3	67	3	57
Payable				
USD	3.84	363.96	3	220
MYR	-	-	0	1
GBP	0.05	6.20	0	5
SGD	6.95	511.53	1	83
AED	1.56	40.14	0	6
JPY	74.09	44.04	224	127
AUD	3.03	197.12	3	160
THB	0.04	0.11	0	0
SAR	-	-	0	0

Cash flow sensitivity of currency risk

As at 31 March 2026 and as at 31 March 2025 a 10% strengthening/weakening of the Indian rupee against the respective Foreign currencies, would have affected the Company's total comprehensive income by Rs. 539 Lakhs and Rs. 836 Lakhs 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 period.

2.30 Financial Instruments (Cont'd)

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 Rupees Lakhs unless otherwise stated)

	Impact on profit before tax		Impact on other components of equity	
	31 March 2026	31 March 2025	31 March 2026	31 March 2025
Increase 2%				
Mutual funds	945	900	-	-
Equity instruments (other than subsidiaries)	-	-	29	20
Decrease 2%				
Mutual funds	(945)	(900)	-	-
Equity instruments (other than subsidiaries)		-	(29)	(20)

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 Rupees Lakhs unless otherwise stated)

Contract outstanding	Buy/Sell	As at 31 March 2026 (Original currency)	Equivalent amount in Rupees in Lakhs 31 March 2026	As at 31 March 2025 (Original currency)	Equivalent amount in Rupees in Lakhs 31 March 2025
In USD (Amount in USD Lakhs)	Sell	25.00	2,371	32.50	2,777

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

Particulars	As at		As at	
	31 March 2026 Amount in USD in Lakhs	31 March 2026 Equivalent amount in Rupees in Lakhs	31 March 2025 Amount in USD in Lakhs	31 March 2025 Equivalent amount in Rupees in Lakhs
Not later than one month	5.00	474	5.00	427
Later than one month and not later than three months	10.00	948	15.00	1,282
Later than three months and not later than one year	10.00	948	12.50	1,068

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 Rupees Lakhs unless otherwise stated)

Particulars	As at 31 March 2026	As at 31 March 2025
Balance at the beginning of the year	5	4
Gain / (Loss) recognised in other comprehensive income during the year, net of taxes	(87)	1
Balance at the end of the year	(82)	5

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 Rupees Lakhs unless otherwise stated)

	Year ended 31 March 2026	Year ended 31 March 2025
Changes in the value of the hedging instrument recognised in other comprehensive income profit or (loss),net	(114)	2
Hedge ineffectiveness recognised in profit or (loss)	-	-
Amount reclassified from cash flow hedging reserve to profit or (loss)	(104)	(45)

The following table provides quantitative information of mark-to-market gain/loss on forward contracts

(Amount in Rupees Lakhs unless otherwise stated)

Particulars	As at 31 March 2026	As at 31 March 2025
Gross amount of recognized financial asset/ (financial liabilities)	(109)	6
Net amount presented in balance sheet	(109)	6

2.30 Financial Instruments (Cont'd)

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 Rs. 11,322 Lakhs and Rs. 12,899 Lakhs as of 31 March 2026 and 31 March 2025 respectively and income accrued but not due and unbilled revenue amounting to Rs. 2,413 Lakhs and Rs. 1,856 Lakhs as of 31 March 2026 and 31 March 2025, 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 2026**	**Year ended 31 March 2025**
	(in %)	(in %)
Revenue from top customer	7.56%	8.22%
Revenue from top five customers	29.00%	28.68%

Credit risk exposure

a) The lifetime expected credit loss on trade receivable for the year ended 31 March 2026 is Rs. 8 Lakhs and for the year ended 31 March 2025 was Rs (262) Lakhs.

