

The Listing Department National Stock Exchange of India Ltd. Exchange Plaza, Bandra-Kurla Complex, Bandra (E) Mumbai-400051 NSE SYMBOL: NUCLEUS	The Listing Department BSE Limited Phiroze Jeejeebhoy Towers, 25th Floor, Dalal Street Mumbai-400001 SCRIP CODE : 531209
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Dear Sir/Madam,

SUB: INTEGRATED ANNUAL REPORT OF THE THIRTY-SEVENTH (37TH) ANNUAL GENERAL MEETING FOR FY 2025-26

Pursuant to the provisions of Regulation 30 & 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (as amended from time to time), please find enclosed herewith the copy of the Integrated Annual Report including the Business Responsibility & Sustainability Report for the Financial Year 2025-26 along with Notice of the 37th Annual General Meeting ("AGM") scheduled on Monday, July 27, 2026 at 10.00 A.M. (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM").

Further, the aforesaid Integrated Annual Report along with the Notice of the AGM has also been uploaded on the website of the Company at <https://investor.nucleussoftware.com/financial-information/annual-reports/>

Further, in accordance with the applicable circulars issued by MCA & SEBI, the Integrated Annual Report along with Notice of the AGM for the Financial Year 2025-26, is being sent through electronic mode to those Members of the Company whose e-mail addresses are registered with the Company/Depository Participants ("DP"). Further, in accordance with Regulation 36(1)(b) of the Listing Regulations, the Company will be sending a letter to Shareholders whose e-mail addresses are not registered with Company/DP providing the web-link/QR Code from where the Integrated Annual Report can be accessed on the Company's website.

Information at glance:

Particulars	Details
Time and date of AGM	10.00 A.M. IST, Monday, July 27, 2026
Cut-off date for e-Voting	Monday, July 20, 2026
Remote e-Voting start time and date	9:00 A.M. IST, Wednesday, July 22, 2026
Remote e-Voting end time and date	5:00 P.M. IST, Sunday, July 26, 2026
Final dividend Record Date	Friday, July 10, 2026

This is for your information and records.

Thanking You

Yours Sincerely

For Nucleus Software Exports Limited

Poonam Bhasin
Digitally signed by Poonam Bhasin
Date: 2026.07.02 21:09:40
+05'30'

Poonam Bhasin
Company Secretary

Encl.: As above

Registered Office

33-35 Thyagraj Nagar, New Delhi - 110003
Tel.: +9.11.2462.7552 F.: +91.11.2462.0872



***Enduring Foundations.
Accelerated Futures.***

Enduring Foundations. Accelerated Futures.



Scan the QR Code to
download Annual Report
2025-2026

Enduring Foundations. Accelerated Futures.

“In a world that is moving faster than ever, our focus is simple-to build speed on a foundation that never moves.”

If there is one way to describe FY 2025–26, it is this–

A year where intent translated into visible momentum.

Across the industry, the pace of change has been unmistakable. AI has moved from exploration to expectation. Financial institutions are being asked to respond faster, operate smarter, and remain fully compliant—all at the same time.

In such a context, the question is no longer whether to accelerate.

The question is how to accelerate without losing control.

At Nucleus Software, this year has been about answering that question in practice.

A significant milestone in this journey has been the evolution of our flagship platform, FinnOne Neo®, with the release of GA 8.5. This was not just a version upgrade—it reflected a clear shift towards API-first architecture, embedded intelligence, stronger security frameworks, and enterprise-grade scalability. More importantly, it was built keeping in mind the realities of our customers—where innovation must coexist with reliability.

At the same time, our deepening collaboration with Amazon Web Services has enabled us to take this value further to the market. With FinnOne Neo® available on AWS Marketplace, we are simplifying how financial institutions adopt, deploy, and scale our solutions—reducing friction and accelerating time-to-value.

But what truly defines the year is not just what we built – it is how we built it.

Frameworks such as Hoshin Kanri and Lean thinking have continued to guide our execution—ensuring that strategy is not static, but continuously aligned with outcomes. These are not internal processes; they are disciplines that help us maintain clarity in a complex environment.

Our global expansion across regions—from India to Japan, Southeast Asia, and Africa—has also gained further depth. Each market presents its own realities, and our ability to adapt while maintaining consistency has been a key strength.

Equally important has been our continued investment in people and culture.

A strong emphasis on psychological safety has ensured that teams can question, experiment, and contribute without hesitation. Because in a year defined by change, it is this confidence that enables organisations to move forward meaningfully.

Initiatives like The Orbit Shifting Talks have further reinforced this belief—creating a platform where ideas, perspectives, and experiences come together to challenge conventional thinking and inspire new ways forward.

From an India perspective, this year reinforces a broader narrative – that long-term institution building and rapid innovation are not opposing forces.

From a global perspective, our message remains clear:

Our acceleration is deliberate, and it is built on strong foundations.

As we move ahead, we carry forward not just momentum, but clarity on who we are, what we stand for, and how we will continue to build.





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MESSAGE FROM CHAIRPERSON

Stewardship with Responsibility. Growth with Discipline.

Our responsibility is not simply to pursue growth, but to ensure that growth is sustainable, responsible, and creates enduring value for all stakeholders.

The past year has reinforced an important lesson: in periods of rapid technological and economic change, enduring institutions are distinguished not by the speed at which they move, but by the strength of the foundations on which they grow.

The financial services industry continues to evolve at an unprecedented pace. Artificial Intelligence is reshaping business models, customer expectations are rising, and regulatory frameworks are becoming increasingly sophisticated. At the same time, institutions are being called upon to balance innovation with resilience, growth with governance, and opportunity with accountability.

In this environment, the role of stewardship becomes even more important.

At Nucleus Software, our focus has remained clear-strengthening the foundations that support long-term value creation while continuing to invest in the future. Over the past year, we have continued to reinforce our governance practices, risk management frameworks, compliance disciplines, and operational resilience. These are not simply control mechanisms; they are the foundations that enable sustainable growth and responsible innovation.

Equally important has been our continued commitment to innovation. As technologies such as Artificial Intelligence become increasingly integral to the future of financial services, we remain focused on ensuring that innovation is deployed thoughtfully, responsibly, and in ways that enhance trust, transparency, and long-term value for our customers.

Our commitment extends beyond business performance alone. Sustainability, financial inclusion, ethical conduct, and responsible corporate citizenship remain integral to how we define success. As the financial ecosystem expands and evolves, we recognise our responsibility to contribute meaningfully to the broader communities and markets we serve.

A Note to Our Shareholders

I would like to express my sincere appreciation to our shareholders for your continued trust and confidence.

Your support enables us to take a long-term view-to invest in our people, strengthen our capabilities, and pursue opportunities with discipline and purpose.

We remain committed to creating sustainable value through:

- **Strong governance and transparent practices**
- **Consistent operational excellence**
- **Disciplined risk management**
- **Thoughtful investment in innovation and future capabilities**

As we look ahead, we remain mindful of an increasingly complex global environment. Geopolitical tensions, inflationary pressures across several economies, rapid technological disruption, and broader macroeconomic uncertainty continue to influence businesses and financial institutions worldwide.

While such conditions create challenges, they also reinforce the importance of resilience, adaptability, prudent decision-making, and strong governance.



We believe organisations that remain grounded in sound fundamentals while continuing to invest for the future will be best positioned to navigate uncertainty and create sustainable long-term value.

Our priorities remain clear:

- **Maintaining financial discipline**
- **Strengthening our global market position**
- **Investing in future-ready capabilities, including AI**
- **Delivering growth while preserving stability and trust**

I would like to thank our management team and employees for their dedication, our customers and partners for their continued collaboration, and our shareholders for their enduring confidence in our journey.

As we move forward, our focus remains unwavering—to build an institution that is not only successful, but enduring; not only innovative, but responsible; and not only growing, but trusted.

Thank you for your continued support.

Yasmin Javeri Krishan

Ms. Yasmin Javeri Krishan

Chairperson





MESSAGE FROM CO-FOUNDER AND MANAGING DIRECTOR

Creating, Not Following

We have never believed in following change. We believe in building with conviction, so that change follows us.

Forty years ago, when we started Nucleus Software, we were not trying to follow industry trends or replicate what others were building. We were guided by a simple belief—that technology, when built with purpose and discipline, can create lasting value for customers and society.

Looking back, I believe that belief has shaped much of our journey.

There is a Sanskrit verse that has always resonated with me:

"उद्योगनिंपुरुषसहिमुपैतलिक्ष्मीः"

Fortune follows those who act with effort, conviction, and purpose.

Over the years, we have seen technologies evolve, markets expand, and business models transform. Through all this change, one belief has remained constant—that meaningful progress comes not from following trends, but from building with purpose and persistence.

For over four decades, Nucleus Software has quietly contributed to the global financial ecosystem. We have focused on creating platforms that financial institutions can depend upon – platforms designed not only for today's needs, but for the challenges and opportunities of tomorrow.

What began as an idea in India now supports financial institutions across continents.

Yet our belief remains unchanged: world-class technology can be built with patience, purpose, and conviction.

This year reflects that philosophy.

The global availability of FinnOne Neo® GA 8.5 and the continued evolution of FinnAxia® 9.0 mark important milestones in our journey. Together, they strengthen our ability to support financial institutions across lending and transaction banking through greater openness, intelligence, scalability, and flexibility while remaining grounded in the qualities that matter most—reliability, resilience, and long-term relevance.

Today, conversations across every industry are centred on Artificial Intelligence. While AI will undoubtedly reshape the future of financial services, I believe its greatest value lies not in replacing human judgment, but in enhancing it. Technology should simplify complexity, improve decision-making, and create better outcomes. It should serve people, not the other way around.

That is how we approach AI at Nucleus Software.

We are embedding intelligence across our platforms thoughtfully and responsibly - ensuring that innovation remains aligned with trust, governance, customer needs, and real-world business outcomes.

At the same time, technology alone does not create progress. People do.

Throughout our journey, some of the most important breakthroughs have come not from technology itself, but from individuals willing to think differently, challenge assumptions, and imagine new possibilities.

This belief inspired the creation of The Orbit Shifting Talks—a platform that brings together thinkers, innovators, leaders, and changemakers who challenge conventional wisdom and inspire new ways of thinking. The conversations are not about technology alone; they are about imagination, leadership, courage, and the mindset required to create meaningful change.

True innovation requires structure to scale. We balance our bold imagination with operational discipline, utilizing Hoshin Kanri to anchor long-term strategy straight into daily execution.



Complemented by Lean methodologies that root out inefficiencies, we maintain a culture of rapid learning - allowing us to stay deeply ambitious while remaining flawlessly disciplined

We also continue to invest in building future-ready capabilities across the organisation. Through AI learning initiatives, leadership development programs, and a culture grounded in psychological safety, we are creating an environment where people can learn, experiment, collaborate, and grow with confidence.

As we expand our presence across markets, strengthen partnerships, and deepen customer relationships, our approach remains consistent: listen carefully, build thoughtfully, and deliver with commitment.

What gives me confidence about the future is not any single technology, product, or market opportunity.

It is the institution we have built.

An institution grounded in trust.

An institution that continues to learn.

An institution that embraces change without losing its values.

As we celebrate 40 years of Nucleus Software and 30 years as a publicly listed company, I am reminded that enduring organisations are not defined by how long they exist, but by how consistently they continue to create value for customers, employees, shareholders, and society.

The technologies will evolve. Markets will change. Expectations will rise. But the principles that built this organisation—trust, discipline, curiosity, customer commitment, and a willingness to keep learning—will continue to guide us.

I would like to thank our customers, partners, shareholders, and every Nucleite who has contributed to this journey.

Our foundations are enduring.

Our future is accelerating.

Vishnu R. Dasad

Mr. Vishnu R. Dasad

Co-Founder & Managing Director





MESSAGE FROM CHIEF EXECUTIVE OFFICER

Execution at Scale. Agility in Motion.

In a world defined by constant change, competitive advantage belongs to organisations that can combine agility in execution with clarity of purpose.”

FY 2025–26 was a year of disciplined execution, strategic progress, and continued momentum for Nucleus Software.

The financial services industry is undergoing one of the most significant transformations in its history. Artificial Intelligence is redefining operating models, customer expectations are evolving rapidly, and financial institutions are seeking greater agility, resilience, and scalability than ever before. In such an environment, success is no longer defined by innovation alone. It is defined by the ability to execute with clarity, adapt with agility, and deliver measurable outcomes at scale.

That has been our focus throughout the year.

I am pleased that Nucleus Software delivered a strong performance in FY 2025–26, achieving revenue growth while maintaining profitability and operational discipline. The year also witnessed healthy momentum across our lending and transaction banking businesses, reflecting the trust our customers continue to place in our platforms and people.

A significant milestone during the year was the global availability of FinnOne Neo® GA 8.5, our most advanced release to date. Built around an API-first, cloud-ready, and intelligence-led architecture, GA 8.5 strengthens our ability to help financial institutions modernize lending operations, improve customer experiences, accelerate decision-making, and enhance operational efficiency.

Equally important was the continued advancement of our AI capabilities. Across underwriting, collections, customer engagement, and operational workflows, we are embedding intelligence into our platforms in ways that are practical, explainable, and aligned to the real-world needs of financial institutions.

Execution excellence has remained a key priority across the organisation. Through the adoption of Hoshin Kanri, we have strengthened strategic alignment across teams, ensuring that enterprise priorities are translated into focused action and measurable outcomes.

Our continued emphasis on Lean principles has helped improve efficiency, accelerate decision-making, and create greater organisational agility.

The year also marked continued progress in our global expansion journey. Across India, Japan, Southeast Asia, the Middle East, Africa, and other strategic markets, we witnessed increasing demand for platforms that combine innovation with reliability, intelligence with governance, and scale with resilience. Our growing customer base, expanding ecosystem partnerships, and deeper regional presence reinforce our confidence in the opportunities ahead.

At the heart of our execution is our culture.

We continue to invest in creating an environment that encourages ownership, collaboration, continuous learning, and psychological safety. High-performing organisations are built by empowered teams, and we believe that innovation flourishes when people feel confident to contribute, challenge assumptions, and grow together.

As we look ahead, our priorities remain clear:

- Accelerate AI-led innovation across our platforms
- Deepen customer value and business outcomes
- Expand strategically across global markets
- Strengthen ecosystem partnerships and alliances
- Enhance organisational agility and operational excellence
- Deliver sustainable and profitable growth



The opportunity before us is significant.

Banks and financial institutions worldwide are investing in modern, intelligent, and scalable technology ecosystems. With our deep domain expertise, strong customer relationships, proven execution capabilities, and future-ready platforms, we are well positioned to participate in this transformation.

As we enter the next phase of our journey, our focus remains steadfast: to combine enduring foundations with accelerated execution, helping our customers navigate change while creating long-term value for all stakeholders.

Thank you to our customers, partners, employees, and shareholders for your continued trust and support.

Parag Bhise

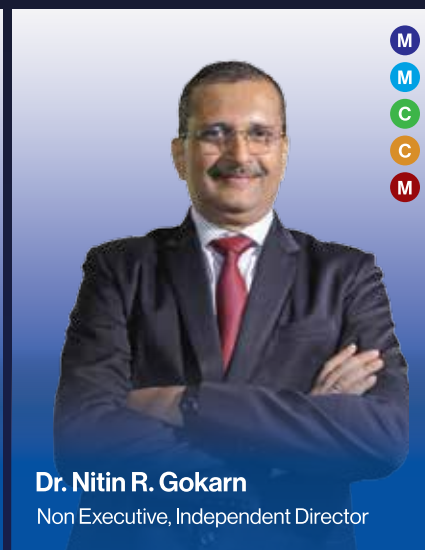
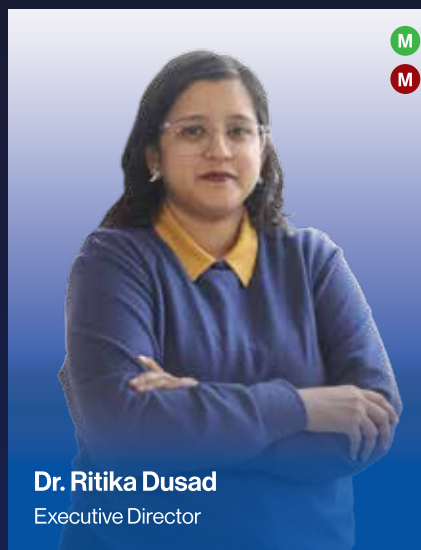
Mr. Parag Bhise

Chief Executive Officer
and Executive Director





BOARD OF DIRECTORS



BOARD COMMITTEES

M Member **C** Chairperson

Audit Committee

**Risk Management
Committee**

**Nomination & Remuneration /
Compensation Committee**

**Corporate Social Responsibility
Committee**

**Stakeholder Relationship
Committee**

Culture Committee



LEADERSHIP TEAM



Mr. Vishnu R. Dusad
Managing Director & Co-founder



Mr. Parag Bhise
CEO & Executive Director



Mr. Anurag Mantri
COO & Country Head, Singapore



Dr. Apurva Chamaria
Chief Business Officer



Ms. Swati Patwardhan
CHRO – Chief Human Resources Officer



Mr. Ashok Kumar Bhura
Chief Financial Officer



Mr. Saurav Kumar Mohanty
Chief Risk Officer



Mr. Pradeep Malik
Vice President - Digital Services



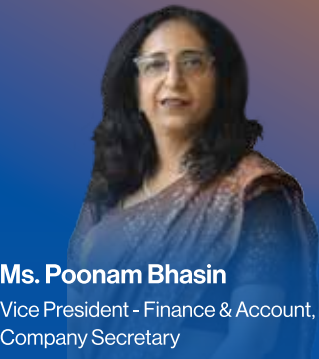
Mr. Nilanshuk Haldar
Vice President - Partnerships & Alliances



Mr. Abhishek Pallav
Vice President - Engineering



Mr. Mukesh Bangia
Vice President - Neo PMG



Ms. Poonam Bhasin
Vice President - Finance & Account,
Company Secretary



PERFORMANCE AT A GLANCE

Revenue

\$ 98.59 Mn

Earnings Per Share

\$ 0.50

Net Worth

\$ 95.69 Mn

Profit Before Tax

\$ 16.87 Mn

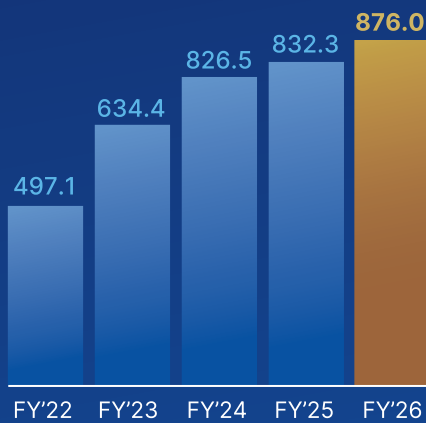
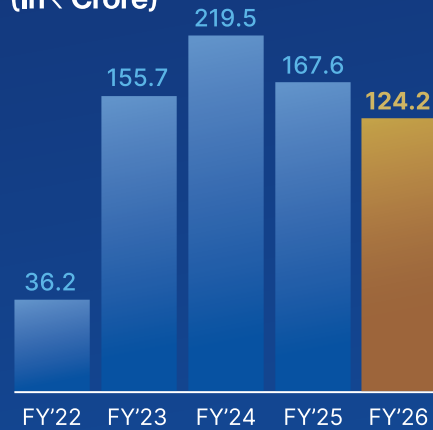
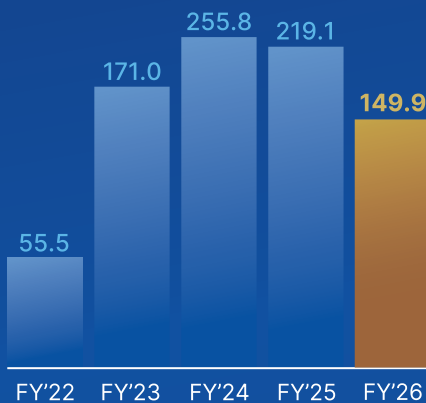
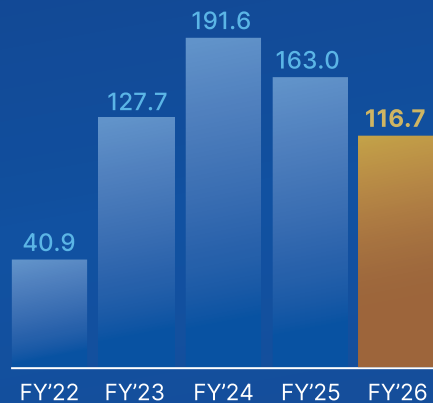
Profit After Tax

\$ 13.14 Mn

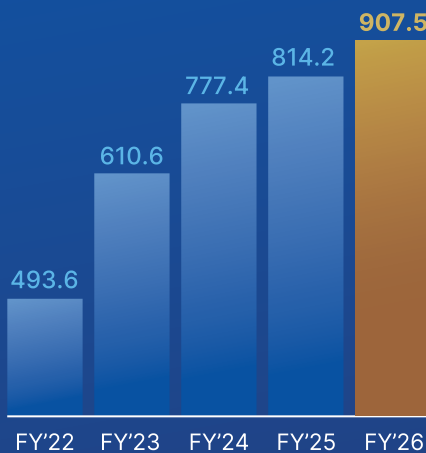
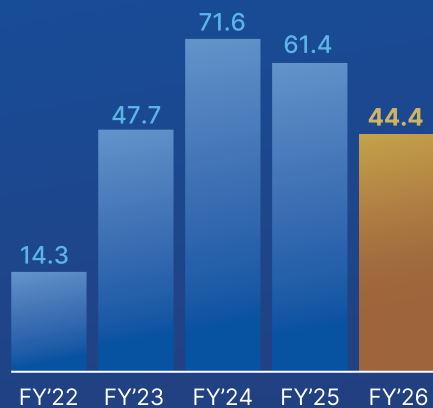
Operating Profit (EBITDA)

\$ 13.97 Mn

Revenue (In ₹ Crore)

Operating Profit (EBITDA)
(In ₹ Crore)Profit Before Tax
(PBT) (In ₹ Crore)Profit After Tax
(PAT) (In ₹ Crore)

Net Worth (In ₹ Crore)

Earnings Per Share
(In ₹ Per Share)



Three Decades of Transparency, Discipline, and Enduring Value Creation

On 27 March 2026, Nucleus Software marked an important milestone - 30 years as a listed company on the Bombay Stock Exchange (BSE).