(Amount in Rupees Lakhs unless otherwise stated)

	Year ended 31 March 2026	**Year ended 31 March 2025**
Balance at the beginning	9	286
Impairment loss recognised	8	(262)
Amounts written off against existing provision	-	(15)
Balance at the end	17	9

b) The lifetime expected credit loss on income accrued but not due and unbilled revenue for the year ended 31 March 2026 is Rs 3 Lakhs and for the year ended 31 March 2025 this was Rs. 204 Lakhs.

(Amount in Rupees Lakhs unless otherwise stated)

	Year ended 31 March 2026	**Year ended 31 March 2025**
Balance at the beginning	187	34
Impairment loss recognised	3	204
Amounts written off against existing provision	-	(51)
Balance at the end	190	187

Credit risk on cash and cash equivalents is limited as company 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.

a) Expected credit loss for loans, security deposits and Investments

As at 31 March 2026

(Amount in Rupees Lakhs 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	10,880	0%	-	10,880
		Loans to employee	1	0%	-	1
		Security deposits	191	0%	-	191
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	272	100%	(272)	-
		Investment at amortised cost	601	100%	(601)	-

As at 31 March 2025

(Amount in Rupees Lakhs 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)	-

2.30 Financial Instruments (Cont'd)

b) Expected credit loss for trade receivables under simplified approach

As at 31 March 2026

(Amount in Rupees Lakhs 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	7,453	1,611	310	38	345	2	9,759
Less : Expected credit losses (Loss allowance provision)	-	-	15	-	-	2	17
Carrying amount of trade receivables (net of impairment)	7,453	1,611	295	38	345	-	9,742
Trade Receivables-Unbilled	-	1,343	112	125	-	-	1,580
							11,322

As at 31 March 2025

(Amount in Rupees Lakhs 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

c) Expected credit loss for income accrued but not due / unbilled revenue under simplified approach

As at 31 March 2026

(Amount in Rupees Lakhs unless otherwise stated)

Ageing	0-90 days	90-180 days	180-270 days	270-360 days	More than 360 days	Total
Gross carrying amount	1,943	153	146	65	296	2,603
Less : Expected credit losses (Loss allowance provision)					190	190
Carrying amount (net of impairment)	1,943	153	146	65	106	2,413

As at 31 March 2025

(Amount in Rupees Lakhs 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

2.30 Financial Instruments (Cont'd)

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 2026, the Company had a working capital of Rs. 26,604 Lakhs including cash and cash equivalent of Rs. 5,174 Lakhs and current investment of Rs. 28,604 Lakhs (31 March 2025 Rs. 22,373 Lakhs including cash and cash equivalent of Rs. 1,885 Lakhs and current investment of Rs. 23,217 Lakhs). 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 2026:

(Amount in Rupees Lakhs unless otherwise stated)

Particulars	Less than 1 year	More than 1 year	Total
Trade payables	2,299	1	**2,300**
Lease liabilities	312	478	**790**
Other financial liabilities	6,735	-	**6,735**

The table below provides details regarding the contratual maturities of financial liabilities as of 31 March 2025:

(Amount in Rupees Lakhs 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**

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 Rupees Lakhs unless otherwise stated)**

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Equity Shares		
(i) Final dividend paid of Rs 12.50 per share (Previous year Rs 12.50 per share) (On equity share of Rs 10 each) (see note 2.16 (i))	3,291	3,347
(ii) Dividend not recognised at the end of reporting period (see note 2.16 (i))	3,291	3,291

(Amount in Rupees Lakhs unless otherwise stated)

Particulars	As at 31 March 2026	As at 31 March 2025
2.31 Contingent liabilities and Commitments (to the extent not provided for)		
a. **Contingent liabilities**	465	489

Notes :
As on 31 March 2026, claims against the company not acknowledged as debts in respect of income tax matters amounted to Rs. 402 Lakhs (Previous Year As on 31st March 2025 was Rs. 402 Lakhs) and in respect of goods and service tax matters amounted to Rs. 63 Lakhs (Previous Year As on 31st March 2025 was Rs. 87 Lakhs). 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)**

i) Estimated amount of contracts remaining to be executed on capital account and not provided for in the books of account (net of advances).	397	437

ii) Pursuant to the Investment Registration Certificate, the Company was required to infuse share capital of USD 1,00,000 in its wholly-owned subsidiary, Nucleus Software Vietnam Company Limited, within 90 days from the date of the Enterprise Registration Certificate dated 05 February 2026. Accordingly, the Company infused the said capital on 06 May 2026 within the prescribed regulatory timeline.

(Amount in Rupees Lakhs unless otherwise stated)

Particulars		Year ended 31 March 2026	Year ended 31 March 2025
2.32	**Auditors remuneration (excluding taxes)**		
a.	As auditors - statutory audit, including quarterly audits	38	38
b.	For other services	3	5
c.	Reimbursement of expenses	3	5
		44	**48**

(Amount in Rupees Lakhs unless otherwise stated)

Particulars		Year ended 31 March 2026	Year ended 31 March 2025
2.33	**Earnings per share**		
a.	Profit after taxation available to equity shareholders (Rupees in Lakhs)	11,831	16,176
b.	Weighted average number of equity shares used in calculating basic earnings per share (Numbers)	26,325,306	26,548,701
c.	Effect of dilutive issue of shares	-	-
d.	Weighted average number of equity shares used in calculating diluted earnings per share (Numbers)	26,325,306	26,548,701
e.	Basic earnings per share (Rupees)	44.94	60.93
f.	Diluted earnings per share (Rupees) -	44.94	60.93

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
- Nucleus Software Vietnam Company Limited, Vietnam*

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 till 18.12.2025 and COO)
- Poonam Bhasin (Company Secretary)
- Parag Bhise (Whole time Director and CEO)
- Dr. Ritika Dusad (Whole time Director)
- Surya Prakash Kanodia (resigned as CFO w.e.f. 21.05.2025)**
- Ashok Kumar Bhura (appointed as CFO w.e.f. 01.10.2025)
- 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) (till 18.03.2026)
- 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
- Nitin Ramesh Gokarn (Non Executive Director) w.e.f. 10.02.2026
- 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)

* During the year, the Company incorporated a wholly-owned subsidiary, Nucleus Software Vietnam Company Limited, in the Socialist Republic of Vietnam on 05 February 2026. During the year, no transactions have taken place between the Nucleus Software Exports Limited and Nucleus Software Vietnam Company Limited. Share capital of USD 1,00,000 was infused in Nucleus Software Vietnam Company Limited subsequent to the reporting date on 06 May 2026.

**On May 21, 2025, Mr. Surya Prakash Kanodia stepped down from his role as Chief Financial Officer (CFO). After his departure, Mr. Vishnu R Dusad was appointed Interim CFO beginning August 20, 2025. Later Mr. Vishnu R Dusad resigned from the interim position on October 1, 2025, following the appointment of Mr. Ashok Kumar Bhura as a Chief Financial Officer (CFO). This is in compliance with Statutory provisions.

2.34 RELATED PARTY TRANSACTIONS (CONT'D)

Transactions with related parties

(Amount in Rupees Lakhs unless otherwise stated)