While milestones often invite reflection, this occasion represents something deeper than longevity. It reflects three decades of operating with transparency, accountability, and a commitment to creating sustainable value for all stakeholders.

Over the past thirty years, the financial services industry has witnessed profound transformation. Banking has evolved from branch-led operations to digital ecosystems. Lending has moved from paper-based processes to intelligent, real-time decisioning. Customer expectations, regulatory frameworks, and technology landscapes have changed dramatically.

Through these shifts, Nucleus Software has remained focused on a simple principle: building for the long term.

Our listing journey has coincided with the Company's evolution from an Indian technology enterprise into a trusted global partner serving financial institutions across more than 50 countries. Throughout this period, the Company has continued to strengthen its governance practices, deepen customer relationships, expand product capabilities, and invest consistently in innovation.

The significance of thirty years of listing extends beyond financial performance. It reflects the confidence placed in the Company by shareholders, customers, employees, regulators, and partners over multiple economic cycles, industry transitions, and market environments.

As we celebrate this milestone, we do so with gratitude for the trust that has supported our journey and with a renewed commitment to the principles that have guided us throughout.

In many ways, this milestone embodies the spirit of this year's theme - Enduring Foundations. Accelerated Futures.

The foundations were built through discipline, governance, customer trust, and long-term thinking.

The future will be shaped through innovation, agility, artificial intelligence, and continued global growth.

As we enter our fourth decade as a listed company, our focus remains unchanged: to create sustainable value, strengthen institutional resilience, and continue building a company that endures across generations.



A journey built on trust. A future built on possibility.



WHO WE ARE

Enduring Foundations. Global Scale.

Nucleus Software is a global provider of enterprise lending, transaction banking, and digital services solutions-enabling financial institutions to build scalable, intelligent, and compliant operations.

For over four decades, the organisation has focused on delivering mission-critical platforms that power the core of banking operations-from customer acquisition and credit decisioning to loan lifecycle management and transaction banking. With 30+ years of public market presence on the Bombay Stock Exchange, Nucleus Software reflects sustained performance built on governance, discipline, and long-term stakeholder trust.

At a Glance

- **40+ years** of domain expertise in financial technology
- **30+ years** as a publicly listed company
- **200+ financial institutions** served globally
- **50+ countries** with active deployments
- **11-time World's Best-Selling Lending Solution** (FinnOne™)
- **560+ enterprise APIs** enabling integration and scalability
- **Multi-country, multi-entity implementations** at scale

What We Build

Nucleus Software's product and services portfolio includes:

- **FinnOne Neo®** – End-to-end digital lending platform
- **FinnAxia®** – Transaction banking and cash management platform
- **Nucleus Digital Services** – End-to-end implementation, transformation, and managed services enabling institutions to accelerate adoption and realise value at scale

The latest release of FinnOne Neo® GA 8.5 reflects a strategic evolution towards:

- API-first architecture
- Embedded AI and intelligent automation
- Enhanced compliance and security frameworks
- Cloud-ready, scalable deployments

How We Operate

The organisation's execution model is built on structured, time-tested disciplines:

- **Hoshin Kanri** – Aligning strategy with enterprise-wide execution
- **Lean Principles** – Driving efficiency, speed, and continuous improvement
- **Psychological Safety** – Enabling innovation through an open and accountable culture

Together, these ensure that growth is not episodic, but consistent, disciplined, and scalable.

40+ Years

30+ Years Listed

200+ Clients

50+ Countries



Where We Operate

From its origins in India, Nucleus Software has built a strong and growing global presence across:

- **Asia-Pacific**
- **Middle East**
- **Africa**
- **Europe**
- **North America**

Its solutions support a diverse set of financial institutions—from large banks to emerging players—operating in varied regulatory and economic environments.

Global Delivery at Scale

- Trusted by institutions across emerging and developed markets
- Strong presence in high-growth financial ecosystems across Africa, Southeast Asia, and the Middle East
- Proven capability to deliver complex, multi-country implementations with consistency

Strategic Ecosystem

Through its collaboration with Amazon Web Services, Nucleus Software enables:

- **Faster adoption through AWS Marketplace availability**
- **Cloud-native, scalable infrastructure**
- **Reduced time-to-value for financial institutions**

Market Positioning

Nucleus Software operates at the intersection of:

- **Digital lending transformation**
- **AI-led financial decisioning**
- **Regulatory-compliant banking platforms**

Its solutions are designed to help financial institutions respond to increasing demands for:

- **Agility**
- **Speed**
- **Intelligence**
- **Compliance**
- **Customer-centricity**

A Scaled, Trusted Institution

Nucleus Software represents a rare combination of:

- **Deep domain expertise**
- **Global execution capability**
- **Institutional stability**

As financial services continue to evolve, Nucleus remains focused on enabling institutions to scale confidently, innovate responsibly, and operate with control.

Built on Trust. Designed for What's Next.



ENGINEERING INTELLIGENCE INTO EVERY DECISION

Embedding AI across lending, servicing, and collections

to help financial institutions operate with greater speed, precision, and confidence.

AI in financial services delivers its true value not when it replaces judgement, but when it strengthens it.

Artificial Intelligence is reshaping the operating model of financial institutions. Across the industry, banks are moving beyond isolated automation initiatives towards systems that can improve decision-making, strengthen risk visibility, reduce operational friction, and create more contextual customer experiences.

At Nucleus Software, our approach to AI has been deliberate and grounded in the realities of enterprise banking.

Rather than treating AI as a standalone capability, we are embedding intelligence across the lending lifecycle through FinnOne Neo®—ensuring that automation, decisioning, and customer engagement work together within governed, scalable, and explainable frameworks.

The release of FinnOne Neo® GA 8.5 reflects a significant step in this evolution.

The platform advances our focus on API-first architecture, embedded intelligence, cloud-readiness, and enterprise scalability—while ensuring that innovation remains aligned with the operational and regulatory expectations of financial institutions.

Our AI and ML capabilities across FinnOne Neo® are designed around a simple principle: **to help institutions make faster, smarter, and more informed decisions—without compromising trust or control.**

Intelligent Lending Decisions

Strengthening underwriting through AI-assisted risk intelligence

As lending ecosystems become more dynamic, institutions require decisioning systems that can improve speed while preserving credit discipline.

One of the prominent ML-led capabilities within FinnOne Neo® is Smart Underwriter, designed to support credit decisioning through AI-based confidence scoring for loan applications.

The model analyses anonymized historical trends across:

- **Customer behaviour**
- **Financial information**
- **Demographic patterns**
- **Geographic lending trends**

Importantly, the framework can be configured to align with institution-specific credit policies and risk parameters—ensuring that AI recommendations remain contextual, explainable, and policy-driven.

This capability received recognition in Gartner®'s October 2025 report:

How Bank CIOs Can Apply Predictive AI and Synthetic Data to Enhance Risk Assessment in Lending

The report highlights Nucleus Software's loan origination solution for enabling AI-based confidence scoring to support underwriters in credit decisioning.

This validation reinforces the growing importance of explainable, enterprise-grade AI in modern lending environments.



Operational Intelligence at Scale

Reducing friction across onboarding and servicing journeys

Financial institutions continue to manage large volumes of documents, servicing interactions, and operational workflows that often rely on manual effort and fragmented verification processes.

FinnOne Neo® leverages AI, OCR, NLP, and Computer Vision technologies to streamline these journeys through capabilities such as:

- **Intelligent document processing**
- **Automated classification and extraction**
- **Document masking and compliance support**
- **Facial similarity and fraud detection**
- **Servicing intelligence and workflow automation**

These capabilities help institutions improve operational efficiency, accelerate onboarding, strengthen regulatory readiness, and reduce processing overheads across the lending lifecycle.

Human-Centric Collections Intelligence

Transforming customer interactions into actionable insight

Collections is no longer only about recovery—it is increasingly about understanding customer behaviour, intent, and engagement patterns in real time.

The platform helps institutions:

- **Understand customer intent to pay**
- **Identify preferred engagement windows**
- **Analyse behavioural and emotional indicators**
- **Improve agent effectiveness and compliance monitoring**
- **Reduce manual effort in field operations through real-time voice transcription**

By converting conversations into structured intelligence, financial institutions can drive more contextual engagement strategies while improving operational responsiveness and governance.

Inclusive Customer Experiences

Making financial servicing more intuitive and accessible

As customer expectations evolve, communication clarity and accessibility are becoming increasingly important to the servicing experience.

FinnOne Neo® enables multilingual and AI-assisted customer communication capabilities designed to simplify financial interactions through:

- **Video-based loan statements**
- **AI-assisted servicing journeys**
- **Multilingual customer communication**
- **Contextual engagement experiences**

These capabilities help institutions improve customer understanding, strengthen engagement, and create more inclusive servicing ecosystems at scale.

Designed for Responsible AI Adoption

Making financial servicing more intuitive and accessible

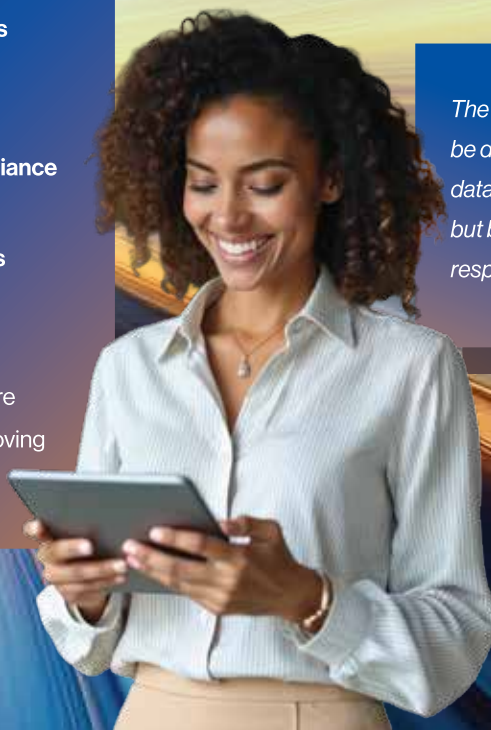
At Nucleus Software, we believe the future of AI in banking will be defined not only by intelligence, but by responsibility.

Our focus remains on building systems that are:

- Explainable
- Policy-aligned
- Secure
- Enterprise-scalable

As financial institutions continue their transition towards intelligence-led operations, FinnOne Neo® is enabling them to move beyond process automation towards decision ecosystems that are faster, more adaptive, and built for the realities of modern banking.

The future of lending will not be defined by how much data institutions possess, but by how intelligently and responsibly they apply it.





WHAT WE ARE BUILDING

Platforms That Power the Next Phase of Financial Services

Nucleus Software is building a comprehensive, platform-led fintech ecosystem designed to enable financial institutions to operate with greater agility, intelligence, and scale in an increasingly complex and interconnected financial landscape.

As banking continues to evolve—from product-centric operations to platform-led, real-time, and AI-driven ecosystems—financial institutions require more than standalone systems. They need integrated, future-ready platforms that unify operations across lending and transaction banking, while adapting seamlessly to changing regulatory frameworks, customer expectations, and market dynamics.

Nucleus Software's portfolio addresses this need through three strategic pillars:

- **FinnOne Neo®** – A unified, AI-driven digital lending platform
- **FinnAxia®** – An integrated transaction banking platform for corporate finance
- **Nucleus Digital Services** – A transformation layer enabling modernization, AI adoption, and ecosystem integration

Together, these platforms enable financial institutions to transition from fragmented operations to connected ecosystems, from process-driven workflows to intelligence-led decisioning, and from local execution to scalable global operations.

FinnOne Neo®

AI-driven Digital Lending. Built for Performance. Designed for Trust.

FinnOne Neo® is a next-generation digital lending platform that brings together origination, servicing, collections, collateral, and content management into a unified, composable ecosystem.

Designed for a digital-first, AI-led lending environment, the platform enables financial institutions to manage the entire lending lifecycle seamlessly, while ensuring speed, control, compliance, and scalability across diverse markets and product lines.

Built on a composable architecture with 560+ APIs and high configurability, FinnOne Neo® enables rapid product innovation, faster time-to-market, and deep ecosystem integration, supporting over 2,700+ lending variants across global institutions.



A Unified Lending Architecture

At its core, FinnOne Neo® integrates five foundational systems into a single platform:

Customer Acquisition System (CAS)

The origination engine is designed to deliver frictionless onboarding, intelligent underwriting, and accelerated disbursement. It enables financial institutions to capture leads across multiple channels, automate document processing through AI-driven extraction, execute real-time credit checks, and deploy configurable workflows for faster approvals.

The system supports straight-through processing, reduces manual intervention, and ensures governance through a robust rule engine-delivering both speed and discipline in credit decisioning.

Collections Management System

The collections platform is designed as an intelligence-led, automation-driven recovery ecosystem, enabling institutions to manage delinquency with precision and scale.

It delivers a 360-degree customer view, rule-based case allocation, omnichannel engagement, and AI-driven behavioral scoring-allowing institutions to improve recovery outcomes while optimizing operational costs and minimizing NPAs.

Collateral Management System (CMS)

FinnOne Neo® CMS acts as a centralized repository and control layer for collateral, providing a single source of truth across the lending lifecycle.

It enables lifecycle tracking, valuation, verification, and integration across origination, servicing, and collections, ensuring risk visibility, process standardization, and reduced turnaround time (TAT) across secured lending operations.

Enterprise Content Management (ECM)

The ECM layer streamlines document management, processing, and archival through workflow-driven automation.

It enables institutions to manage structured and unstructured data seamlessly-supporting document classification, indexing, retrieval, and compliance-ready storage-thereby improving operational efficiency and audit readiness across lending operations.



Loan Management System (LMS)

The servicing layer provides end-to-end lifecycle management, enabling institutions to manage repayments, restructuring, accounting, and customer servicing at scale.

With automated servicing engines, flexible repayment configurations, and real-time processing, LMS ensures operational continuity, regulatory compliance, and customer-centric servicing, even across complex portfolios and geographies.





Digital Channels, Mobility, and Experience Layer

FinnOne Neo® extends beyond core systems to deliver a fully integrated digital experience layer:

- **e-Apply** – enabling seamless digital loan origination for customers
- **e-Serve** – providing self-service capabilities for servicing and engagement
- **Sales Assist** – empowering sales teams with real-time application processing and decisioning
- **Mobility Suite (mCAS, mApply, mServe, mCollect)** – enabling field operations, collections, and customer interactions across geographies

These capabilities ensure true omnichannel lending, bridging branch, digital, and field operations into a unified experience.

Specialized Lending Capabilities Across Segments

FinnOne Neo® supports a wide spectrum of lending businesses, including:

- **Retail, SME, and Corporate Lending**
- **Automotive and Captive Finance**
- **Gold Loans and Secured Lending**
- **Co-lending and Embedded Finance**
- **Islamic Finance (Shariah-compliant structures)**

With support for over 35+ lines of business, the platform enables institutions to scale across products and markets while maintaining consistency and control.

AI-Led Lending Intelligence

FinnOne Neo® embeds AI across the lending lifecycle to enable:

- **Intelligent document processing and OCR-based extraction**
- **Behavioral risk scoring and early warning signals**
- **Sentiment-driven collections strategies**
- **Fraud detection through anomaly identification**
- **Real-time decisioning and workflow automation**

This transforms lending from a reactive process to a predictive, intelligence-driven system, improving approval quality, reducing risk, and enhancing recovery outcomes.

FinnAxia®

Transforming Transaction Banking into a Scalable Growth Engine

FinnAxia® is a comprehensive transaction banking platform designed to enable financial institutions to deliver integrated, real-time corporate banking services across payments, liquidity, trade, and supply chains.

The platform brings together working capital management solutions into a unified ecosystem, enabling banks to automate operations, enhance visibility, and improve decision-making across corporate clients.

A Unified Transaction Banking Ecosystem

FinnAxia® enables banks to move beyond siloed systems by offering:

- **End-to-end payments and receivables management**
- **Real-time liquidity visibility and optimization**
- **Integrated supply chain finance and trade services**
- **Virtual account-based cash management frameworks**

The platform is built on a secure API-first architecture, enabling seamless connectivity with ERPs, treasury systems, and external ecosystems.





Core Platform Capabilities



01 | Payments & Receivables

Supports domestic and cross-border payments, bulk processing, direct debits, and real-time reconciliation -enabling efficient transaction execution and visibility.



02 | Liquidity & Cash Management

Enables real-time cash positioning, pooling (notional and physical), intercompany lending, and interest optimization-helping corporates manage working capital more effectively.



03 | Virtual Account Management

Provides structured virtual account frameworks, enabling automated reconciliation, reduced operational complexity, and enhanced treasury control.



04 | Financial Supply Chain Management

Facilitates invoice financing, factoring, reverse factoring, and dynamic discounting -strengthening supply chain ecosystems.



05 | Trade Finance

Supports letters of credit, guarantees, and import-export financing, ensuring compliance, security, and efficiency in global trade operations.



06 | EBPP (Electronic Bill Presentment & Payment)

Enables digital billing, payment processing, and reconciliation, enhancing customer experience and operational efficiency.

Digital Experience & Corporate Interface

The Digital Compass interface provides corporate clients with:

- **Real-time dashboards and financial visibility**
- **Multi-level authorization and workflow control**
- **Transaction monitoring and alerts**
- **Unified access across payments, liquidity, and reporting**

This ensures full transparency and control for CFOs and treasury teams, enabling better financial decision-making.

Performance & Impact at Scale

FinnAxia® has demonstrated measurable impact globally, including:

- **Significant increase in transaction volumes**
- **Up to 66% reduction in processing time**
- **Ability to handle millions of transactions per day across enterprise environments**





Nucleus Digital Services

Enabling Transformation Beyond Platforms

Nucleus Digital Services acts as a strategic enabler, helping financial institutions modernize, integrate, and scale their digital ecosystems.

It combines deep domain expertise with advanced engineering to deliver:



Application & Platform Modernization

Transforming legacy systems into cloud-ready, API-driven architectures.



AI, Data & Automation

Enabling decision intelligence, predictive analytics, and cognitive automation across operations.



Cloud & Infrastructure Transformation

Building secure, scalable, and resilient infrastructure aligned with regulatory requirements.



Ecosystem Integration

Enabling API-led connectivity with fintechs, partners, and enterprise systems.



Accelerators & Platforms

Including enterprise solutions such as ELMS, RMS, IDMS, and NucSpark (Agentic AI framework).

Delivering Measurable Outcomes

Nucleus Digital Services enables financial institutions to:

- Accelerate modernization cycles
- Improve operational efficiency
- Enhance decision-making through AI
- Build scalable, compliant digital ecosystems

Nucleus Software continues to build integrated, AI-led platforms and transformation capabilities that enable financial institutions to navigate complexity, scale with confidence, and deliver meaningful outcomes across lending and transaction banking.

As the industry evolves, the Company remains focused on enabling a shift from systems to platforms, from processes to intelligence, and from local execution to global scalability-anchored in enduring foundations and accelerated by innovation.





SCALED FROM INDIA. TRUSTED ACROSS MARKETS.

Expanding globally through agility, extensibility, and locally contextual transformation.

At Nucleus Software, global growth is driven not only by geographic presence, but by the ability to build agile, scalable, and locally adaptable banking transformation ecosystems across markets.

As financial institutions increasingly modernise towards AI-led, API-first, and cloud-enabled operating models, the organisation continues to strengthen its engagement across Asia-Pacific, the Middle East, Africa, Europe, and developed banking markets through customer collaborations, strategic forums, and ecosystem-led partnerships.

This expanding global footprint reflects the organisation's continued focus on enabling institutions with platforms and capabilities designed for:

- **Operational agility**
- **Extensible architectures**
- **Intelligence-led decisioning**
- **Scalable growth**
- **Long-term resilience**

By combining deep domain expertise with regional market understanding, Nucleus Software continues to support financial institutions in navigating transformation with greater confidence, adaptability, and execution certainty.

Nucleus Synapse

Enabling industry dialogue around the future of banking transformation

Nucleus Software continued to strengthen its proprietary thought leadership platform, Nucleus Synapse, as a strategic forum for conversations around AI-led banking, lending transformation, governance, and scalable financial ecosystems.



The India edition of Nucleus Synapse 2025 brought together banking leaders, regulators, and financial institutions to deliberate on India's evolving AI-defined banking blueprint, while also marking the global announcement of FinnOne Neo® GA 8.5—reflecting the organisation's continued focus on intelligent, scalable, and future-ready lending ecosystems.



The organisation also hosted Nucleus Synapse Middle East 2025 in Dubai, convening regional banking leaders to discuss outcome-driven banking transformation and the increasing role of AI, governance, and extensible digital operating models in shaping the future of financial services across the region.

Together, these engagements reinforced Nucleus Software's commitment to fostering collaborative innovation, knowledge exchange, and future-ready banking conversations across markets.



25 Years of Partnership and Innovation in Japan

Strengthening enduring relationships through consistency, trust, and execution excellence

Nucleus Software marked 25 years of presence in Japan, reflecting a long-standing commitment to one of the world's most mature and quality-driven banking ecosystems.

Over the years, the organisation has continued to strengthen relationships with customers and ecosystem partners across the region through a consistent focus on trust, operational excellence, adaptability, and long-term collaboration.

The milestone reflects more than geographic expansion-it represents the organisation's ability to evolve with market expectations while maintaining the discipline, reliability, and execution standards required in highly sophisticated financial environments.

This enduring presence continues to strengthen Nucleus Software's position as a trusted long-term transformation partner across global markets.



Global Engagement Across Markets

Driving conversations around AI-led, scalable, and resilient banking ecosystems

Throughout the year, Nucleus Software participated in several marquee global banking and fintech forums, strengthening engagement with regulators, banks, financial institutions, ecosystem partners, and industry bodies across regions.



MENA BFSI Leaders Conclave 2025-Dubai



FIBAC 2025 - India



CNBC-TV18 Banking Transformation Summit 3.0 -Mumbai



IDC Asian Financial Services Congress -Singapore



Global SME Finance Forum - Johannesburg



COBA 2025 - Australia



Middle East Banking Innovation Summit - Dubai



Asian Banking & Finance Summit - Singapore



Global Fintech Fest 2025 - Mumbai



SIBOS 2025 - Frankfurt



Singapore Fintech Festival 2025



GFTN Forum Japan 2026 - Tokyo



GFTN Insights Forum - Singapore



AFS - Nashville



AFSA - Vegas

Across these platforms, leadership conversations focused on themes including:

- **AI-led banking transformation**
- **Platform modernisation**
- **Transaction banking innovation**
- **Financial inclusion and SME finance**
- **Governance-led digital transformation**
- **Customer-centric banking experiences**
- **Scalable and extensible lending ecosystems**

The organisation's participation across these forums reflected a strong regional engagement strategy:



DEVELOPED MARKETS
Governance, resilience, operational agility, and advanced lending architectures for automotive financing

AFRICA
Financial inclusion, SME finance, and cross-border lending scale

MIDDLE-EAST
Data-driven banking transformation and regulatory-aligned digital ecosystems

ASIA PACIFIC
AI-led banking innovation and platform modernisation

This contextual approach continues to strengthen Nucleus Software's ability to engage with institutions in ways that are locally relevant while remaining globally scalable and operationally resilient.



Industry and Policy Engagement

Contributing to the future direction of banking and financial services

Nucleus Software further strengthened its institutional engagement through active participation across leading industry bodies including:

Federation of Indian Chambers of Commerce and Industry (FICCI)

- Participation in global forums such as India–Brazil Business Forum
- Engagement in Japan Roundtables, Budget sessions, and policy dialogues with Ministry of Finance
- Contribution to thought leadership initiatives with global consulting firms
- Media engagement opportunities with leading national and international platforms

National Association of Software and Service Companies (NASSCOM)

- Participation in AI-focused initiatives, including AI Summits, Responsible AI Roundtables, and global policy discussions
- Contribution to AI governance, infrastructure, and product innovation dialogues
- Representation in leadership platforms such as Women Product Champions and AI mentoring programs

Confederation of Indian Industry (CII)

- Leadership roles as Co-chair – FinTech Committee
- Participation in financial inclusion, fintech, and global economic forums
- Engagement in policy advocacy, pre-budget consultations, and international delegations

Through these platforms, Nucleus Software continued to contribute not only as a technology provider, but also as a thought partner helping shape conversations around the future of financial services, digital transformation, and AI-led banking ecosystems.



These engagements included participation in:

- AI and Responsible AI forums
- Global Business Roundtables
- International Delegations & Industry Dialogues
- Policy and Regulatory Discussions
- Financial Inclusion Initiatives
- Fintech and Banking Committees





Strengthening Regional Ecosystems

Expanding reach through strategic partnerships and market-aligned collaboration

As part of its continued global expansion strategy, Nucleus Software strengthened its regional ecosystem through the addition of new channel and system integration partners across Southeast Asia and Africa during FY 2025–26.

These alliances reflect the organisation's continued focus on building scalable, locally adaptable, and extensible engagement models aligned to evolving regional banking priorities.



Global scale is built not only through market presence, but through the ability to adapt, extend, and deliver across evolving financial ecosystems.



These collaborations further strengthen Nucleus Software's ability to:

- **Deepen regional market engagement**
- **Accelerate customer reach**
- **Enhance local implementation capabilities**
- **Support ecosystem-led banking transformation across growth markets**

The expanding partner ecosystem reflects the organisation's commitment to combining global platform capabilities with strong regional execution and market contextualisation.

New partnerships added during the year included:





SCALING LEADERSHIP. EXPANDING HORIZONS.

Strengthening leadership depth and global presence to support the next phase of growth.

As Nucleus Software continues to evolve into a more agile, globally connected, and future-ready organisation, FY 2025–26 marked an important year of strengthening both leadership capability and regional presence.

The year witnessed key leadership appointments across governance, business growth, partnerships, and financial stewardship—alongside the expansion of the organisation's global footprint through new office locations across strategic markets.

Together, these developments reflect Nucleus Software's continued focus on building scalable leadership structures, strengthening ecosystem engagement, and enhancing execution capability across regions.

Leadership for the Next Phase of Growth

Strengthening governance, business expansion, and ecosystem partnerships

During the year, Nucleus Software strengthened its leadership team through strategic appointments aligned with the organisation's long-term growth vision and evolving global priorities.



Dr. Apurva Chamaria

appointed as Chief Business Officer

Dr. Apurva Chamaria joined Nucleus Software as Chief Business Officer to lead the organisation's next phase of business growth, market expansion, and strategic engagement.

With extensive experience across global technology ecosystems, digital transformation, and growth leadership, his appointment further strengthens the organisation's focus on scalable growth and customer-centric transformation.



Yasmin Javeri Krishan

appointed as Chairperson

Yasmin Javeri Krishan was appointed as Chairperson of Nucleus Software, bringing extensive leadership experience across governance, finance, and strategic transformation.

Her appointment reflects the organisation's continued focus on strengthening governance frameworks, institutional stewardship, and long-term value creation.



Nilanshuk Haldar

appointed as Vice President – Global Head of Partnerships and Alliances

Nilanshuk Haldar joined the organisation to strengthen global partnerships and strategic alliance ecosystems across markets.

His role focuses on expanding ecosystem-led growth, strengthening strategic collaborations, and enabling greater market extensibility through partner-driven engagement models.

Ashok Kumar Bhura

appointed as Chief Financial Officer

Ashok Kumar Bhura was appointed as Chief Financial Officer, bringing extensive expertise across financial strategy, governance, operational discipline, and enterprise finance transformation.

His appointment further reinforces the organisation's continued focus on financial resilience, disciplined growth, and long-term value creation.



Together, these appointments reflect Nucleus Software's commitment to strengthening leadership depth, governance capability, ecosystem partnerships, and operational agility as the organisation enters its next phase of accelerated growth.

Expanding Global Presence

Strengthening proximity to customers and regional ecosystems

As part of its continued global expansion strategy, Nucleus Software further strengthened its regional presence through the expansion of office locations across key growth markets. New office locations included **Hanoi (Vietnam)**, **Mumbai (India)** and **United States**

The expansion in Vietnam further strengthens Nucleus Software's growing engagement across Southeast Asia, while the Mumbai office enhances proximity to India's evolving banking and fintech ecosystem. The strengthened presence in the United States supports the organisation's continued focus on global market engagement, partnerships, and future growth opportunities.

Together, these developments reinforce Nucleus Software's commitment to building globally scalable yet locally responsive operating capabilities aligned with evolving customer and market needs.

These expansions reflect the organisation's continued focus on:

- **Strengthening regional customer engagement**
- **Enabling closer collaboration with ecosystem partners**
- **Enhancing delivery and execution capabilities**
- **Supporting scalable growth across markets**

 **Hanoi (Vietnam)**

 **United States**

 **Mumbai (India)**



WHERE OUR PLATFORMS DELIVER REAL IMPACT

Strengthening partnerships. Enabling transformation. Delivering outcomes at scale.

Customer Partnerships in Action

Building relationships that extend beyond technology

At Nucleus Software, customer relationships are built through continuous collaboration, strategic engagement, and shared growth journeys.

During the year, we had the privilege of hosting leadership teams from institutions including Bank of Sydney (BoS), Hatton National Bank (HNB), Clix Capital, GMF, and AmBank at our campus. These engagements brought together strategic discussions, product conversations, customer town halls, and collaborative workshops focused on transformation priorities and future-ready banking ecosystems.

Several interactions also celebrated long-standing partnerships, including two decades of collaboration with AmBank-reflecting the enduring relationships that continue to define our customer ecosystem.

Beyond formal engagements, these interactions created opportunities for meaningful human connection through cultural exchanges, fireside discussions, and collaborative experiences that reinforced trust and long-term alignment.

At Nucleus Software, we continue to believe that enduring transformation is built through partnerships that evolve continuously-with openness, shared ambition, and mutual trust at the centre.





Customer Voices

Perspectives that reflect trust, continuity, and impact



The partnership has evolved. The people at Nucleus are one of the biggest asset for them. They are the biggest partners when it comes to people. Technology will keep on evolving, but when you have people around to manage the aspirations of the customers that has helped a long way. And it will continue and grow.

Ravi Doshi

CEO, Mirae Asset Sharekhan Financial Services (India)



FinnOne™ is a core platform for us because all the retail portfolio resides on it. The API framework of FinnOne™ is evolving. More journeys are becoming digital. The platform has become far more user-friendly... APIs allow seamless integration with our channels.

Arvind Natrajan

Head - Business Solution Group Digital Payments /
Retail Liabilities / MSME, YES BANK



Nucleus has helped us a lot especially in being compliant. In most of our meetings with the regulator during audits, I tell them proudly that we use Nucleus. 50% of our country's portfolio lies, so we are as compliant as most of the NBFCs are.

Naved Hussain

CTO, Tyger Capital



The expectation is seamless, fast, reliable. The entire platform is the enabler. Without it, there is no lending or money-handling business. Nucleus has been our partners for a good 17-18 years. It's not just the typical back-office. We are talking about reverse integration with partners and Nucleus brings that entire journey together.

Deepak Dhingra

CRO, Authum Investment & Infrastructure Ltd



Expanding Momentum Across Markets

Strengthening growth through scalable, AI-led, and extensible banking transformation ecosystems.

During FY 2025–26, Nucleus Software continued to strengthen its market momentum through strategic customer engagements across banks, housing finance institutions, NBFCs, and emerging financial ecosystems.

These engagements reflect the growing relevance of agile, API-first, and extensible platforms such as FinnOne Neo® in enabling financial institutions to modernise lending operations, accelerate digital transformation, and support scalable long-term growth.

Key engagements during the year included:

- A leading affordable housing finance institution in India with an AUM of approximately ₹39,000+ crore selected FinnOne Neo® LMS to strengthen operational scalability, lending agility, and customer servicing capabilities.
- One of India's largest diversified NBFCs, with an AUM exceeding ₹2.2 lakh crore, selected FinnOne LMS for vehicle finance and digital lending transformation initiatives.
- A fast-growing commercial bank in Nigeria selected FinnOne Neo® CAS to strengthen customer acquisition and digital onboarding capabilities.
- A leading wealth-focused financial services institution selected FinnOne Neo® LMS and CAS to support intelligent lending and customer onboarding journeys.
- A digitally focused Indian NBFC selected FinnOne Neo® CAS to strengthen scalable and experience-led lending transformation initiatives.
- One of India's leading private sector banks with a strong MSME and retail banking presence selected FinnOne Neo® CAS and LMS to modernise customer acquisition and lending operations.
- One of India's leading vehicle and mobility financing institutions selected FinnOne Neo® capabilities across customer acquisition, lending management, collateral management, and customer self-service ecosystems to strengthen operational agility and digital engagement.

These engagements reinforce the organisation's continued focus on enabling financial institutions with:

- **Scalable lending ecosystems**
- **Intelligent automation**
- **Extensible platform architectures**
- **Ecosystem interoperability**
- **Enterprise-grade resilience and agility**

As financial institutions continue to evolve towards AI-led, cloud-enabled, and API-first operating models, Nucleus Software remains focused on enabling transformation that is adaptable, future-ready, and built for sustained growth across markets.



Recognised by Global Industry Analysts

Validated across lending, transaction banking, and digital transformation ecosystems

Nucleus Software continued to strengthen its positioning across global analyst landscapes during the year through recognitions spanning lending, transaction banking, and digital engagement platforms.



FinnOne Neo® Customer Acquisition System was recognised among representative global vendors in **Gartner®'s Market Guide for Commercial Loan Origination Solutions, 2025**, while FinnAxia® was recognised in **Gartner®'s Market Guide for Commercial Banking Cash Management, 2025**.

The organisation's AI-led underwriting capability within FinnOne Neo® was also referenced in Gartner®'s October 2025 report: **How Bank CIOs Can Apply Predictive AI and Synthetic Data to Enhance Risk Assessment in Lending** highlighting the use of AI-based confidence scoring to support underwriting and credit decisioning.

These recognitions reflect the organisation's continued focus on:

- **AI-enabled lending transformation**
- **API-first and composable architectures**
- **Scalable transaction banking ecosystems**
- **Intelligent collections and servicing capabilities**
- **Cloud-ready, enterprise-grade digital platforms**



Nucleus Software was also featured among notable global vendors in Forrester's **The Digital Banking Engagement Platforms Landscape, Q4 2025**.



Together, these recognitions reinforce Nucleus Software's continued focus on building platforms that combine intelligence, scalability, interoperability, and enterprise-grade reliability.



Awards and Recognitions

Recognising innovation, execution, and transformation impact

During the year, Nucleus Software and its platforms received multiple recognitions across product innovation, market leadership, customer transformation, and corporate excellence.



Best Global Fintech Pioneer – India to the World

FICCI PICUP Fintech Conference & Awards 2026



Best Enterprise Collections Platform 2026

Bharat Collections Summit & Awards 2026 for FinnOne Neo®



Best-in-Class Transaction Banking Platform

IBSi Global FinTech Innovation Awards (GFIA) 2025 for FinnAxia® with Federal Bank



Excellence in Digital Consumer Transformation

Finnovex Saudi Arabia 2025 with Saudi Finance Company (SFC)



Gold Award for Excellence in Technology – Software

League of American Communications Professionals (LACP)



Technical Achievement Award

League of American Communications Professionals (LACP)

These recognitions reflect the trust placed in Nucleus Software by customers, partners, industry bodies, and global analyst communities and reinforce the organisation's commitment to building platforms that enable financial institutions to transform with confidence, agility, and long-term resilience.





STRATEGY, EXECUTED WITH DISCIPLINE

Building agility through Hoshin Kanri and Lean

As the banking and financial services industry undergoes rapid transformation, driven by Artificial Intelligence, evolving customer expectations, and increasing regulatory complexity, Nucleus Software continues to strengthen its ability to execute with agility, discipline, and focus.

During the year, the Company deepened its adoption of Hoshin Kanri, a strategic management framework that aligns long-term priorities with day-to-day execution across the organisation. Supported by Lean principles, this approach has enabled stronger alignment between business objectives, customer outcomes, operational excellence, and innovation priorities.

The Company's strategic focus remained centred on six key areas:

- **Product and platform innovation**
- **Engineering excellence and quality**
- **Customer success and experience**
- **Operational excellence**
- **People and leadership development**
- **Sustainable business growth**

Strengthening Engineering and Product Excellence

The Company continued to invest in enhancing the quality, scalability, and agility of its platforms. Focused initiatives across FinnOne Neo® and FinnAxia® strengthened product reliability, accelerated release cycles, improved upgrade readiness, and expanded automation capabilities.

A key area of investment was the integration of AI-assisted engineering practices and modern platform architectures, enabling faster development cycles, improved productivity, and greater responsiveness to customer and market requirements.

The year also saw continued progress towards standardising customers on the latest platform releases, strengthening security, scalability, and long-term maintainability across the product ecosystem.

Driving Customer-Centric Transformation

Customer success remained a strategic priority throughout the year.

The Company strengthened executive engagement programs, enhanced account governance mechanisms, and introduced more structured customer success frameworks to drive deeper customer partnerships and improved business outcomes.

Lean-led improvements across implementation, support, and delivery functions contributed to faster response times, improved operational efficiency, and a stronger overall customer experience.

The Company also expanded its focus on value realization by helping customers accelerate onboarding, improve operational efficiency, and enhance business performance through platform-led transformation initiatives.



Embedding AI and Innovation at Scale

Recognising the transformative potential of Artificial Intelligence, the Company continued to invest in AI-led innovation across products, engineering, customer operations, and internal business processes.

This included the expansion of AI-enabled capabilities across lending and transaction banking platforms, advancements in intelligent automation, and the development of future-ready architecture frameworks designed to support greater agility, configurability, and scalability.

Investments in low-code and no-code capabilities, composable architecture, and AI-powered development frameworks further strengthened the Company's ability to accelerate innovation while reducing complexity for customers.

Developing Future-Ready Talent

The Company's transformation journey continues to be supported by investments in leadership capability, employee development, and a culture of continuous improvement.

Through structured leadership development initiatives, enterprise-wide Lean adoption, AI capability-building programs, and cross-functional collaboration frameworks, Nucleus Software continued to strengthen organisational agility and build future-ready capabilities across its workforce.

Advancing Sustainable Growth

The Company continued to strengthen its go-to-market effectiveness through enhanced market intelligence, ecosystem partnerships, regional expansion initiatives, and product localization strategies.

Focused investments across North America, the Middle East, Asia-Pacific, and other strategic markets helped strengthen market relevance while supporting long-term growth objectives.

Looking Ahead

As financial institutions increasingly seek intelligent, scalable, and future-ready technology platforms, Nucleus Software remains focused on combining innovation with execution discipline.

By integrating Hoshin Kanri, Lean principles, AI-led innovation, and customer-centric execution, the Company continues to build a stronger, more agile organisation capable of delivering sustainable value to customers, employees, shareholders, and partners.