Particulars	**Year ended 31 March 2026**	**Year ended 31 March 2025**
a. Software development services and products		
- Nucleus Software Inc., USA	45	-
- Nucleus Software Solutions Pte Ltd, Singapore	3,623	2,957
	3,668	**2,957**
b. Other income		
Interest income		
- Nucleus Software Limited, Jaipur	0	3
	0	**3**
c. Dividend income from subsidairy		
- Nucleus Software Australia Pty Ltd.	193	-
- Nucleus Software Japan Kabushiki Kaisha, Japan	292	-
- Nucleus Software Solutions Pte Ltd, Singapore	418	396
	903	**396**
d. Salary and other benefits to Key managerial personnel		
Short-term employee benefits	1,042	1,494
Contribution to provident and other funds	39	44
	1,081	**1,538**
Note : Above short term employee benefits includes charge taken from subsidiary company Nucleus Software Solutions Pte. Ltd. for services by COO see note 2.26.		
e. Remuneration to Non Executive Directors		
- Commission	121	172
- Sitting fees	130	128
	251	**300**
f. Outsourced technical service expense		
- Nucleus Software Japan Kabushiki Kaisha, Japan	64	437
- Nucleus Software Australia Pty Ltd.	476	448
	540	**885**
g. Expenditure on Corporate Social Responsibility		
Nucleus Software Foundation (see note 2.40)	369	277
	369	**277**
h. Reimbursement of expenses from		
- Nucleus Software Solutions Pte Ltd, Singapore	20	35
- Nucleus Software Japan Kabushiki Kaisha, Japan	2	12
- Nucleus Software Inc., USA	-	1
- Nucleus Software Australia Pty Ltd.	2	2
	24	**50**
i. Reimbursement of expenses to		
- Nucleus Software Japan Kabushiki Kaisha, Japan	27	-
- Nucleus Software Solutions Pte Ltd, Singapore	92	62
	119	**62**
j. Sales & marketing fee		
- Nucleus Software Japan Kabushiki Kaisha, Japan	311	122
- Nucleus Software Solutions Pte Ltd, Singapore	910	234
- Nucleus Software Inc., USA	234	-
- Nucleus Software Australia Pty Ltd.	242	149
	1,697	**505**
k. Business Management Servicess		
- Nucleus Software Solutions Pte Ltd, Singapore (see note below)*	1,141	956
- Nucleus Software Inc. USA	135	48
	1,276	**1,004**
*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 COO see note 2.26.)		
l. Legal and professional		
-Praxis Consulting and Information services Pvt Ltd	3	5
	3	**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 repayment by subsidiary		
- Nucleus Software Limited, India	70	-
	70	**-**
o. Investment in Subsidiary (addition during the year)		
- Nucleus Software Netherlands B.V., Netherlands	30	-
- Less: Provision for diminution in value of investment	(30)	-
	-	**-**

2.34 RELATED PARTY TRANSACTIONS

Outstanding balances As at year end

(Amount in Rupees Lakhs unless otherwise stated)

	Particulars	As at 31 March 2026	As at 31 March 2025
a.	**Trade receivables**		
	- Nucleus Software Solutions Pte Ltd, Singapore	350	506
	- Nucleus Software Inc., USA	48	
		398	**506**
b.	**Trade payables**		
	- Nucleus Software Solutions Pte Ltd, Singapore	240	83
	- Nucleus Software Japan Kabushiki Kaisha, Japan	42	125
	- Nucleus Software Australia Pty Ltd., Australia	195	159
	- Nucleus Software Inc., USA	107	14
		584	**381**
c.	**Expenses Payable to Subsidiaries**		
	- Nucleus Software Inc., USA	5	-
	- Nucleus Software Australia Pty Ltd., Australia	33	-
		38	**-**
d.	**Advance from customers / Advance billings**		
	- Nucleus Software Solutions Pte Ltd, Singapore	-	2
	- Nucleus Software Inc., USA	2	-
		2	**2**
e.	**Income accrued but not due**		
	- Nucleus Software Solutions Pte Ltd, Singapore	-	71
		-	**71**
f.	**Loan to subsidiary**		
	- Nucleus Software Limited, India	352	422
		352	**422**
g.	**Loss allowance for loan to subsidiary**		
	- Nucleus Software Limited, India	272	382
		272	**382**
h.	**Investments in subsidiary companies (net of provision) (see note 2.3)**	1,985	1,985
		1,985	**1,985**
i.	**Remuneration to Non Executive Directors**		
	- Commission payable	121	172
		121	**172**

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 2026 Rs 5,578 Lakhs (Previous year ended 31 March 2025 Rs 3,329 Lakhs).