These efforts reinforce the Company's commitment to its long-term vision-building enduring foundations while accelerating future growth.



PREPARING PEOPLE FOR AN AI-FIRST WORLD

Building future-ready capabilities through leadership, learning, and continuous evolution.

As banking ecosystems continue to evolve towards AI-led, platform-driven, and intelligence-enabled operating models, Nucleus Software remains focused on building a workforce prepared for the future of financial services.

Throughout the year, the organisation continued to invest in leadership capability, technical excellence, product understanding, and collaborative learning ecosystems designed to strengthen agility, adaptability, innovation, and long-term organisational resilience. The focus remained on preparing teams not only to navigate change-but to lead it confidently.

“In an AI-led world, the strength of an organisation will increasingly be defined by how quickly its people can learn, adapt, and grow together.

Capability Building at Scale

Key Highlights	FY 2025–26 Impact
Leaders, Managers & ICs covered under NLC	192
Senior Leaders enabled through Confluence Series	88
Learning engagements completed	412
Unique learners covered	298
Learning hours delivered	3600+
Training completion rate	93%
Neo CAS scope covered	63%
SMEs aligned for capability building	25+





The Orbit Shifting Talks

Creating spaces for ideas, dialogue, and future-facing leadership conversations

During the year, Nucleus Software continued to strengthen its culture of continuous learning and original thinking through The Orbit Shifting Talks - a leadership dialogue platform designed to bring industry leaders, policymakers, innovators, and practitioners closer to employees across the organisation.

The initiative reflects the organisation's continued focus on preparing teams not only for evolving technologies, but also for evolving ways of thinking and leading.

Built on the belief that meaningful transformation begins with new perspectives, the platform enabled conversations around:

- **AI and emerging technologies**
- **Leadership and organisational resilience**
- **Cybersecurity and digital trust**
- **Psychological safety and inclusion**
- **Governance and responsible innovation**

Distinguished speakers during the year included:



These sessions encouraged employees to engage with ideas beyond immediate functional roles while strengthening awareness around emerging trends shaping the future of business, technology, governance, and society.

The Orbit Shifting Talks continues to reflect Nucleus Software's belief that enduring organisations are built not only through technology and execution, but also through curiosity, dialogue, and the courage to think differently.



Nucleus Leadership Compass (NLC)

Strengthening leadership through self-awareness, collaboration, and business impact

The Nucleus Leadership Compass (NLC) continued as one of the organisation's flagship leadership development initiatives focused on building a strong and consistent leadership culture across teams and functions.

Structured around three core pillars: Leading Self, Leading Others, Leading Business; the initiative focused on enabling leaders to grow with authenticity, accountability, and stronger business alignment.

Program Highlights:

- Leadership journey conducted for 192 leaders, managers, and individual contributors
- Intensive leadership workshops and senior leadership interactions
- 100% participants completed Thomas PPA Assessments
- 360-degree assessments conducted for leadership development
- Individual Development Plans created to support continuous growth

The initiative reinforced the organisation's focus on building leaders capable of driving agility, resilience, and scalable business outcomes in rapidly evolving environments.



New Leader Assimilation (NLA)

Enabling alignment, collaboration, and psychologically safe teams

The New Leader Assimilation (NLA) program was designed to help leaders and teams build stronger alignment, accelerate integration, and strengthen collaborative ways of working.

The initiative created structured spaces for teams to:

- **Improve engagement and ownership**
- **Align on team priorities and expectations**
- **Strengthen collaboration and accountability**
- **Build openness and trust across functions**

Coverage Highlights:

- NLA journey initiated for Marketing, Finance, and Alliances teams
- Thomas PPA assessments conducted for team alignment
- "Me to Us" workshops facilitated to strengthen collaboration and team effectiveness

The program further reinforced the organisation's emphasis on building psychologically safe environments where employees feel encouraged to contribute ideas, ask questions, and participate openly.





Leaders' Confluence Series

Deepening leadership understanding of product, AI, and future banking ecosystems

The Leaders' Confluence Series was launched to strengthen leadership understanding of FinnOne Neo®, product strategy, AI-led transformation, and future banking architectures.

The initiative aimed to build stronger product advocacy while enabling leaders to better connect platform capabilities with evolving customer and market needs.

Coverage Highlights:

- 88 senior leaders participated across 4 high-impact batches
- Sessions delivered by 10 SMEs from Product, Build, and Business functions
- Topics covered included:
 1. Global lending trends
 2. Product philosophy
 3. AI/ML insights
 4. Neo Engines
 5. Lines of Business and Channels
 6. Neutrino Architecture

The program strengthened cross-functional understanding while supporting greater business agility and future-readiness across leadership teams.

Neo Product Excellence Series

Strengthening product capability and platform excellence

The Neo Product Excellence Series focused on deepening understanding of FinnOne Neo® capabilities, architecture, and product ecosystems across teams.

The initiative aimed to enhance product-centric thinking, improve solutioning capability, and strengthen platform excellence across functions.

Coverage Highlights:

- 55 participants across product-focused learning journeys
- 91 hours of structured sessions delivered over 26 days
- Approximately 3,600 learning hours completed
- 15 SMEs aligned from Product Management Group and Build teams
- Leadership interactions conducted with Abhishek, Mukesh, Vishnu Sir, and Andy
- Four structured assessments administered
- Approximately 63% of Neo CAS scope covered during the program

The initiative contributed towards building stronger product depth and scalable capability across teams supporting customer transformation journeys.





SkillsVault Learning Series

Creating a continuous learning ecosystem for the future workforce

Launched during 2025, SkillsVault was introduced as a strategic capability-building initiative aimed at strengthening technical, product, and future-focused skills across the organisation.

What began as a centralised skills repository evolved into a structured learning ecosystem empowering employees to take ownership of continuous learning and career growth.

Building on this foundation, the SkillsVault Learning Series introduced curated instructor-led programs focused on strengthening technical and product capabilities aligned with evolving business and market needs.

Learning Effectiveness Achieved:

- **86% improvement in technical capability enhancement**
- **40% improvement in product capability enhancement**

Coverage Highlights:

- **298 unique learners participated across 412 learning engagements**
- **93% successful completion rate**
- **Technical learning areas included:**
 1. Core Java Basics
 2. Spring
 3. Hibernate
 4. Maven/GitLab
- **Product learning areas included:**
 1. FinnOne Neo® CAS
 2. LMS
 3. Collections Basics

The initiative reflects the organisation's continued focus on building a workforce capable of supporting AI-led, scalable, and future-ready banking ecosystems.

Building Capability for What Comes Next

As Nucleus Software continues to evolve into an increasingly AI-led and globally scalable organisation, continuous learning remains central to how the organisation builds resilience, adaptability, and long-term growth.

The organisation continues to focus on building an environment where:

- Learning is continuous
- Leadership evolves intentionally
- Innovation is collaborative
- Adaptability becomes a core capability
- People feel empowered to grow with confidence

Because enduring organisations are ultimately built by people who continuously evolve with the future around them.



Future-ready organisations are built when learning, leadership, adaptability, and innovation evolve together.





A CULTURE THAT POWERS PERFORMANCE

Creating an organisation where people, purpose, and progress evolve together



Enduring organisations are built not only through strategy and systems, but through cultures that enable people to grow, contribute, and succeed together.

At Nucleus Software, culture is viewed as a long-term institutional capability—one that shapes how teams collaborate, adapt, innovate, and build together across markets and generations.

As the organisation continues to evolve in an increasingly technology-led and globally connected environment, equal emphasis is placed on creating a workplace where people feel valued, connected, and empowered to contribute with confidence.

Throughout the year, employee engagement initiatives across locations reflected a shared focus on belonging, collaboration, learning, and recognition—strengthening the culture that continues to support the organisation's long-term growth journey.

The organisation was also recognised as a Great Place to Work®, reflecting its continued commitment to building a workplace culture grounded in trust, collaboration, inclusivity, and employee well-being.

Purpose and Resilience (Nucleus Day)

The organisation's 39th Foundation Day became a moment of reflection on resilience, determination, and the power of human spirit.

Nucleus Software had the privilege of welcoming Padma Shri awardee Murlikant Petkar, India's first Paralympic gold medallist, to the Noida campus along with his son Mr. Arjun Petkar.

His extraordinary journey from surviving critical injuries during the 1965 war to becoming a global sporting champion—served as a powerful reminder that perseverance, courage, and mindset remain central to overcoming limitations and achieving excellence.

More than a commemorative occasion, the interaction reinforced values that continue to shape the organisation's culture: resilience, humility, discipline, and the commitment to keep moving forward despite challenges.





Celebrating Belonging (Festivities- Diwali)

Across offices and regions, festive celebrations brought together employees and families through experiences that reflected the diversity and inclusivity of the organisation.

Diwali celebrations across Nucleus Software locations showcased a vibrant blend of traditions, creativity, and cultural expression—from rangoli designs inspired by regional and global themes to music, performances, and shared celebrations across teams.

At the Chennai office, employees participated in cultural showcases and themed activities celebrating regional diversity and expression, while the Noida campus hosted large-scale family celebrations, music, engagement activities, and community gatherings.

These moments went beyond celebration. They reflected a culture where shared experiences continue to strengthen connection, inclusivity, and a sense of belonging across teams and locations.

Strengthening Connections Beyond the Workplace (Nucleus Outing)

Shared experiences outside formal work environments continued to play an important role in strengthening collaboration and interpersonal trust across teams.

The annual employee outing to Jim Corbett brought together employees and families in an environment focused on connection, reflection, and renewal.

For many employees, the experience became an opportunity to build stronger relationships, encourage collaboration beyond functional boundaries, and create memories that reinforced a deeper sense of community within the organisation.

Employee reflections from the outing highlighted themes of openness, teamwork, mutual support, and stronger workplace collaboration—demonstrating how culture is often strengthened through experiences beyond day-to-day operations.





Recognising Excellence (Awards)

Nucleus Software continued to celebrate the contributions of individuals and teams whose commitment, innovation, and leadership helped drive organisational progress throughout the year.

The annual Awards and Recognition Ceremony honoured employees who consistently demonstrated excellence across execution, collaboration, customer impact, innovation, and leadership.

The recognitions reflected the organisation's belief that long-term success is built collectively - through individuals who continuously raise standards, support teams, and contribute meaningfully to the organisation's growth journey.

Beyond recognition, the celebration reinforced a culture where contributions are valued, excellence is encouraged, and achievements are shared across the organisation.



Building the Culture for What Comes Next

As Nucleus Software continues to scale globally and evolve into an increasingly AI-led organisation, culture remains foundational to how the organisation grows, adapts, and innovates.

A key area of focus during the year was strengthening psychological safety across teams—encouraging an environment where employees feel comfortable expressing ideas, asking questions, challenging assumptions, and contributing openly.

The organisation believes that innovation and long-term agility are possible only when people feel trusted, respected, and empowered to participate without hesitation.

The focus continues to be on building a workplace that encourages:

- **Collaboration and openness**
- **Continuous learning**
- **Diversity of thought**
- **Psychological safety**
- **Shared ownership and accountability**

Because sustainable performance is ultimately driven by people who feel connected not only to the organisation's goals-but also to its values, purpose, and community.



Culture becomes a long-term advantage when people feel trusted to contribute, empowered to grow, and inspired to build together.



GROWING WITH RESPONSIBILITY AND IMPACT

Creating sustainable social value through education, inclusion, community development, and grassroots empowerment.



Sustainable progress is meaningful only when growth creates wider opportunities, strengthens communities, and improves lives beyond business.

At Nucleus Software, social responsibility continues to remain an integral part of the organisation's long-term vision of inclusive and sustainable growth.

During FY 2025–26, the Company continued to support initiatives focused on education, skill development, women empowerment, accessibility, nutrition, community learning, and water resource management across multiple regions in India.

The Company's CSR initiatives were designed to create meaningful and measurable impact at the grassroots level—strengthening access to learning, improving livelihoods, supporting underserved communities, and enabling long-term social development.



Advancing Access to Education

Strengthening learning ecosystems across communities

The Company continued to support learning centres, schools, and community education initiatives across multiple states including Madhya Pradesh, Uttarakhand, Bihar, Uttar Pradesh, Chhattisgarh, Odisha, West Bengal, and Tamil Nadu.



Key initiatives during the year included:

- Support for learning centres in Madhya Pradesh impacting approximately 40,000 students, 3,000 teachers, and 30 educational coordinators
- Support for 26 learning centres in Dehradun, benefiting over 700 students
- Support for government schools in Noida through community teacher programs impacting approximately 1,000 students
- Fellowship and learning initiatives for girls, young women, and community youth in Bihar and Chhattisgarh
- Experiential science learning programs in Chennai impacting around 800 students
- Support for teachers in Mathematics, Sanskrit, and Computer Education at Gurukul Barnawa

The Company also supported educational access for students through scholarships, private school support programs, and infrastructure assistance across multiple communities.





Enabling Inclusion and Livelihood Development

Creating opportunities through skill-building and accessibility initiatives

The Company continued to support women empowerment and livelihood initiatives through tailoring and vocational development centres in Chennai, benefiting approximately 350 women across multiple centres.

Additional inclusion-focused initiatives during the year included:

- Support for hearing-impaired children in Chennai
- Distribution of tricycles, bicycles, wheelchairs, and mobility-support equipment for differently-abled individuals
- Student support initiatives across schools and community centres

These efforts reflect the Company's continued focus on enabling dignity, accessibility, and self-reliance within underserved communities.



Supporting Community Well-Being

Strengthening nutrition, local infrastructure, and social development

The Company also supported nutrition and welfare initiatives across government schools in Uttarakhand, contributing towards meal distribution programs benefiting students across seven schools.

During the year:

- Approximately 737 students were supported through school meal initiatives
- Over 1.5 lakh meals were distributed across participating schools

In Ahmednagar, the Company supported school transportation infrastructure through assistance towards procurement of a school bus, improving accessibility and continuity of education for students.





Driving Sustainable Community Impact

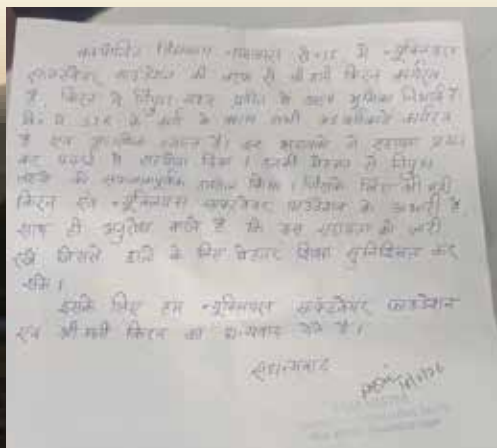
Strengthening environmental resilience and local ecosystems

As part of its commitment to sustainable community development, the Company supported water resource management initiatives in Rajasthan focused on strengthening local environmental resilience and community infrastructure.

Key initiatives included:

- **Construction of a catchment dam in Jaipur benefiting over 100 families**
- **Restoration of a community pond in Dholpur impacting approximately 80 families**

These initiatives contributed towards improving water accessibility, strengthening local ecosystems, and supporting long-term community sustainability.



Building Long-Term Social Value

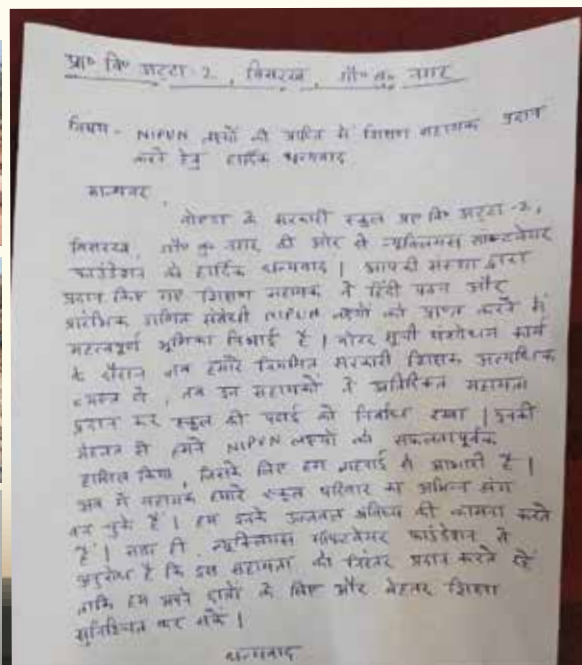
Through its CSR initiatives, Nucleus Software continues to focus on creating sustainable and inclusive impact across communities by supporting:

- **Access to quality education**
- **Women empowerment and livelihood development**
- **Community learning ecosystems**
- **Accessibility and inclusion initiatives**
- **Nutrition and welfare programs**
- **Environmental sustainability and water conservation**

The Company remains committed to contributing towards meaningful social progress while building long-term value for communities and society at large.



Enduring impact is created when growth extends beyond business and contributes meaningfully to communities, livelihoods, and future generations.





THE NEXT PHASE OF GROWTH BEGINS HERE

Building the Future on Foundations That Endure



The institutions that will lead the future of financial services will not be those that move the fastest alone, but those that combine innovation with endurance, agility, and disciplined execution.

As Nucleus Software approaches four decades of its journey, the focus is not on looking back—it is on building forward with greater clarity, scale, and intent.

Over the years, the organisation has evolved alongside the changing realities of the global financial ecosystem—from the early phases of banking digitisation to today's intelligence-led operating models. Through every transition, one capability has remained central: the ability to adapt continuously while remaining grounded in strong institutional foundations.

The next phase of growth will be shaped by this balance.

Across the industry, financial institutions are entering a new operating era defined by:

- **AI-led decision ecosystems**
- **Embedded and contextual banking experiences**
- **Cloud-ready architectures**
- **Real-time servicing expectations**
- **Increasing regulatory and governance complexity**

This shift is redefining how institutions think about agility, scalability, and customer engagement.

At Nucleus Software, the strategic focus remains clear—to build platforms and capabilities that enable financial institutions to operate with:

- **Greater intelligence**
- **Faster responsiveness**
- **Higher operational agility**
- **Scalable growth**
- **Long-term resilience**

The evolution of FinnOne Neo®, including the release of GA 8.5, reflects this direction through API-first architecture, extensible platform capabilities, embedded intelligence, and cloud-readiness designed to support evolving business and regulatory environments.

Strategic collaborations, including with Amazon Web Services, further strengthen this ecosystem-enabling institutions to accelerate adoption, improve flexibility, and scale with greater speed and operational efficiency.

As the organisation expands its presence across Asia-Pacific, the Middle East, Africa, Europe, and North America, the focus remains on building globally scalable yet locally adaptable solutions—ensuring that innovation remains aligned to market realities.

At the same time, the next phase of growth is not being viewed only through the lens of technology.

It is equally about strengthening the organisation's execution capability, investing in people, and building an enterprise culture that can sustain continuous evolution.

Frameworks such as Hoshin Kanri and Lean continue to provide strategic alignment and operational discipline across the organisation.

Investments in learning, AI capability building, and leadership development are helping prepare teams for a future where adaptability and continuous learning will become defining organisational strengths.

Equally important is the continued focus on creating a culture of accountability, collaboration, and psychological safety—ensuring that innovation can scale responsibly across teams and markets.



The future belongs to institutions that can scale with agility, innovate with discipline, and evolve without losing their core.



As Nucleus Software enters its next phase, the organisation remains focused on building with a long-term view:

- **Scaling intelligently**
- **Expanding responsibly**
- **Innovating continuously**
- **Executing consistently**

Forty years have created the foundation.

The next phase is about building greater agility, extensibility, and growth on top of that foundation-with the confidence to evolve continuously in a rapidly changing world.





Years at a Glance

(All figures are in ₹ crore, unless otherwise stated)

Consolidated Performance

For the Year Ended March 31,	2026	2025	2024	2023	2022
Revenue from Operations	876.03	832.25	826.45	634.46	497.19
Operating Profit (EBITDA)	124.16	167.60	219.45	155.75	36.22
Depreciation	16.49	14.81	14.55	18.73	15.38
Other Income	64.16	66.26	50.90	34.06	34.66
Profit Before Tax (PBT)	149.88	219.05	23.18	20.14	8.23
Tax expense	33.14	56.05	64.20	43.29	14.59
Profit After Tax (PAT)	116.74	163.00	191.60	127.79	40.91
EBITDA as a % of Revenue from Operations	14.17	20.14	26.55	24.55	7.29
PAT as a % of Revenue from Operations	13.33	19.59	23.18	20.14	8.23
As at March 31,	2026	2025	2024	2023	2022
Share Capital	26.33	26.33	26.77	26.77	26.77
Reserves and Surplus	881.12	787.89	750.67	583.89	466.83
Net Worth	907.45	814.22	777.44	610.66	493.60
Property, Plant and equipment and Other intangible assets	63.59	41.88	36.83	26.59	38.20
Cash & Cash Equivalents including Current Investments and Other Bank Balances	414.14	359.73	401.56	277.43	341.94
Working Capital	306.98	261.81	316.42	250.42	237.71
No. of Shares (Face Value of ₹ 10.00)	2,63,25,306	2,63,25,306	2,67,73,324	2,67,73,324	2,67,73,324
Market Capitalisation	1,902.53	2,113.13	3172.37	1,109.01	1,108.95
No. of Shareholders	39,648	44,686	29900	31606	38,713
Ratios-Per Share					
Earning Per Share (in ₹)	44.35	61.40	71.56	47.73	14.28
Dividend Per Share (in ₹)	12.50	12.50	12.50	10.00	7.00
Book Value Per Share (In ₹)	344.71	309.29	290.38	228.09	184.35

Notes:

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



Years at a Glance

(All figures are in USD'000, unless otherwise stated)

Consolidated Performance

For the Year Ended March 31,	2026	2025	2024	2023	2022
Revenue from Operations	98,585	98,351	99,777	78,746	65,601
Operating Profit (EBITDA)	13,971	19,806	26,494	19,331	4,779
Depreciation	1,856	1,750	1,757	2,325	2,029
Other Income	7,220	7,830	6,146	4,228	4,573
Tax Expense	3,729	6,624	7,751	5,373	1,926
Profit After Tax (PAT)	13,138	19,263	23,132	15,860	5,398
EBITDA as a % of Revenue from Operations	14.17	20.14	26.55	24.55	7.29
PAT as a % of Revenue from Operations	13.33	19.59	23.18	20.14	8.23
US\$ Exchange Rate (In ₹)*	88.86	84.62	82.83	80.57	75.79
As at March 31,	2026	2025	2024	2023	2022
Share Capital	2,777	3,081	3,210	3,258	3,599
Reserves and Surplus	92,916	92,194	90,008	71,059	62,746
Net Worth	95,692	95,275	93,219	74,317	66,345
Property, Plant and equipment and Other intangible assets	6,706	4,901	4,416	3,574	5,134
Cash Equivalents & Current Investments	43,672	42,093	48,149	33,763	45,960
Working Capital	32,372	30,635	37,940	30,476	31,950
No. of Shares (Face Value of ₹ 10.00)	2,63,25,306	2,63,25,306	2,67,73,324	2,67,73,324	2,67,73,324
Market Capitalisation	2,00,625	3,32,901	3,80,380	1,34,965	1,49,053
US\$ Exchange Rate (In ₹)#	94.83	85.46	83.40	82.17	74.40
Ratios - per share					
Earning Per Share (in \$)	0.50	0.73	0.86	0.59	0.19
Dividend Per Share (in \$)	0.14	0.15	0.15	0.12	0.09
Book Value Per Share (in \$)	3.88	3.66	3.51	2.83	2.43

Notes:

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



Board's Report

Dear Members,

We are pleased to present your Company's Thirty-seventh Integrated Annual Report, together with the Audited Statement of Accounts, for the year ended March 31, 2026.

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

a) Consolidated Operations

Revenue from consolidated operations for the year was ₹ 876.03 crore, as compared to ₹ 832.25 crore in the previous year, an increase of 5.26%. The overall Operational Expense for the year was ₹ 751.87 crore, against ₹ 664.65 crore in the previous year. The Operating Profit (EBITDA) was lower at ₹ 124.16 crore, 14.17% of revenue, against ₹ 167.60 crore, 20.14% % of revenue in the previous year. Profit after Tax for the year was at ₹ 116.74 crore, 13.33% of revenue, against ₹ 163.00 crore, 19.59% of revenue in the previous year.

Consolidated financial results are as below:

₹ in Crore

For the Year Ended Mar 31,	2026	% of Revenue	2025	% of Revenue	Growth (%)
Revenue From Operations	876.03	100.00	832.25	100.00	5.26
Expenses					
a) Employee benefit expense	589.41	67.28	534.64	64.24	10.24
b) Operating and other expenses	161.05	18.39	129.26	15.53	24.59
c) Finance costs	1.41	0.16	0.75	0.09	88.00
Total Expenses	751.87	85.83	664.65	79.86	13.12
Operating Profit (EBITDA)	124.16	14.17	167.60	20.14	(25.92)
Depreciation, amortization and impairment	16.49	1.88	14.81	1.78	11.34
Operating Profit after Interest and Depreciation	107.67	12.29	152.79	18.36	(28.43)
Other Income	64.16	7.32	66.26	7.96	(3.17)
Exceptional Items	21.95	2.51	-	-	-
Profit Before Tax	149.88	17.10	219.05	26.32	(31.58)
Income Tax Expense	33.14	3.77	56.05	6.73	(40.87)
Profit After Tax	116.74	13.33	163.00	19.59	(28.38)
Other Comprehensive Income	9.40	1.07	(3.56)	(0.43)	(364.04)
Total Comprehensive Income for the year	126.14	14.40	159.44	19.16	(20.89)

b) Standalone Operations

Revenue from the standalone operations for the year was ₹ 805.97 crore against ₹ 768.66 crore in the previous year, an increase of 4.85%. Total Operational Expense for the year was ₹ 692.03 crore against ₹ 609.08 crore in the previous year, an increase of 13.62%. The Operating Profit (EBITDA) for the year was lower at ₹ 113.94 crore, 14.14 % of revenue, against ₹ 159.58 crore, 20.76 % of revenue, in the previous year. Profit after Tax for the year was at ₹ 118.31 crore, 14.68% of revenue, against ₹ 161.76 crore, 21.04 % of revenue in the previous year.



Standalone financial results are as below:

₹ in Crore

For the Year Ended Mar 31,	2026	% of Revenue	2025	% of Revenue	Growth (%)
Revenue from Operations	805.97	100.00	768.66	100.00	4.85
Expenses					
a) Employee benefit expense	515.41	63.95	472.35	61.45	9.12
b) Operating and other expenses	175.50	21.77	136.18	17.72	28.87
c) Finance costs	1.12	0.14	0.55	0.07	103.64
Total Expenses	692.03	85.86	609.08	79.24	13.62
Operating Profit (EBITDA)	113.94	14.14	159.58	20.76	(28.60)
Depreciation, amortization and impairment	15.47	1.92	13.84	1.80	11.78
Operating Profit after Interest and Depreciation	98.47	12.22	145.74	18.96	(32.43)
Other Income	73.01	9.06	70.04	9.11	4.24
Exceptional Items	21.95	2.72	-	-	-
Profit Before Tax	149.53	18.56	215.78	28.07	(30.70)
Income Tax Expense	31.22	3.88	54.02	7.03	(42.21)
Profit After Tax	118.31	14.68	161.76	21.04	(26.86)
Other Comprehensive Income	5.93	0.74	(4.83)	(0.63)	(222.77)
Total Comprehensive Income for the year	124.24	15.42	156.93	20.42	(20.83)

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

2. TRANSFER TO RESERVES

Your Company do not propose to transfer any amount to the general reserve. The closing balance of the retained earnings of the Company for FY 2026 after all appropriation and adjustments was ₹ 828.57 crore

3. CHANGES IN THE CAPITAL STRUCTURE

The share capital structure of the Company as at March 31, 2026 was as follows:

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

Note: The subscribed and paid capital of ₹ 26,32,53,060/- (₹ 26,32,53,060/- as on 31 March 2025) excludes ₹ 15,000 in respect of 2,800 forfeited equity shares.

The Company has not issued shares with differential voting rights or sweat equity shares during FY'26.

Shares under Compulsory Dematerialization

The shares of the Company are under compulsory dematerialization ("Demat") category and are available for trading on both the depositories in India viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Of the entire paid-up shares, 2,62,88,092 shares (99.86%) are in dematerialized form as of March 31, 2026. The International Securities Identification Number (ISIN) allotted to the Company's shares is INE096B01018.

4. LISTING

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

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



Board's Report

5. LIQUIDITY AND CASH EQUIVALENTS

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

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

Cash and cash equivalents along with other bank balances including current investments at a consolidated level of ₹ 414.14 crore, constitute 46% of the shareholders' funds at the year end, against ₹ 359.73 crore, 44% of the shareholders' funds at the close of the previous year.

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

6. DIVIDEND

The Board of Directors of the Company at their meeting held on May 21, 2026, have recommended a final dividend for its shareholders. The proposed final dividend is 125% (₹ 12.50 per equity share of ₹ 10 each), for FY 2025-26. This dividend is subject to the approval of shareholders at the forthcoming Annual General Meeting. If approved, the total Dividend pay-out for FY 2025-26 will be ₹ 32.91 crore.

The record date for the purposes of the final dividend will be July 10, 2026, and payment will be made within 30 days from the date of declaration of dividend.

7. INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to applicable provisions of the Companies Act 2013, read with IEPF Authority (Accounting, Audit, Transfer and Refund) Rules 2016 ('the Rules') all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF established by the Central Government, after completion of seven

years. Further, according to the Rules, the shares in respect of which dividend has not been paid or claimed by the members for seven consecutive years or more shall also be transferred to the Demat account created by IEPF Authority. Accordingly, the Company has transferred all unclaimed or unpaid dividends and shares to IEPF as per applicable regulations.

The details are provided in the shareholder information section of this Integrated Annual Report and are also available on the Company website. i.e. investor.nucleussoftware.com/investor-services/unclaimed-unpaid-dividends/

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

8. DEPOSITS FROM PUBLIC

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

9. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The Company policy for determining 'Material Subsidiaries' and on 'Related Party Transactions', as approved by the Board can be accessed on the Company website link: investor.nucleussoftware.com/media/xuxh4zpq/nucleus_policy_on_material_subsidaries.pdf and https://investor.nucleussoftware.com/media/fijljk0j/policy_on_related_party_transactions.pdf respectively.

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

10. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

11. MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION OF THE COMPANY BETWEEN THE END OF FINANCIAL YEAR 2026 AND DATE OF THIS REPORT

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

12. CHANGE IN THE NATURE OF BUSINESS

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



13. MANAGEMENT DISCUSSION & ANALYSIS

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

14. REVIEW OF BUSINESS & OUTLOOK

The financial services industry continues to evolve steadily, influenced by technology-led transformation, regulatory developments, and changing customer expectations. Financial institutions across markets are increasingly focusing on strengthening their digital capabilities while ensuring resilience, governance, scalability, and organizational agility in responding to rapidly changing market dynamics.

In this environment, the role of technology platforms has become more central-enabling institutions not only to modernize operations but also to adapt quickly, integrate seamlessly, and scale with confidence across evolving business contexts.

The year under review marks a defining milestone in the journey of your Company as Nucleus Software completes 40 years of innovation and excellence, alongside commemorating 30 years of listing on the Bombay Stock Exchange - reflecting four decades of resilience, customer trust, governance, and long-term value creation.

These milestones reflect:

- A consistent track record of serving financial institutions over multiple cycles
- Strong governance practices as a publicly listed entity
- Continued focus on building long-term, sustainable value

Over the years, your Company has evolved from a technology solutions provider to a platform-led organization supporting lending and transaction banking globally, while maintaining its commitment to reliability and customer trust. During the year, this focus was reflected across the strategic priorities highlighted below. Together, these initiatives are enabling the Company to build greater agility, scalability, and resilience while positioning itself for future opportunities.

1. Business Performance and Strategic Direction

Your Company continues to deliver solutions through its core platforms-**FinnOne Neo®** and **FinnAxia®**, supporting financial institutions across lending and transaction banking operations.

The strategic focus of the Company remains centred around five key areas:

- Product and platform strengthening
- Adoption of AI and data-driven capabilities
- Expansion across international markets
- Delivery excellence for customers
- Building organizational capability and talent

This balanced approach allows the Company to address both current market requirements and long-term growth opportunities.

During the year, the Company continued to invest in strengthening its product capabilities, with a focus on:

- AI-enabled decision support across lending lifecycle
- Improved collections capabilities with better analytics and segmentation
- 561+API-based integrations to support ecosystem connectivity
- Enhancements in automation and compliance frameworks

These developments are aimed at enabling customers to improve operational efficiency, strengthen risk management, and respond more effectively to evolving regulatory and market conditions.

2. Strategic Partnership with AWS

During the year, your Company entered into a strategic collaboration with Amazon Web Services (AWS), marking an important step in expanding its global delivery capabilities.

Key elements of this engagement include:

- A multi-year agreement focused on innovation and customer value
- Availability of FinnOne Neo® suite on AWS Marketplace, enabling streamlined procurement and faster deployments
- Participation in the AWS ISV Accelerate Program, strengthening joint go-to-market efforts
- Continued recognition under the AWS Financial Services Competency

The partnership is expected to strengthen the Company's ability to serve customers across geographies with greater agility, scalability, and speed of execution.



Board's Report

3. Execution Discipline: Hoshin Kanri and Lean

Your Company continues to adopt Hoshin Kanri as a framework to align long-term strategy with execution priorities across the organization. This is supported by Lean principles, which focus on:

- Continuous improvement in delivery processes
- Efficient utilization of resources
- Enhancing customer experience

These approaches are aimed at ensuring consistency in execution while enabling the organization to remain responsive to evolving business requirements.

4. Market Presence and Partnerships

Your Company continues to strengthen its presence across key markets including India, Africa, Southeast Asia, the Middle East, Australia, and North America. In addition, partnerships with Cloud providers, Fintech Companies and system integrators are helping expand reach, support localized deployments, and enhance overall value delivery to customers.

15. NEW PRODUCT LAUNCHES

FinnOne Neo® GA 8.5

In line with the Company's strategic theme of "Enduring Foundations. Accelerated Futures.", the release of *FinnOne Neo® GA 8.5* marks a significant advancement in strengthening the core architecture of its digital lending platform while accelerating the adoption of intelligent, AI-led capabilities across the lending lifecycle.

Built on decades of lending domain expertise, *FinnOne Neo®* continues to evolve as a composable, enterprise-grade platform integrating customer acquisition, loan management, collections, collateral management, and enterprise content management into a unified ecosystem designed for scalability, governance, agility, and operational resilience.

The GA 8.5 release further strengthens the platform's foundational capabilities through enhancements focused on:

- data security and governance through PII masking, encryption, and role-based access controls
- regulatory-ready servicing frameworks supporting co-lending and audit-ready operations

- operational standardisation through embedded rule engines and workflow automation
- multilingual and inclusive customer engagement frameworks

FinnOne Neo® GA 8.5 exemplifies your Company's philosophy of building on enduring foundations while accelerating towards the future

During the year, the Company also strengthened capabilities across key modules of *FinnOne Neo®*:

- **Customer Acquisition System (CAS):** Enhancements focused on faster onboarding, digital execution, fraud detection, automated data extraction, and real-time integrations to improve customer experience and compliance readiness.
- **Loan Management System (LMS):** Enhancements included restructuring support, co-lending servicing, multilingual communication frameworks, subsidy management workflows, and strengthened data privacy controls to improve servicing flexibility and operational transparency.
- **Collections Management:** AI-led collections capabilities including predictive scoring, sentiment analysis, speech-to-text intelligence, and automated workflows were introduced to improve recovery effectiveness and operational efficiency.

Your Company further strengthened its Collateral Management System (CMS) capabilities through centralized collateral governance, lifecycle management, API-led integrations, and automated verification frameworks, enhancing enterprise-wide risk visibility and operational control.

Additionally, enhancements to the Enterprise Content Management (ECM) framework enabled more efficient document processing, centralized archival, workflow-based management, and audit-ready operations, supporting the transition towards paperless and operationally efficient lending ecosystems.

FinnAxia® GA 9.0

In continuation of the Company's commitment to strengthening core platforms while accelerating innovation, the release of *FinnAxia® 9.0* marks a significant advancement in its transaction banking suite, reinforcing its position as a scalable, enterprise-grade platform for payments, liquidity, and corporate



banking operations. Designed to support intuitive, secure, and high-performance transaction banking experiences, particularly for SME and MSME ecosystems, *FinnAxia® 9.0* strengthens operational resilience, ecosystem scalability, and regulatory alignment across banking operations.

The release further strengthens the platform's foundational capabilities through enhancements focused on:

- modernised technology frameworks and infrastructure scalability
- strengthened operational efficiency and quality assurance
- enhanced security, compliance, and audit readiness
- improved governance, traceability, and transaction control mechanisms

Complementing the foundational capabilities, *FinnAxia® 9.0* introduces several enhancements across transaction processing, customer experience, workflow automation, and ecosystem integration.

The platform also strengthens enterprise configurability and automation through enhanced API ecosystems, enabling seamless integration with ERP systems, external platforms, and evolving banking ecosystems.

By combining strong foundational capabilities with forward-looking innovation, *FinnAxia® 9.0* enables financial institutions to operate with greater agility, scalability, operational efficiency, and resilience in an increasingly digital banking environment.

16. NOTABLE ACCOLADES RECEIVED DURING THE YEAR

Your Company continues to be recognised by leading industry bodies and global institutions for its contribution to innovation, technology excellence, and thought leadership in the financial services sector. These recognitions reflect the strength of its platforms, the trust of its stakeholders, and its consistent focus on building scalable, future-ready solutions.

During the year under review, the Company received the following notable accolades:

1. Best Global Fintech Pioneer – India to the World

We were honoured with the “*Best Global Fintech Pioneer – India to the World*” award at the 6th edition of the PICUP Fintech Conference & Awards 2026, a premier industry platform

organised by the Indian Banks’ Association and FICCI, with Boston Consulting Group as the Knowledge Partner.

2. Gold Award for Excellence in Technology – Software

Our Annual Report for FY 2024–25 received the *Gold Award for Excellence in Technology – Software* at the League of American Communications Professionals LLC Annual Report Awards.

3. Technical Achievement Award

We were also conferred the *Technical Achievement Award* for Annual Report FY 2024-25 by League of American Communications Professionals LLC, reaffirming its focus on innovation and excellence in corporate reporting practices.

4. Best Enterprise Collections Platform 2026

FinnOne Neo®, the Company's flagship digital lending platform, was recognised as the *Best Enterprise Collections Platform 2026* at the Bharat Collections Summit & Awards 2026.

5. Excellence in Digital Consumer Transformation – Finnovex Saudi Arabia 2025

Saudi Finance Company (SFC), in partnership with your Company, was recognised with the “*Excellence in Digital Consumer Transformation*” award at the Finnovex Saudi Arabia 2025 summit.

6. IBSi Global FinTech Innovation Awards (GFIA) 2025

We were honoured at the IBSi Global FinTech Innovation Awards (GFIA) 2025, receiving the recognition for “*Best-in-Class Transaction Banking Platform*” for its work with Federal Bank Ltd.

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

17. SUBSIDIARY COMPANIES

The Company has eight subsidiaries across the globe. There are no associate companies or joint venture companies within the meaning of Section 2(6) of the Companies Act, 2013 (“Act”). During the year, your Company has incorporated a wholly owned subsidiary company in Vietnam.



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The following table provides a list of all these subsidiaries as on March 31, 2026:

Name of Subsidiary	Location	Date of Incorporation/ Acquisition	Percentage of Shareholding
Nucleus Software Solutions Pte. Ltd.	Singapore	February 25, 1994	100%
Nucleus Software Inc.	USA	August 05, 1997	100%
Nucleus Software Japan Kabushiki Kaisha	Japan	November 02, 2001	100%
Nucleus Software Netherlands B.V.	Netherlands	February 03, 2006	100%
Nucleus Software Ltd.	India	April 21, 2008	100%
Nucleus Software Australia Pty. Ltd.	Australia	February 03, 2014	100%
Nucleus Software South Africa Pty. Ltd.	South Africa	February 10, 2015	100%
Nucleus Software Vietnam Company Ltd.	Vietnam	February 05, 2026	100%

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

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

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

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

a) Nucleus Software Solutions Pte. Ltd.

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

b) Nucleus Software Inc.

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

c) Nucleus Software Japan Kabushiki Kaisha

Nucleus Software Japan Kabushiki Kaisha (NSJKK) is based in Tokyo, Japan. It was incorporated in

2001 to expand business in the country. NSJKK operates as a business development and sales hub for Japan. Additionally, the subsidiary provides software development services, to the local customers in Japan.

d) Nucleus Software Netherlands BV

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

e) Nucleus Software Ltd.