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:

2.36 Segment reporting – Basis of preparation

a (i) For the year ended 31 March 2026

(Amount in Rupees Lakhs unless otherwise stated)

Description	India	Far East	South East Asia	Europe	Middle East	Africa	Australia	Others	Total
Revenue from operations	51,011	983	8,808	594	10,023	943	1,949	6,286	80,597
Expenses	23,313	1,027	11,754	232	8,664	665	1,487	3,809	50,951
Segment result	27,698	(44)	(2,946)	362	1,359	278	462	2,477	29,646
Unallocated corporate expenditure									21,994
Operating profit before taxation									7,652
Other income									7,301
Profit before taxation									**14,953**
Tax Expense									
Net current tax expense									3,435
Deferred tax (credit) /charge									(313)
									3,122
Profit for the year									**11,831**

a (ii) For the year ended 31 March 2025

(Amount in Rupees Lakhs 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 (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 2026

(Amount in Rupees Lakhs 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 2025									
Customer individually accounted for more than 10% of the total revenue.	-	-	-	-	-	-	-	-	-

2.36 Segment reporting – Basis of preparation (Cont'd)

Assets and liabilities of reportable segments being geographies are as follows:

a. As at 31 March 2026

(Amount in Rupees Lakhs unless otherwise stated)

Description	India	Far East	South East Asia	Europe	Middle East	Africa	Australia	Others	Total
Segment assets	8,830	211	1,972	2	2,862	175	44	1,202	15,298
Unallocated corporate assets									106,972
Total assets									**122,270**
Segment liabilities	13,277	371	5,054	169	4,419	321	481	2,294	26,386
Unallocated corporate liabilities									8,418
Total liabilities									**34.804**
Capital employed									**87,466**

b. As at 31 March 2025

(Amount in Rupees Lakhs 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**

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 2026

(Amount in Rupees Lakhs unless otherwise stated)

Description	India	Far East	South East Asia	Europe	Middle East	Africa	Australia	Others	Total
Capital expenditure (Unallocated)	4,312	-	-	-	-	-	-	-	4,312
Total capital expenditure		-	-	-	-	-	-	-	4,312
Depreciation expenditure (Unallocated)									1,547
Total depreciation									1,547
Non-cash expense other than depreciation	(99)	135	103	-	69	56	-	37	301
Total non cash expenditure other than depreciation	**(99)**	**135**	**103**	**-**	**69**	**56**	**-**	**37**	**301**

a (ii) For the year ended 31 March 2025

(Amount in Rupees Lakhs unless otherwise stated)

Description	India	Far East	South East Asia	Europe	Middle East	Africa	Australia	Others	Total
Capital expenditure (Unallocated)	1,673	-	-	-	-	-	-	-	1,673
Total capital expenditure		-	-	-	-	-	-	-	**1,673**
Depreciation expenditure (Unallocated)									1,384
Total depreciation									1,384
Segment 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**

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***

a (i) For the year ended 31 March 2026

(Amount in Rupees Lakhs unless otherwise stated)

Description	India	Far East	South East Asia	Europe	Middle East	Africa	Australia	Others	Total
Revenue from operations	51,011	983	8,808	594	10,023	943	1,949	6,286	80.597

(ii) For the year ended 31 March 2025

(Amount in Rupees Lakhs 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

* Disclosure relating to revenues by geography has been made with respect to location of customers.

(B) **Revenues in products and services ***

(Amount in Rupees Lakhs unless otherwise stated)

	Description	Products	Services	Total
(i)	**For the year ended 31 March 2026**			
	Revenue	73,901	6,696	80,597
(ii)	**For the year ended 31 March 2025**			
	Revenue	71,271	5,595	76,866

* Revenue from Products comprises revenue generated from Company's own developed software and from third party software supplied along with the Company's software. It also includes services such as enhancements to the product, maintenance of the product and any other related service in respect of the product. Revenue other than the above is categorized under Revenue from Services.