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

f) Nucleus Software Australia Pty. Ltd.

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

g) Nucleus Software South Africa Pty. Ltd.

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



h) Nucleus Software Vietnam Company Ltd.

Nucleus Software Vietnam Company Ltd. (NSV) is based in Hanoi, Vietnam. It was incorporated on February 5, 2026, to tap the business potential in Vietnam Market. This wholly owned subsidiary is yet to commence operations. The wholly owned subsidiary will serve as a hub for not just Vietnam, but also future expansion into Cambodia, Laos, and other Mekong region countries.

18. INFRASTRUCTURE

Your Company, along with its subsidiaries, has offices at several locations across the globe. The office space and seating capacity of these offices as on March 31, 2026, is detailed below:

	Office Location	Area in sq. ft.	Seating Capacity
			- No. of Persons
India	New Delhi	4,200	40
	Noida	2,08,122	1,850
	Jaipur	22,312	250
	Pune	5,993	45
	Chennai	12,286	133
	Mumbai	1,172	10
		2,003*	NA
Overseas	Singapore	3,767	45
	Dubai, UAE	1,290	16
	Tokyo, Japan	735	15
	Manila, Philippines	136	5
	Sydney, Australia	161	3
	Vietnam	138	3
	Jakarta, Indonesia	Virtual Office	NA
	London, UK	Virtual Office	NA
	Amsterdam	Virtual Office	NA
	Total	2,62,315	2,415

*This premise at Mumbai is under renovation.

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

19. QUALITY PROCESSES

At Nucleus Software, Quality Assurance functions as a cornerstone of our software product development and delivery lifecycle. Nucleus Quality Management

System (NQMS) continues to enable outstanding value and experience to its external and internal customers. Quality Processes and Frameworks were further aligned and institutionalised as per the PMBoK (Project Management Body of Knowledge) Knowledge Areas and industry best practices.

In FY 2025-26, our Quality Assurance initiatives focused on strengthening project governance and continuous process optimization. Your Company focused on automating dashboards and enabling business functions by 100% adoption of Project Canvas and Metrics Performance Dashboard. This also enabled P&Ls to gain comprehensive visibility through multilevel connects and Obeyas. Continuous process improvements were driven through Kaizen and Gemba in collaboration with practitioners leading to meaningful insights into current conditions and driving improvements.

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

20. Market Positioning and Brand Differentiation to Building Brand Equity

Strengthening Global Presence. Building Enduring Brand Equity

During the financial year under review, your Company continued to strengthen its global market positioning through a strategic focus on brand building, stakeholder engagement, and thought leadership.

The Company continued to evolve its brand narrative from being recognised primarily as a technology provider to being acknowledged as a trusted partner enabling digital transformation for financial institutions globally. This transition was supported through consistent messaging, deeper market engagement, and alignment of brand strategy with long-term business priorities.

Senior leadership actively participated across global industry forums, fintech platforms, thought leadership discussions, and policy dialogues, strengthening the Company's visibility across digital lending, transaction banking, and financial services transformation ecosystems.



Board's Report

The Company also strengthened market engagement through:

- participation across banking and fintech forums in Asia-Pacific, Middle East, Africa, Europe, and the Americas.
- structured public relations and announcement strategies around product enhancements, partnerships, customer wins, and industry recognitions.
- geography-specific campaigns aligned with regional priorities and market maturity.
- digital and data-driven engagement initiatives focused on brand visibility and customer engagement.
- collaborations with technology partners, consulting firms, and ecosystem players through co-marketing initiatives and joint thought leadership programs.

During the year, the Company further strengthened engagement with leading analyst firms including Gartner®, Forrester®, and IBS Intelligence through regular briefings and product demonstrations, enhancing visibility and credibility across global financial institutions.

The Company also continued to deepen customer engagement through focused Account-Based Marketing (ABM) initiatives involving customised communication, executive engagement, and insight-led outreach aligned to customer priorities.

Through these integrated initiatives, the Company continues to strengthen its position as a globally relevant fintech platform organisation with a continued focus on:

- customer-centric innovation
- thought leadership
- strategic market engagement
- enduring brand equity and scalable global growth.

Across Markets. Across Moments. One Strategic Direction.

Expanding Global Footprint. Deepening Industry Impact.

Building on the strong foundation of prior years, your Company expanded its presence across Asia-Pacific, the Middle East, Africa and North America, engaging with regulators, policymakers, financial institutions, and technology partners. This global outreach enabled the Company to contribute meaningfully to industry dialogue while reinforcing its position as a trusted transformation partner.

Global Platforms Driving Industry Conversations

Your Company's participation across marquee global platforms was guided by a focus on outcome-driven transformation, AI-led innovation, and scalable financial ecosystems.

MENA BFSI Leaders Conclave 2025 (Dubai, May 22, 2025)

As a Gold Sponsor, your Company engaged with senior decision-makers across leading banks and financial institutions in the MENA region—one of the fastest-evolving markets in terms of digital banking adoption.

Strategic Contribution:

Your Company Representative delivered a focused presentation on *"From Buzzwords to Balance Sheets: Rethinking BFSI Digitization Through Real Outcomes for MENA."* The session addressed a critical industry gap—moving beyond digital experimentation to measurable business outcomes.

IDC Asian Financial Services Congress 2025 (Singapore, July 17, 2025)

At this premier regional forum, your Company contributed to conversations around modernising legacy banking infrastructures—an area of increasing urgency across Asia-Pacific.

Fireside Dialogue:

The senior leaders of the Company participated in a leadership conversation on *"Changing the Engine While the Bus is Running."* The discussion focused on practical approaches to transforming core banking environments without disrupting business continuity.

The session resonated strongly with large incumbent banks navigating transformation constraints, reinforcing your Company's ability to deliver progressive modernisation without operational risk, a key differentiator in large-scale deployments.

COBA 2025 (Brisbane, August 10–12, 2025)

As a Gold Sponsor, your Company deepened its engagement with Australia's mature and highly regulated banking ecosystem.

Leadership Presentation:

Your Company representative presented on *"AI for Impact,"* outlining how AI can be embedded across lending and transaction workflows to drive measurable improvements in decisioning, operational efficiency, and customer experience.

FIBAC 2025 (Mumbai, August 25–26, 2025)

Your Company continued its strong association with one of India's most influential banking forums, engaging with regulators, public and private sector banks, and financial institutions.



Our CEO participated in a session on “*Consumer of the Future*”, exploring how data-driven personalisation is reshaping banking experiences in India. This platform reinforced your Company’s thought leadership in customer-centric banking transformation. The dialogue reinforced your Company’s leadership in enabling customer-centric banking architectures, particularly in high-growth markets like India.

CNBC-TV18 Banking Transformation Summit 3.0(Mumbai, September 16, 2025)

Your Company, in association with CNBC-TV18, hosted the Banking Transformation Summit 3.0 on September 16, 2025, in Mumbai, centered on the theme “Banking That Builds Bharat: AI-Powered, Credit-Driven.”

The summit convened senior leaders from banks, financial institutions, fintechs, and regulatory bodies to deliberate on advancing India’s journey towards a \$10 trillion economy, with a focus on digital lending, AI-led credit, and financial inclusion.

The Company’s leadership emphasized the role of AI-driven lending ecosystems and digital platforms in enabling transformation with minimal disruption. The focus remains on strengthening IP-led platforms such as FinnOne Neo® and FinnAxia® to support banks in building agile, future-ready operations.

The summit provided actionable insights for the industry on aligning technology, governance, and growth to shape the next phase of banking transformation in India.

Global SME Finance Forum (Johannesburg, September 15–17, 2025)

Nucleus Software participated as a Silver Sponsor, focusing on financial inclusion and SME growth.

Your Company representative conducted a session on “*SME Lending in an AI-First World*”, addressing how financial institutions can scale lending while maintaining risk discipline. This engagement highlighted your Company’s commitment to enabling inclusive and scalable lending ecosystems. The engagement strengthened your Company’s positioning in Africa as a partner enabling inclusive, scalable, and risk-aware lending ecosystems.

Middle East Banking Innovation Summit 2025 (Dubai, September 17–18, 2025)

As a Platinum Sponsor, your Company led discussions on data-driven banking transformation.

The Company Representative delivered insights on “*Establishing a Data-Driven Culture in Banks*”, focusing on governance, analytics, and decision intelligence. This further positioned your Company as a strategic partner for digital-first banking in the

region. This engagement reinforced your Company’s capability to support banks in transitioning towards data-first operating models, critical for long-term competitiveness.

Asian Banking & Finance Summit 2025 (Singapore, September 25, 2025)

The Company contributed to discussions on next-generation financial services.

The senior leaders participated in a session on “*Customer-Centric Financial Services*”, highlighting the role of data and personalisation in shaping future banking experiences. The session positioned the Company as an enabler of experience-led banking transformation, particularly in digitally advanced markets. The engagement highlighted Nucleus Software strength in compliance-ready digital architectures, particularly in the context of evolving regulatory requirements.

Global Fintech Fest 2025 (Mumbai, October 7–9, 2025)

At one of the largest fintech gatherings globally, Nucleus Software reinforced its leadership in digital banking innovation.

Panel Discussion:

The Senior leadership team contributed to a session on “*Zero Trust: Building the Digital KYC and Onboarding Stack*”, focusing on secure, scalable digital onboarding frameworks.

SIBOS 2025 – (Frankfurt, September 29 – October 2, 2025)

Nucleus Software participated in SIBOS 2025, reinforcing its global positioning in transaction banking and financial ecosystems. The event saw a strong presence of our transaction banking platform, FinnAxia®, showcased as a scalable, API-led solution aligned with evolving global priorities such as real-time payments, ISO 20022, and cross-border financial infrastructure.

We engaged in thoughtful discussions with global banks and customers at our booth, focusing on platform-led transformation, liquidity management, and corporate banking innovation. Overall, SIBOS 2025 provided a valuable platform to deepen customer engagement, strengthen partnerships, and further establish Nucleus Software as a trusted partner in global banking transformation.

GFTN Insights Forum (Singapore, November 10–11, 2025)

As a Lead Partner Sponsor, Nucleus Software played a key role in shaping fintech-led SME financing discussions.



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The Senior leaders addressed “*Risk to Resilience*”, focusing on strategies for fintech-driven SME finance and led a session on “*Redefining Corporate CAS*”, highlighting the evolution of transaction banking platforms. These sessions underscored your Company's expertise in transaction banking transformation and resilient financial ecosystems.

Singapore Fintech Festival 2025 (November 12–14, 2025)

Nucleus Software maintained a strong presence at this global fintech platform. The Senior leaders of the Company contributed to “*Bridging the Digital Economy's Last Mile*”, addressing financial inclusion at scale.

A dedicated session on “*Rearchitecting Lending for the Next Decade*” highlighted your Company's innovation in AI-first lending platforms. The platform enabled your Company to demonstrate its AI-first, platform-led lending capabilities to a global audience of financial institutions and regulators.

GFTN Forum Japan 2026 (Tokyo, February 24–27, 2026)

As a Platinum Sponsor, Nucleus Software played a prominent role in one of Asia's leading fintech forums. Our Managing Director participated in Panel discussion “*Following the Money East to West*”, focusing on cross-border capital flows.

The Senior leaders of the Company also led a session on “*AI-Powered Reinvention of the Loan Lifecycle*” and engaged in discussions on financial institutions, technology providers, and regulatory alignment. This engagement reinforced your Company's growing influence in global fintech discourse.

Industry Associations and Policy Engagement

Nucleus Software further strengthened its institutional engagement through active participation in leading industry bodies:

FICCI (Federation of Indian Chambers of Commerce and Industry)

- Participation in global forums such as India–Brazil Business Forum
- Engagement in Japan Roundtables, Budget sessions, and policy dialogues with Ministry of Finance
- Contribution to thought leadership initiatives with global consulting firms
- Media engagement opportunities with leading national and international platforms

NASSCOM

- Participation in AI-focused initiatives, including AI Summits, Responsible AI Roundtables, and global policy discussions

- Contribution to AI governance, infrastructure, and product innovation dialogues
- Representation in leadership platforms such as Women Product Champions and AI mentoring programs

CII (Confederation of Indian Industry)

- Leadership roles as Co-chair – FinTech Committee.
- Participation in financial inclusion, fintech, and global economic forums
- Engagement in policy advocacy, pre-budget consultations, and international delegations

These engagements reflect your Company's role not only as a technology provider, but as a thought partner in shaping policy, regulation, and industry direction.

Flagship Thought Leadership Platform – Nucleus Synapse

Nucleus Software continued to strengthen Nucleus Synapse as its flagship thought leadership platform, bringing together banking leaders, regulators, fintech innovators, and technology experts to discuss the future of financial services across key markets.

- **April 2025 | Synapse Middle East Edition, Dubai**
Convened senior banking and fintech leaders from across the region to explore the theme of the *Human-AI Alliance in Banking*. Discussions focused on AI-led transformation, regulatory readiness, and the future of customer-centric banking in the Middle East.
- **December 2025 | Nucleus for India – Synapse 2025, Mumbai**
Brought together leaders from banks, NBFCs, fintechs, and the technology ecosystem to define India's AI-driven banking future. The event also marked the global launch of FinnOne Neo® GA 8.5, reinforcing Nucleus Software's commitment to intelligent and scalable banking transformation.

November 2025 | Japan – 25 Years of Partnership & Innovation, Tokyo
Nucleus Software celebrated 25 years in Japan with customers, partners, and industry leaders at the Imperial Hotel, Tokyo. The milestone event reflected a quarter-century of trust, collaboration, and innovation, while reaffirming the Company's long-term commitment to Japan's financial ecosystem and global fintech collaboration

Driving Long-Term Strategic Impact

Nucleus Software participation across these global platforms is guided by a clear strategic intent:

- Strengthen customer and partner relationships
- Expand global market presence



- Contribute to industry and policy conversations
- Showcase product innovation and domain expertise
- Enable future-ready financial ecosystems

Through a calibrated and global approach to industry engagement, your Company continues to extend its influence beyond products into platforms, partnerships, and policy dialogue.

These initiatives reinforce Nucleus Software's position as a trusted, globally relevant fintech partner, committed to shaping the future of financial services through innovation, collaboration, and sustained industry leadership.

21. HUMAN RESOURCE MANAGEMENT

FY 2025–26 was a year of strengthening organizational capability, leadership readiness, culture, and employee experience at Nucleus Software. Your Company continued its transformation journey with a strong focus on building a future-ready, high-performing, and culturally strong organization aligned to long-term business priorities.

Learning, Capability Building & Future Skills

Capability building remained a strategic priority during the year through SkillsVault, the Company's enterprise learning and capability development platform. Investments were made in strengthening technical, product, domain, customer-facing, and future-ready capabilities, including GenAI adoption. Focused learning journeys, product enablement programs, customer excellence interventions, and specialized initiatives such as Japanese Language Training enhanced employee proficiency, global delivery readiness, and overall workforce capability.

Nucleus Software continued to foster a culture of continuous learning and internal mobility through Career Catalyst, its future-skills development initiative, enabling employees to build capabilities in emerging and business-critical areas while supporting movement across roles and functions.

Leadership development was strengthened through the expansion of the Nucleus Leadership Compass (NLC) framework, with structured interventions including workshops, psychometric assessments, coaching engagements, and 360-degree feedback. The launch of the Leader's Confluence Program under the "Leading Business" pillar and the Navigator Series under the "Leading Self" pillar further enhanced strategic leadership, managerial effectiveness, and self-awareness. The Company also launched SHIFT, a women leadership development initiative aimed at building a stronger and more diverse leadership pipeline.

Organizational effectiveness was enhanced through revised operating structures, RACI-based accountability frameworks, strategic leadership hiring across key global business functions, including the CFO, CRO, CMO, and Global Partnership Head, and the institutionalization of the New Leader Assimilation (NLA) framework to accelerate leadership integration. The Company also continued its Lean transformation journey in collaboration with the Lean Enterprise Institute (LEI) through Lean Immersion Sessions and A3 Leadership Programs focused on structured problem-solving, operational excellence, and cross-functional collaboration.

Performance management practices were further strengthened through enhanced KPI-based Goal Setting, enabling sharper alignment to business outcomes, improved measurability, and reinforcing a culture of shared success. During the year the Company launched RSU Scheme- Nucleus Software RSU – 2026" ("Scheme"), to recognize and reward exceptional contributions that create long-term value. This Scheme shall be applicable for all regular payroll employees of Nucleus Software Exports Limited and its wholly owned subsidiaries globally.

Culture, Employee Experience & Engagement

Strengthening organizational culture, employee experience, and wellbeing remained key priorities during the year. Nucleus Software was certified as a Great Place to Work® in India for the period November 2025 to November 2026 and continued to strengthen employee engagement, culture, and inclusion through leadership-led feedback reviews, DEI initiatives, and the launch of Expanding Horizons, a leadership engagement platform promoting transparency and dialogue with Senior Management. A key focus during the year was strengthening psychological safety across teams, encouraging employees to share ideas, ask questions, challenge assumptions, and contribute openly. Employee engagement was further enhanced through initiatives including the annual Nucleus Outing, attended by over 1,300 employees and their families.

Nucleus Software also enhanced employee wellbeing and rewards through the introduction of multiple initiatives. To strengthen and promote the organization's culture and values, the Board during the year constituted a committee of its members, named the 'Culture Committee'.

Innovation and future talent development were strengthened through the launch of FinSpark Season 1, a national-level FinTech innovation hackathon engaging leading engineering colleges across India. These initiatives continued to reinforce the Company's position as a future-focused and culturally strong organization.



Board's Report

22. CORPORATE GOVERNANCE

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

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

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

The Company is complying with all mandatory requirements of Corporate Governance as stipulated as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The compliance status is provided in the Corporate Governance section of the Integrated Annual Report. A certificate issued by the Statutory Auditors of the Company under Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, confirming compliance of the conditions of Corporate Governance, is provided as **Annexure C** to this Board's Report. The auditors' certificate for fiscal 2026 does not contain any qualifications, reservations, or adverse remark.

23. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

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

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

1. Mr. S M Acharya retired as an Independent Director effective March 18, 2026, on completion of his second term of 5 consecutive years as an Independent Director.
2. Mr. Anurag Mantri retired as an Executive Director effective December 18, 2025, on completion of his tenure as an Executive Director.

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

3. Dr. Nitin R Gokarn was appointed as Additional Director (in the capacity of Independent Director) of the Company, with effect from February 10, 2026

The Board of Directors on the recommendation of

the Nomination and Remuneration/Compensation Committee (NRC), in its meeting held on Feb 10, 2026, appointed Dr. Nitin R Gokarn as Additional Director (in the capacity of Independent Directors) of the Company, with effect from February 10, 2026.

The said appointment was approved by the members by way of a postal ballot on May 07, 2026, in accordance with the provisions of the Companies Act (2013) and the Listing Regulations.

4. Mr. Parag Bhise was re-appointed as an Executive Director & CEO of the Company, by the members of the Company at the AGM held on July 28, 2025, to hold office for eight months for a term up to March 31, 2026.

The Board of Directors at their meeting held on November 18, 2025, at the recommendation of Nomination and Remuneration/Compensation Committee, recommended reappointment of Mr. Parag Bhise as an Executive Director and CEO of the Company, for a further period of 2 years with effect from April 01, 2026, to March 31, 2028.

The said appointment was approved by the members by way of a postal ballot on May 07, 2026, in accordance with the provisions of the Companies Act (2013) and the Listing Regulations.

Mrs. Yasmin Javeri Krishan, Independent Director, was appointed as Chairperson of the Board in place of Mr. S M Acharya, effective March 19, 2026.

The Board of Directors at their meeting held on March 25, 2026, approved the request submitted by Dr. Ritika Dusad, Executive Director for extension of her sabbatical period for another term of maximum one year.

In accordance with the provisions of Companies Act 2013 and the Article of Association of the Company, Mr. Parag Bhise, Executive Director whose office is liable to retire, shall retire at the ensuing AGM and being eligible, seek re-appointment. Based on performance evaluation and the recommendation of the Nomination and Remuneration/ Compensation committee, the Board has recommended his re-appointment.

Mr. Ashok Kumar Bhura was appointed as the Chief Financial Officer (CFO) and Key Managerial Personnel of the Company with effect from Oct 1, 2025.

Your Company has received declarations from all the Independent Directors of your Company under Regulation 16(1) (b) of the SEBI Listing Regulations and there has been no change in the circumstances which may affect their status as an Independent Director. The Independent Directors have also given declaration of compliance with Rules 6(1) and 6(2)



of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to their name appearing in the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs.

The Board is of the opinion that the Independent Non-Executive Directors of your Company including those appointed/ re-appointed during the financial year ended 31st March 2026, possess requisite qualifications, expertise and experience (including the proficiency) and they hold highest standards of integrity.

Pursuant to provisions of Section 203 of the Companies Act, 2013, Mr. Vishnu R Dusad, Managing Director, Mr. Parag Bhise, Executive Director & CEO, Mr. Ashok Kumar Bhura, Chief Financial Officer and Ms. Poonam Bhasin, Company Secretary & Compliance Officer are the Key Managerial Personnels of the Company as on date of the report.

24. BOARD EVALUATION

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

The Board, along with the Nomination and Remuneration/Compensation Committee (NRC) developed and adopted the criteria and framework for the evaluation of each of the Directors and of the Board and its Committees. A detailed Board effectiveness assessment questionnaire was developed based on the criteria and framework adopted by the Board.

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

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

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

The results of the evaluation showed a high level of commitment and engagement in the Board, its various committees and senior leadership. The Chairperson of the Board/Committee also had interactions with each of the Directors and sought their feedback and

suggestions on the overall Board Effectiveness and Directors performance. The feedback received from the Directors was discussed and reviewed by the Independent Directors at their separate meeting and also shared with the NRC/Board.

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

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

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

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

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

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

The policy of the Company for "Policy for Board and Senior Management Appointment" is provided as **Annexure D** and "Remuneration Policy for Board Members, Key Managerial Personnel and Senior Managerial Personnel" is provided as



Board's Report

Annexure E to this Board's Report. These Policies are also available on the Company website link:

https://investor.nucleussoftware.com/media/hj2fsops/nucleus_policy_for_board_and_senior_management_appointment.pdf and

https://investor.nucleussoftware.com/media/z4yni5z1/nucleus_remuneration_policy_for_board_members.pdf respectively.

26. DECLARATION BY INDEPENDENT DIRECTORS

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

27. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTOR'S

The familiarization sessions are conducted through presentations, briefings and interactions with senior management, as and when required. Details of the Familiarization Program for Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters can be accessed on the Company website link:

https://investor.nucleussoftware.com/media/2fdhq23i/nucleus_familiarisation_programme_for_independent_directors.pdf

28. MEETINGS OF THE BOARD OF DIRECTORS

The Board met 12 times during the year. The details are provided in the Report on Corporate Governance, a part of the Integrated Annual Report.

29. COMMITTEES OF THE BOARD

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

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

During the year, the Board members decided to constitute a "Culture Committee" of the Board w.e.f March 16, 2026, to strengthen and promote the organization's culture and values.

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

30. VIGIL MECHANISM

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

31. SIGNIFICANT AND MATERIAL ORDERS

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

32. REPORTING OF FRAUDS BY AUDITORS

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

33. RISK MANAGEMENT POLICY

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

34. ADDITIONAL INFORMATION TO SHAREHOLDERS

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

35. AUDITORS

Statutory Auditor

Pursuant to the provisions of Section 139 of the Companies Act 2013 and the rules framed thereafter, M/s ASA & Associates LLP, (Firm Registration Number-



009571N/N500006) Chartered Accountants, were appointed as statutory auditors of the Company from the conclusion of the Annual General Meeting (AGM) of the Company held on July 8, 2022 until the conclusion of Annual General Meeting of the Company to be held in Calendar year 2027. The requirement to place the matter relating to appointment of the statutory auditors for ratification by the Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of Statutory Auditors at the ensuing AGM and a note in respect of same has been included in the Notice for this AGM.

Secretarial Auditor

Pursuant to the provisions of Regulation 24A of the SEBI Listing Regulations, the Members at their thirty sixth AGM held on July 28, 2025 had appointed M/S PI and Associates., Practising Company Secretaries (Firm registration no: P2014UP035400) as the Secretarial Auditor, of the Company for a term of five years, i.e., from FY 2025-26 up to FY 2029-30. The Secretarial Auditor has confirmed that they have subjected themselves to Peer Review process by the Institute of Company Secretaries of India ("ICSI") and hold valid certificate issued by the Peer Review Board of ICSI.

The Secretarial Audit Report, Form MR-3 for the year under review confirming compliance by the Company with the Act (including circulars issued thereunder) and applicable regulations and circulars / guidelines/directions issued by SEBI and RBI is appended as **Annexure F** to the Board's Report. There is no adverse remark, qualification, reservation or disclaimer in the Secretarial Audit Report.

Secretarial Audit Report of Material Unlisted Subsidiary

Pursuant to Regulation 24(A)(1) of the SEBI Listing Regulations, a listed company is required to annex the Secretarial Audit Report of its material unlisted subsidiary to its Integrated Annual Report. For FY 2025-26, no company has been identified as a material unlisted subsidiary of the Company.

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

36. INTERNAL FINANCIAL CONTROLS

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

Your Company has appointed an external professional firm M/s Varma & Varma, Chartered Accountants as

Internal Auditor. The Internal Audit of the Company is regularly carried out to review the internal control systems and processes. The Internal Audit Reports along with implementation and recommendations contained therein are periodically reviewed by Audit Committee of the Board.

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

37. CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

In accordance with requirements of The Companies Act 2013, the Company has a Corporate Social Responsibility Committee comprising of a majority of Independent Directors and chaired by an Independent Director- Dr. Nitin R Gokarn. Mr. Prakash Chandra Kandpal, Mr. Shekar Viswanathan, Mr. Parag Bhise, and Dr. Ritika Dusad are the other members.

The CSR Policy may be accessed on the Company website link: <https://investor.nucleussoftware.com/media/qubasg0x/csrapolicy-nucleus.pdf>

Your Company had set up Nucleus Software Foundation (NSF), a Trust for the purposes of undertaking CSR activities of the Company, in 2014 as a Section 8 Company with the mission: "Empowering underprivileged with essence of education and thereby better livelihood and better life".

During the year, the Company's CSR arm continued its interventions in the focus areas of education and livelihood.

In the area of education, special emphasis was placed on early childhood education, particularly on foundational literacy and numeracy. Building on the progress achieved in previous years, efforts during the year were directed towards sustaining momentum and advancing learning outcomes in literacy and numeracy. Students across most of our intervention centers are now performing close to their respective grade levels.

At government schools in Noida, the Government continued its focus on the NIPUN programme, which emphasizes foundational learning in Hindi and Mathematics at the early stages of education. NSF currently works with 28 government schools in Noida.



Board's Report

Our para-teachers supported government staff in training students of Classes 1, 2, and 3 in the basic concepts of Hindi and Mathematics. At a few schools, we also assisted students of Classes 4 and 5 through remedial support in Mathematics, Hindi, and English. We achieved the target of securing NIPUN status for 90% of our intervention schools.

NSF continued to support "Samriddhi," an NGO-run school managed by the Sandeepon Music and Educational Trust, located in the Vaishali area of Ghaziabad, Uttar Pradesh. The learning centre remained operational and prepared students in all required subjects in line with mainstream school standards. With our support, senior students were enrolled in private schools for higher education.

In Dehradun, the implementing partner, Mountain Children's Foundation, worked intensively to support primary school students through remedial and grade-level training in Mathematics and English. The programme operated across 26 learning centres located in two geographies near Dehradun-the Vikasnagar Block and the Bandalghati area in the Raipur Block - during after-school hours.

The remedial programme in Mathematics and English across tribal-dominated areas of 18 districts in Madhya Pradesh remained our largest intervention. This initiative was implemented in partnership with Parivaar. NSF supported the programme by bearing operational costs and facilitating training and programme design support for the educational team.

The educational team of Parivaar with our support catered to 1000 Learning centres (commonly known as Seva Kutirs in the area). The Kutirs cater to the tribal students of pre-primary to middle school, in the remote areas.

NSF distributed Maths workbooks and English workbooks required for our remediation program to the students of these Kutirs. We reached out to around 50,000 students at the Kutirs.

The initiative delivered encouraging outcomes, with more than 90 students from these learning centres securing admission to Navodaya schools, while over 1,000 students were selected for Eklavya Tribal Residential Schools.

In Chennai, NSF's partner organization, SIRAGU, continued its women empowerment programme by conducting tailoring and embroidery training at six centers in and around Chennai. The programme trained over 300 women and enabled them to move towards financial independence. NSF also organized training camps focused on sanitary pad stitching.

The partners in Bihar and Chhattisgarh and Haridwar region of Uttarakhand (namely I-Saksham, Shiksharth and Eduliv Samanta foundation) are training youth

and girls of the community, in remedial education to support students at government primary school of the area.

These young women in Bihar, along with tribal youth in Chhattisgarh and Uttarakhand, are helping break gender barriers, improving learning levels among students in their districts, and encouraging parents within their communities to prioritise child education. Many of these young individuals have gone on to pursue higher education, while others have taken up development work with various organisations.

NSF also undertook initiatives to promote Vedic and Sanskrit education by supporting a Sanskrit Vidyalaya near Meerut.

We have also joined hands with Ramakrishna Mission at Chennai and Shiksharth at Chhattisgarh to promote STEM education via experiential science methodology of teaching. We support experiential science education at R K Mission schools of Chennai and residential school of team Parivar at MP.

During the year, NSF also initiated projects focused on water resource management. In partnership with Team Cecoedcon in Jaipur, a check dam was constructed at Muratpura village near Jaipur, which is expected to address water challenges for nearly 100 families in the region. NSF also collaborated with Team Manjari in Dholpur to undertake major restoration work on a pond in Jakha village. The restored pond is expected to benefit nearly 80 families, improve agricultural acreage, and support animal husbandry activities in the area.

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

38. EMPLOYEE STOCK OPTION PLAN (ESOP)

The Board of Directors at their meeting held on March 25, 2026, approved the termination of ESOP Scheme - 2015 and dissolution of the Nucleus Software Employee Welfare Trust. The Board at the same meeting approved the Nucleus Software RSU Scheme - 2026 ("Scheme"), brief details of which are as under:

- The Restricted Stock Units ("**RSUs**") Pool of the Scheme shall be 10,00,000 (Ten Lakhs) RSUs (or such other adjusted figure for any bonus issue, right issue, stock splits/sub-division, consolidations, merger, demerger reconstitution, spin-off, amalgamation, reclassification of capital or other reorganization of the capital structure of the Company as may be applicable from time to time), exercisable into equal number of shares of face value ₹ 10/- each.



- The Scheme shall be implemented through trust route, wherein an irrevocable Trust, will be set up by the Company by the name of Nucleus Software Equity Incentive Trust ("Trust")

Currently, there is only one RSU/ESOP scheme prevalent in the Company; RSU scheme – 2026.

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

Particulars		RSUs 2026
a)	Total number of RSUs under the Plan	10,00,000
(b)	Pricing formula	
(c)	RSUs granted during the year.	–
(d)	RSUs vested as of March 31, 2026	–
(e) (i)	RSUs exercised during the year.	–
(ii)	Total number of shares arising as a result of exercise of above RSUs during the year	–
(f)	RSUs forfeited during the year.	–
(g)	RSUs lapsed during the year.	–
(h)	Variation of terms of RSUs during the year	–
(i)	Amount realized by exercise of RSUs during the year.	–
(j)	Total number of RSUs in force as on March 31, 2026	–

During FY 25-26, no RSUs were granted to any employee under the above-mentioned Scheme and therefore no calculations are required to be made or reported regarding difference between intrinsic value and fair market value of RSUs granted.

39. PARTICULARS OF EMPLOYEES

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

40. DIRECTOR'S RESPONSIBILITY STATEMENT

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

- in the preparation of the annual accounts for the financial year ended March 31, 2026, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the

financial year and of the profit and loss of the Company for that period.

- the Directors had taken proper and sufficient care towards the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- the Directors had prepared the annual accounts on a going concern basis.
- the Directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory, and secretarial auditors, including audit of internal financial controls over financial reporting by the statutory auditors, and the reviews performed by the management, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2025-26.

41. EXTRACT OF ANNUAL RETURN

Extract of Annual Return of the Company is available on <https://investor.nucleussoftware.com/governance/agm-egm-new/>



Board's Report

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

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

43. COST RECORDS AND COST AUDIT

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

44. DISCLOSURE REQUIREMENTS

As per SEBI Listing Regulations, the Corporate Governance Report with the Auditors' Certificate thereon, and the integrated Management Discussion and Analysis are attached, which forms part of this report. The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

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

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

The Committee also includes external member from NGOs or with relevant experience. We affirm that adequate access was provided to any complainant who wished to register a complaint under the policy.

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

During the FY 25-26, the Company has not received any complaint on sexual harassment under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013.

46. PROCEEDINGS UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

No proceedings are initiated/pending against the Company under the Insolvency and Bankruptcy Code, 2016

47. CONFIRMATION UNDER THE MATERNITY BENEFIT ACT, 1961

During the financial year ended 31st March 2026, your Company was in compliance with the provisions relating to the Maternity Benefit Act, 1961, as amended.

48. BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

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

49. ACKNOWLEDGEMENTS

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

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

For and on behalf of the Board of Directors

Date: May 21, 2026
Place: Noida

Sd/-
Yasmin Javeri Krishan
Chairperson



ANNEXURES TO THE BOARD'S REPORT

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



Board's Report

Annexure A

FORM AOC-1

Statement containing salient features of the financial statement of subsidiaries

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

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

For and on behalf of the Board of Directors

Sd/
Chairperson

Place: Noida

Date: May 21, 2026

Annexure B

FORM – AOC-2

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

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

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

There were no contracts or arrangements entered by the Company during FY 2025-26 which were not at arm's length.

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

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

(a) Name(s) of the related party and nature of relationship: N.A

(b) Nature of contracts/arrangements/transactions: N.A

(c) Duration of the contracts/arrangements/transactions: N.A

(d) Salient terms of the contracts or arrangements or transactions including the value, if any: N.A

(e) Date(s) of approval by the Board, if any: N.A

(f) Amount paid as advances, if any: N.A

For and on behalf of the Board of Directors

Sd/
Chairperson

Place: Noida

Date: May 21, 2026



INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF NUCLEUS SOFTWARE EXPORTS LIMITED

This certificate is issued in accordance with the terms of our engagement letter dated July 25, 2025.

We have examined the compliance of conditions of Corporate Governance by Nucleus Software Exports Limited ("the Company"), for the year ended March 31, 2026, as stipulated in regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and paragraphs C and D of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("Listing Regulations") pursuant to the Listing Agreement of the Company with Stock Exchanges.

Management's Responsibility

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

Auditor's Responsibility

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

Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended March 31, 2026.

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

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

Opinion

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2026.

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

Restriction on use

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

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

Sd/-
Prateet Mittal
Partner

Place: Gurugram
Date: May 21, 2026

Membership No. 402631
UDIN: 26402631REXNKH4473



POLICY FOR BOARD AND SENIOR MANAGEMENT APPOINTMENT

A: OBJECTIVE

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

B. DEFINITIONS

1. "COMPANY" means Nucleus Software Exports Limited.
2. "DIRECTORS" means Board of Directors of the Company;
3. "INDEPENDENT DIRECTOR" means a Director appointed in accordance with the requirements laid down by the Companies Act, 2013 and the Rules and Regulations thereunder and the Listing Regulations and amendments thereto.
4. "KEY MANAGERIAL PERSON" (KMP) means.
 - Chief Executive Officer or Managing Director or the Manager
 - Whole Time Director
 - Chief Financial Officer
 - Company Secretary
5. "SENIOR MANAGEMENT" shall be as defined under Regulation 16(1) (d) of SEBI (LODR) Regulations, 2015.
6. "The ACT" means the Companies Act, 2013 and Rules and Regulations thereunder, as amended from time to time;
7. "The BOARD" means the Board of Directors of the Company;
8. "The COMMITTEE" means the Nomination and Remuneration/Compensation Committee of the Company as constituted by the Board in accordance with the Act, Rules, Regulations and the obligations under the Listing Regulations and
9. "The POLICY" means the Policy for the constitution of the Board of the Company.

C: RESPONSIBILITY FOR CONSTITUTION OF THE BOARD:

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

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

1: Board Initiation:

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

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

2(a): Selection Process of Directors:

The Committee shall receive a request for the appointment of a Director to the Board.

- ii. The Committee shall prepare profiles of the candidates furnished by the Board.
- iii. The Committee may seek external professional assistance to gather information on the proposed candidates, if deemed necessary.



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

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

2(b) Selection Process of Senior Management

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

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

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

E: APPOINTMENT OF A DIRECTOR

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

F: TERM/TENURE OF A DIRECTOR

1. *Managing Director/Whole-Time Director/Chief Executive Officer:*

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

2. *Independent Director*

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

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



Board's Report

G: RETIREMENT:

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

H: REMOVAL

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

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

I: POLICY REVIEW:

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

For and on behalf of the Board of Directors

**Sd/-
Chairperson**

Place: Noida

Date: May 21, 2026



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

A. OBJECTIVE

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

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

B. DEFINITIONS

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

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

C. REMUNERATION TO EXECUTIVE DIRECTORS

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

1. Remuneration structure of the Executive Directors shall include following components:
 - Fixed remuneration
 - Variable Pay
 - Incentives if any
 - Employee Stock Options (ESOP) / Restricted Stock Units (RSU)
 - Reimbursement of expenses



Board's Report

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

D. REMUNERATION TO NON-EXECUTIVE/INDEPENDENT DIRECTORS

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

1. Commission-based payment

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

2. Sitting Fees

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

3. Employee Stock Option (ESOP)

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

4. Pension

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

5. Reimbursement of expenses

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

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

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

The Remuneration shall consist of the following components:

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

F. Policy Review

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

For and on behalf of the Board of Directors

Sd/-
Chairperson

Place: Noida

Date: May 21, 2026



FORM NO. MR – 3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2026

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

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

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Nucleus Software Exports Limited (hereinafter called "the Company")**. The Secretarial Audit was conducted in a manner that provided us with a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon for the financial year ended on March 31st, 2026 ("**Audit Period**"). The Company's business consists of software product development and marketing and providing support services mainly for corporate business entities in the banking and financial services sector.

Limitation of the Auditors

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

Auditors Responsibility

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

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

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;



Board's Report

- (iii) The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not applicable during the Audit Period)**
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(Not applicable during the Audit Period)**
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not Applicable)**
 - g. The Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018;
 - h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not applicable during the Audit Period)**
 - i. The Securities and Exchange Board of India (Buy - back of Securities) Regulations, 2018; **(Not applicable during the Audit Period)**
 - j. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations').

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

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

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

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

We further report that:

- (i) The Board of Directors of the Company was duly constituted with the proper balance of Executive Director(s), Non-Executive Directors, and Independent Directors during the Audit Period. The changes in the composition of the Board of Directors that took place during the Audit Period were carried out in compliance with the provisions of the Act. The following changes took place during the Audit Period:
 - a. That Mrs. Yasmin Javeri Krishan was re-appointed as an Independent Director of the Company, with effect from July 30, 2025, for a second term of five consecutive years.
 - b. That Mr. Parag Bhise, who is also designated as Chief Executive Officer of the Company, was re-appointed as Whole-time Director of the Company for a term of eight months with effect from July 31, 2025, up to March 30, 2026.
 - c. That Dr. Ritika Dusad was re-appointed as Whole-time Director of the Company, with effect from August 07, 2025, for a term of five consecutive years.



- d. Mr. Anurag Mantri ceased to be a director of the Company upon completion of his existing term with effect from the close of business hours on December 18, 2025.
- e. That Mr. Nitin Ramesh Gokarn was appointed as an Additional Director in the category of Non-Executive Independent Director of the Company with effect from February 10, 2026, for a term of five consecutive years, subject to Shareholders' Approval.

The said appointment of Mr. Nitin Ramesh Gokarn was subsequently approved by the shareholders through Postal Ballot dated May 07, 2026.

- f. That Mr. Siddhartha Mahavir Acharya ceased to be an Independent Director w.e.f. March 19, 2026, upon completion of his second term of five consecutive years.
- (ii) Further, the composition of all statutory committees was also in compliance with the Act and applicable Rules and Regulations.
 - (iii) Adequate notice was given to all directors to schedule the Board Meetings, Statutory Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance except where meeting(s) was held at shorter notice and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
 - (iv) The majority of decisions were carried through and there were no instances where any director expressed any dissenting views.