2.38 Employee Benefit Obligations

Impact of New Labour Codes

On November 21, 2025, the Government of India notified provisions of the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020 and the Occupational Safety, Health and Working Conditions Code,2020, ('Labour Codes') which consolidate twenty-nine existing labour laws into a unified framework governing employee benefits during employment and post-employment. The Labour Codes, amongst other things introduces changes, including a uniform definition of wages and enhanced benefits relating to leave.

The Company has assessed the financial implications of these changes which has resulted in increase in gratuity liability arising out of past service cost by Rs. 1,590 Lakhs and increase in compensated absences liability by Rs. 605 Lakhs. Considering the impact arising out of an enactment of the new legislation is an event of non-recurring nature, the Company has presented this incremental amount as "Impact of New Labour Codes" under "Exceptional Item" in the Consolidated and Standalone Statement of Profit and Loss for the year ended March 31, 2026.

The Company continues to monitor the developments pertaining to Labour Codes and will evaluate impact if any on the measurement of of liability pertaining to employee benefits.

Defined contribution plans

An amount of Rs.2464 Lakhs for the year ended 31 March 2026 (for the Year ended 31 March 2025 Rs.2289 Lakhs), has been recognized as an expense in respect of the Company's contribution towards Provident Fund, Rs. 0.03 Lakhs for the Year ended 31 March 2026 (for the Year ended 31 March 2025 Rs. 0.09 Lakhs) has been recognised as an expense in respect of Employee State Insurance Fund and Rs.548 Lakhs for the Year ended 31 March 2026 (for the Year ended 31 March 2025 Rs 477 Lakhs) 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 Rs. 20 Lakhs . 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 2026.
The Company had made contributions to Nucleus Software Exports 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 2026 :

(Amount in Rupees Lakhs unless otherwise stated)

	Particulars	As at 31 March 2026	As at 31 March 2025
a.	**Change in defined benefit obligations (DBO)**		
	Obligation at beginning of the year	7,107	6,047
	Current service cost	728	596
	Past service cost	1,590	-
	Interest cost	487	405
	Remeasurement due to:		
	Actuarial loss/(gain)arising from change in financial assumptions	(274)	234
	Actuarial loss/(gain)arising from change in demographic assumptions	-	-
	Actuarial loss/(gain)arising on account of experience changes	(26)	240
	Benefits paid	(423)	(415)
	Obligation at year end	**9,189**	**7,107**
b.	**Change in Plan Assets**		
	Plan assets at year beginning, at fair value	5,429	4,912
	Expected return on asset plan	337	330
	Contributions by employer	1,042	565
	Remeasurement due to :		
	Actuarial return on plan assets less interest on plan assets	74	37
	Benefits paid	(423)	(415)
	Plan assets at year end, at fair value	**6,459**	**5,429**
c.	**Net asset / (liability) recognised in the Balance Sheet**		
	Present value of defined benefit obligation	9,189	7,107
	Fair value of plan assets	6,459	5,429
	Funded status- Surplus/ (Deficit)	(2,730)	(1,678)
	Unrecognised past service costs	-	-
	Net liability recognised in the Balance Sheet	**(2,730)**	**(1,678)**
d.	**Expected employer's contribution next year**	**500**	**200**

e. **Expense recognised in Profit or Loss**

(Amount in Rupees Lakhs unless otherwise stated)

Particulars	As at 31 March 2026	As at 31 March 2025
Current service cost	728	596
Interest cost	150	74
Net gratuity cost	**878**	**670**

f. **Remeasurement income recognised in other comprehensive income:**

(Amount in Rupees Lakhs unless otherwise stated)

Particulars	As at 31 March 2026	As at 31 March 2025
Actuarial (gain) loss on defined benefit obligation	(300)	475
Return on plan assets excluding interest income	(74)	(37)
	(374)	**438**

Actuarial assumptions for gratuity and long-term compensated absences

g. **Economic assumptions :**	As at 31 March 2026	As at 31 March 2025
Discount rate	7.15%	6.70%
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.

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	6,459	5,429

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 2026**		**Year ended 31 March 2025**	
	Increase	**Decrease**	**Increase**	**Decrease**
Increase/(Decrease) in obligation with 0.5% movement in discount rate	(279)	315	(227)	258
Increase/(Decrease) in obligation with 0.5% movement in future rate of increase in compensation levels	120	(119)	113	(110)

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 Rupees Lakhs unless otherwise stated)

Particulars	**Year ended 31 March 2026**	**Year ended 31 March 2025**
Income from software product and services	80,597	76,866
Software development expenses *	56,997	52,105
Operating profit from software product & services	**23,600**	**24,761**
Less :		
Selling and marketing expenses	6,581	3,727
General and administration expenses	5,625	5,076
Operating profit before depreciation	**11,394**	**15,958**
Less :		
Depreciation and amortisation expense	1,547	1,384
Operating profit after depreciation	**9,847**	**14,574**
Add :		
Other income	7,301	7,004
Profit before exceptional Items and tax	**17,148**	**21,578**
Exceptional Items	2,195	-
Profit before tax	**14,953**	**21,578**
Less :		
Tax expense:		
Net current tax expense	3,435	4,552
Deferred tax (credit) /charge	(313)	850
	3,122	**5,402**
Profit for the year	**11,831**	**16,176**

* Includes indirect expenses which have been allocated on a reasonable basis.

2.40 EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY

(Amount in Rupees Lakhs unless otherwise stated)

	Particulars	**Year ended 31 March 2026**	**Year ended 31 March 2025**
a.	Gross amount required to be spent by Company during the year ended 31 March 2026 / 31 March 2025 :	369	277
b.	Amount approved by the Board to be spent during the year	369	277
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 during the year March 2026 / March 2025	369	277
d.	Shortfall at the end of the period	-	-
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 2026 / March 2025	369	277

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 2026 and 31 March 2025 have been made in the financials statements based on information received and available with the Company.

	As at 31 March 2026		**As at 31 March 2025**	
	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.

2.42 Additional Regulatory Requirements

i) 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.

ii) No transactions with struck off companies during the year ended 31 March 2026 (NIL in previous year ended 31 March 2025).

As per our report of even date attached

For ASA & Associates LLP
Chartered Accountants
Firm Registration Number : 009571N/N500006

PRATEET KUMAR MITTAL
Digitally signed by PRATEET KUMAR MITTAL
Date: 2026.05.21 18:22:41 +05'30'

PRATEET MITTAL
Partner
Membership number : 402631

Place : Gurugram
Date : 21 May 2026

For and on behalf of the Board of Directors
NUCLEUS SOFTWARE EXPORTS LIMITED
CIN : L74899DL1989PLC034594

Vishnu Rampratap Dusad
Digitally signed by Vishnu Rampratap Dusad
Date: 2026.05.21 17:49:09 +05'30'

VISHNU R DUSAD
Managing Director
DIN : 00008412

PARAG BHISE
Digitally signed by PARAG BHISE
Date: 2026.05.21 17:43:15 +05'30'

PARAG BHISE
CEO & Whole-time Director
DIN : 08719754

Ashok Kumar Bhura
Digitally signed by Ashok Kumar Bhura
Date: 2026.05.21 17:49:28 +05'30'

ASHOK KUMAR BHURA
Chief Financial Officer

Poonam Bhasin
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Date: 2026.05.21 17:43:01 +05'30'

POONAM BHASIN
VP (Secretarial) & Company Secretary
Membership number : 10865

Place : Noida
Date : 21 May 2026