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

We further report that during the audit period, the following event occurred in the Company, having a major bearing on the Company's affairs :

- i. That the Board of Directors at its meeting held on March 25, 2026, had approved the Nucleus Software RSU Scheme- 2026 ("**Scheme**") in place of the existing ESOP scheme- 2015 which had remained inoperative since its inception, for grant of not exceeding 10,00,000 (Ten Lakhs) Restricted Stock Units ("**RSUs**"), exercisable into equal number of Equity Shares ("**Shares**") of face value of ₹ 10/- each, to eligible employees and directors of the Company and its subsidiary company(ies), whether in India or outside India, in accordance with the applicable laws and the Scheme.

The said Scheme was subsequently approved by the shareholders through Postal Ballot dated May 07, 2026. The Scheme shall be implemented through an irrevocable trust proposed to be established by the Company under the name '**Nucleus Software Equity Incentive Trust**' ("**Trust**").

For PI & Associates,
Company Secretaries

Sd/-

Nitesh Latwal

Partner

ACS No.: 32109

CP No.: 16276

Peer Review No.: 1498/2021

UDIN: A032109H000373406

Date: May 21, 2026

Place: New Delhi

Disclaimer

- a. This report is to be read with our letter of even date which is annexed as "Annexure 1" and forms an integral part of this report.



Board's Report

Annexure 1

To,
The Members,
Nucleus Software Exports Limited

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

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

**For PI & Associates,
Company Secretaries**

**Sd/-
Nitesh Latwal
Partner**

ACS No.: A32109

CP No.: 16276

Peer Review No.: 1498/2021

UDIN: A032109H000373406

Date: May 21, 2026

Place: New Delhi



ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

(Pursuant to the Companies (Corporate Social Responsibility) Rules, 2014)

1. Brief outline on CSR Policy of the Company, including overview of projects/programmes undertaken:

Given separately as part of this Annexure.

2. Composition of CSR Committee:

Name of Director	Attendance of the Corporate Social Responsibility Committee meetings held in FY 2025-26		Held during tenure	Attended	% of Attendance
	January 20, 2026	March 24, 2026			
Mrs. Yasmin Javeri Krishan [#]		NA	1	1	100
Mr. Parag Bhise	L		2	1	50
Mr. Shekar Viswanathan			2	2	100
Mr. S.M. Acharya [*]		NA	1	1	100
Dr. Ritika Dusad	L	L	2	0	0
Mr. Prakash Chandra Kandpal [@]	NA		1	1	100
Dr. Nitin R Gokarn ^{**}	NA		1	1	100

Present

Attended through video call

L Leave of absence

NA Not Applicable

^{*}Mr. S.M. Acharya retired from the Board as Non-Executive Independent Director and ceased to be member of CSR committee effective March 18, 2026, upon completion of his second term of 5 consecutive years as an Independent Director.

[#]Mrs. Yasmin Javeri Krishan ceased to be a member of the CSR Committee effective March 19, 2026.

^{**}Dr. Nitin R Gokarn has been appointed as the Chairperson of the CSR Committee effective March 19, 2026.

[@] Mr. Prakash Chandra Kandpal has been appointed as a member of the CSR Committee effective March 19, 2026.

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

- The composition of the CSR committee is available on our website, at <https://investor.nucleussoftware.com/governance/board-committees/>
- The Committee, with the approval of the Board, has adopted the CSR Policy as required under Section 135 of the Companies Act, which is available on our website, at <https://investor.nucleussoftware.com/media/qubasg0x/csrpolycynucleus.pdf>
- The Board, based on the recommendation of the CSR Committee, has approved the annual action plan / projects for fiscal 2027, the details of which are available on our website, at: <https://investor.nucleussoftware.com/governance/csr/>

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

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



Board's Report

5. (a) Average net profit of the Company as per section (5) of section 135: ₹ 184.25 crore
 (b) Two percent of average net profit of the company as per section (5) of section 135: ₹ 3.69 crore
 (c) Surplus arising out of the CSR projects or programs or activities of the previous financial years: Nil
 (d) Amount required to be set off for the financial year, if any: Nil
 (e) Total CSR obligation for the financial year [5(b)+5(c)- 5(d)] : ₹ 3.69 crore
6. (a) Amount spent on CSR projects (both ongoing project and other than ongoing project): ₹ 3.66 crore
 (b) Amount spent in administrative overheads: ₹ 0.03 crore
 (c) Amount spent on Impact Assessment: Nil
 (d) Total amount spent for the financial year [6(a)+6(b) +6(c)]: ₹ 3.69 crore
 (e) CSR amount spent or unspent for the financial year:

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

- (f) Excess amount for set-off, if any:

Sl. No.	Particulars	Amount (in ₹ crore)
i.	Two percent of average net profit of the company as per sub-section (5) of Section 135	3.69
ii.	Total amount spent for the financial year	3.69
iii.	Excess amount spent for the financial year [(ii)-(i)]	Nil
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
v.	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

7. Details of Unspent Corporate Social Responsibility amount for the preceding three financial years:

Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under section 135 (6)	Balance Amount in Unspent CSR Account under Section 135(6)	Amount spent in the reporting Financial Year	Amount transferred to a Fund as specified under Schedule VII as per second proviso to Section 135(5), if any		Amount remaining to be spent in succeeding financial years	Deficiency, if any
					Amount	Date of transfer		
1	NA							



8. Whether any capital assets have been created or acquired through CSR amount spent in the financial year:

If yes, enter the number of capital assets created/acquired: Not Applicable

(₹ Crore)

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of Creation	Amount of CSR amount spent	Details of entity/Authority/Beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered Address
1	Nil						

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of Section 135.

Not Applicable

Date: May 21, 2026
Place: Noida

Sd/-
Vishnu R Dusad
Managing Director

Sd/-
Dr. Nitin R Gokarn
Chairperson CSR Committee



Board's Report

BRIEF OUTLINE OF CSR POLICY



CSR Mission and Philosophy

- Guided by the principle of **“Together We Grow,”** the Company is committed to creating sustainable value for all stakeholders.
- CSR is viewed as a responsible way of conducting business by balancing Economic, Social and Environmental objectives.
- The Company strives to create a positive and lasting impact on communities, the environment, customers, employees and society at large.
- Through a structured and systematic approach, the Company undertakes initiatives that promote inclusive and sustainable growth.
- The Company seeks to address stakeholder expectations while enhancing long-term shareholder value.



Core Focus Areas

- Education
- Skill development and employability
- Healthcare
- Sustainability and environmental initiatives



CSR Vision

- To make a positive and lasting impact on society through responsible and sustainable initiatives.
- To enhance stakeholder value while contributing to the overall well-being of communities and the environment



Approach to CSR

- Undertakes flagship programmes aimed at addressing critical social priorities.
- Concentrates efforts in underserved and disadvantaged regions.
- Implements programmes through strategic partnerships with relevant



Implementation Mechanism

- Established **Nucleus Software Foundation (NSF)**, a dedicated Trust, for carrying out CSR activities.
- Executes focused projects and programmes in identified core areas in accordance with the Company's CSR Policy.
- Seeks to achieve long-term and meaningful social impact through structured and targeted interventions.

The Details of the Initiatives taken and work done by Nucleus Software Foundation during the year are provided in Board's Report and in other sections of this Integrated Annual Report.



PROGRAM WISE CSR DETAILS 2025-26

1	2	3	4	5		6	7	8	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local Area (Yes/No)	Location of the project/ Program		Amount spent for the project/ Programs (₹ in crore)	Mode of implementation Direct (Yes/No)	Mode of implementation –Through implementing agency	
				State	District			Name	CSR registration number
1	Education of underprivileged kids (School for Underprivileged)	Regular structured school format education	Yes	Uttar Pradesh	Ghaziabad	0.20	No	Sandeepon music and educational trust	CSR00025187
2	Remedial education at Government schools and local community centers	Assistance in remediation for NIPUN targets for students of classes first to Fifth	Yes	Uttar Pradesh	Noida	0.25	No	Sandeepon music and educational trust	CSR00025187
3	Education for underprivileged Kids Learning centres for Remediation	Assistance in remedial education for first to Fifth class students	Yes	Uttarakhand	Dehradun	0.19	No	Mountain's children foundation	CSR00002578
4	Scholarships for Martyr kids	Fee support and mentoring for first to twelve class students from chosen Martyr families	Yes	Uttar Pradesh	Ghaziabad, Moradabad, Lucknow, Unnao, Meerut	0.13	Yes	Nucleus Software Foundation	CSR00013556
5	English, Maths remedial program design trainings and implementation (Shantanu, Manoj, Himanshu)	Remedial program design for Maths and English, Trainings and assessment and mentoring for the program.	Yes	Madhya Pradesh, Uttarakhand, and Uttar Pradesh	Dewas, Khandwa, Mandla, Betul, Chhindwada, Dehradun, Noida, Haridwar	0.55	Yes	Nucleus Software Foundation	CSR00013556
6	Vedic Education support	Teaching support via bearing salary costs of required teachers and assistance in educational quality improvement	Yes	Uttar Pradesh	Baghpat	0.10	No	Gandhi Dhan Smiti	CSR00074310
7	Education for tribal kids (Educational quality improvement and remediation)	Remedial program in Maths and English implementation for class first to eight students. Teacher's training and TLM support	Yes	Madhya Pradesh	Dewas, Khandwa, Mandla, Betul, Chhindwada, Sehore, Dindori	0.50	No	Parivaar Education Society	CSR00000052
8	Women empowerment Tailoring and Embroidery course	Running centers for skilling where beneficiary women are trained for tailoring and embroidery	Yes	Chennai	Tamil Nadu	0.27	No	Acid Survivors & Women Welfare Foundation	CSR00005920
9	Youth support and remedial education	Training young students from community in remedial teaching and content preparation	Yes	Uttarakhand	Haridwar, Dehradun	0.14	No	Samanta Foundation	CSR00015798



Board's Report

1	2	3	4	5		6	7	8	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local Area (Yes/No)	Location of the project/ Program		Amount spent for the project/ Programs (₹ in crore)	Mode of implementation Direct (Yes/No)	Mode of implementation –Through implementing agency	
				State	District			Name	CSR registration number
10	Teaching and learning material distribution for educational quality improvement	Designing content for remediation and distribution in required projects aligned in this work.	Yes	Madhya Pradesh, Uttarakhand, Uttar Pradesh	Dewas, Khandwa, Mandla, Betul, Chhindwada, Sehore, Dehradun, Noida, Haridwar	0.17	Yes	Nucleus Software Foundation	CSR00013556
11	Tribal Language content development for early education	assisting in content development through financial assistance and pedagogy support.	Yes	Chattisgarh, Madhya Pradesh	Sukma, Dewas	0.15	No	Shiksharth	CSR00018295
12	Women empowerment & remedial Education	Pedagogical assistance and support for training young girls in remedial teaching and community development programs.	Yes	Bihar	Gaya, Jamui, Munger, Muzaffarpur, Begusarai	0.15	No	I-Saksham Education and Learning Foundation	CSR00000430
13	Science education support	Support for running experiential science learning program at R k Mission schools	Yes	Chennai	Chennai	0.05	No	Ramakrishna Mission	CSR00006101
14	Support for hearing impaired kids	Support to school for hearing impaired	Yes	Delhi	Delhi	0.05	No	Suniye	CSR00010173
15	Education for rehabilitated kids	Support for school bus	Yes	Maharashtra	Ahmednagar	0.20	No	Snehalaya	CSR00001248
16	Supporting disabled artisans	Support for assistive devices	Yes	Delhi	Delhi	0.05	No	Family of Disabled	CSR00032493
17	Food support for Government school students	Support for school food program	Yes	Uttarakhand	Haridwar, Dehradun	0.10	No	Akshya Patra	CSR00000286
18	Water resource management (Anicut)	Support for construction of the catch Dam/ Anicut	Yes	Rajasthan	Jaipur	0.25	No	Center for Community Economics and Development consultants' society (Cecoedecon)	CSR00003547
19	Pond repairs and new ponds digging	Support for construction and repair of community ponds	Yes	Rajasthan	Dholpur	0.16	No	Manjari foundation	CSR00000074
Total						3.66			



Annexure H

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

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

The ratio of the remuneration of each Director to the median remuneration of the employees of the Company:

Independent directors	Ratio to median remuneration (FY26)
Mr. S.M. Acharya [#]	3.75
Dr. Nitin R Gokarn [@]	0.64
Mrs. Yasmin Javeri Krishan	4.08
Mr. Shekar Viswanathan	3.56
Mr. Prakash Chandra Kandpal	4.08

Executive directors	Ratio to median remuneration (FY26)
Mr. Vishnu R Dusad	8.20
Mr. Parag Bhise	24.69
Dr. Ritika Dusad	-
Mr. Anurag Mantri	27.83

[#] Mr. S.M. Acharya retired from the Board as Non-Executive Independent Director effective March 18, 2026, upon completion of his second term of 5 consecutive years as an Independent Director.

[@]Dr. Nitin R Gokarn has been appointed as Non-Executive Independent Director of the Company w.e.f. February 10, 2026.

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

Name	No. of stock options / RSUs granted in fiscal 2026	% increase of remuneration in 2026 as compared to 2025	Excl. WTD	Incl. WTD	% of remuneration to		
			Ratio of remuneration to MRE	Ratio of remuneration to MRE and WTD	Revenues (fiscal 2026)	Revenues (fiscal 2025)	Net Profit (fiscal 2026)
Mr. Vishnu R Dusad	Nil	-	8.20	8.20	0.16	0.17	1.08
Mr. Parag Bhise	Nil	(24.66)	24.69	24.69	0.48	0.66	3.24
Dr. Ritika Dusad	Nil	-	-	-	-	0.02	-
Ms. Poonam Bhasin	Nil	22.49	4.89	4.89	0.09	0.08	0.64
Mr. Surya Prakash Kanodia [*]	Nil	-	0.25	0.25	-	0.22	0.03
Mr. Ashok Kumar Bhura [#]	Nil	-	3.68	3.68	0.07	-	0.48
Mr. Anurag Mantri ^{**}	Nil	(16.46)	27.83	27.83	0.54	0.67	3.66

RSU - Restricted Stock Units

WTD - Whole-time Director

MRE - Median Remuneration of Employees

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

[#]Mr. Ashok Kumar Bhura appointed as the Chief Financial Officer and KMP of the Company effective October 01, 2025

^{**} Mr. Anurag Mantri ceased to be the Executive Director of the Company, on completion of the existing term as Executive Director effective December 18, 2025



Board's Report

(2) Remuneration paid to Independent Director

(Amount in ₹)

Name of the Director	Remuneration in fiscal 2026	Remuneration in fiscal 2025	Number of Stock Options/ RSU's granted in fiscal 2026	% increase of remuneration (2026 over 2025)
Mr. S.M. Acharya	58,33,044	61,68,026	-	(5%)
Mrs. Yasmin Javeri Krishan	63,38,044	61,68,026	-	3%
Mr. Shekar Viswanathan	55,38,044	53,68,026	-	3%
Mr. Prakash Chandra Kandpal	63,38,044	62,68,026	-	1%
Dr. Nitin R Gokarn	10,02,472	-	-	-

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

The Median Remuneration of Employees (MRE) excluding Whole-time Directors (WTDs) was ₹ 15,54,565/- and ₹ 14,75,252/- in fiscal 2026 and fiscal 2025 respectively. The increase in MRE (excluding WTDs) in fiscal 2026, as compared to fiscal 2025 is 5.38%

The Median Remuneration of Employees (MRE) including Whole-time Directors (WTDs) was ₹ 15,54,565/- and ₹ 14,79,979/- in fiscal 2026 and fiscal 2025 respectively. The increase in MRE (including WTDs) in fiscal 2026, as compared to fiscal 2025 is 5.04%

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

The number of permanent employees on the rolls of the Company as of March 31, 2026 and March 31, 2025 was 1954 and 1917 respectively.

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

During the year, employees based in India received an average increment of 8% to 9%, including promotions and retention-related adjustments. Employees located outside India received an average increment of 3% to 4%.

Increments were guided by the organization's pay-for-performance philosophy, while also considering market view. No distinction was made between managerial and non-managerial roles, ensuring a consistent and equitable approach across the organization.

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

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

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

For and on behalf of the Board of Directors

Sd/
Yasmin Javeri Krishan
Chairperson

Place: Noida
Date: May 21, 2026



Annexure I

CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

A. Conservation of Energy

The Company's approach to energy efficiency focuses on two key strategies: encouraging energy-conscious behavior among associates and optimizing the management operational processes to enhance overall energy efficiency. As a responsible corporate entity, the Company recognizes its accountability to future generations and its important role in addressing global challenges, including climate change and environmental sustainability.

A few of the energy conserving measures, include the following:

- Replacement of Sodium vapor and CFL based lights by LED based lights have been completed.
- Strong measures are being observed to ensure that no equipment is left in a switch on mode during non-working hours unnecessarily.
- Use of AAC blocks in construction for keeping the load and pressure on air-conditioning minimal.
- Use of furniture and equipment products that are standard and branded, and which comply with environment-friendly specification.
- Implementation of Green Building designs and construction which dramatically reduces the enormous amounts of energy that buildings
- consume in heating, cooling, lighting, and water use.
- Regular UPS and AC plant maintenance to ensure efficient working of the equipment.
- Regular maintenance of all water pumps to improve pump efficiency and thereby reduction in Energy demand
- Wastewater from the RO plant is being recycled to conserve water.
- Continuous monitoring of floor areas after normal working hours and switching off lights and air-conditioning.
- Installation of chillers upgraded with VFD in HVAC plant to reduce energy consumption immensely has been and is being done.
- Replacement of aluminum blade assemblies of cooling tower by FRP blade assemblies has been done.
- Installation of 158.6 kwh terrace solar plant has been completed and being maintained through OEM i.e. TATA Power Renewable Energy Limited.
- Optimum and need based utilization/running of AC's, Chillers, AHU's, Pumps, Fans, etc. is being ensured.
- Installation of auto controls over running hours of some AC equipment's in areas like Hub Rooms, UPS Rooms, Cafeteria, Audi, etc. has
- been done.
- Replacement of old version UPS modules (03) by the energy efficient modules of latest technology.
- Replacement of old version Data Centre PAC's (Packaged AC's) by the energy efficient PAC's of latest technology.
- Installation of energy efficient and 5 star rated split AC's of inverter technology at ISS floor, Unit-1, MFB Ground Floor and HUB room Unit-2 2nd to 5th floor to reduce heavy central air-conditioning load.
- Installation of 100KLD MBR based STP plant for reusages sewage water for flushing system and green area horticulture purpose.
- Installation of Retrofitted Emission Control Device(RECD) in all the DG sets to reduce harmful emissions.

B. Research & Development

Innovating for a New Era of Financial Services

Research and Development has always been one of the foundational pillars of Nucleus Software's long-term strategy. In an industry where technology cycles are becoming shorter, regulatory expectations are becoming more complex, and customer expectations continue to evolve rapidly, sustained innovation remains essential to creating long-term value.



Board's Report

The banking industry today is witnessing a fundamental shift driven by Artificial Intelligence, cloud computing, open banking ecosystems, digital lending, embedded finance, real-time payments, and increasing regulatory oversight. Financial institutions are no longer seeking technology platforms that simply automate processes; they are looking for intelligent, adaptable, secure, and future-ready ecosystems capable of supporting continuous business transformation.

Against this backdrop, Nucleus Software continues to make significant investments in research and development to strengthen its technology platforms, expand domain-led innovation, accelerate product modernization, and deliver differentiated business outcomes for customers globally.

Our R&D efforts are guided by a simple principle: to build platforms that combine agility with stability, intelligence with trust, and innovation with operational resilience.

Reimagining Banking Platforms for the Future

The future of financial technology will be defined by modularity, interoperability, scalability, and speed of innovation.

To address these evolving requirements, our product engineering teams continue to advance the architecture of FinnOne Neo® and FinnAxia® through API-first design principles, event-driven architectures, cloud-ready frameworks, and highly configurable business components.

Our technology strategy focuses on creating reusable and self-contained capabilities that can be deployed independently while seamlessly integrating into larger enterprise ecosystems. This approach enables customers to accelerate digital transformation initiatives while reducing implementation complexity and long-term operational overheads.

By strengthening platform modularity and ecosystem interoperability, we are helping financial institutions respond faster to changing market dynamics, regulatory requirements, and customer expectations.

Accelerating Innovation Through AI

Artificial Intelligence represents one of the most significant technology shifts in the history of financial services.

At Nucleus Software, our approach to AI is rooted in practicality and business value. Rather than treating AI as a standalone capability, we are embedding intelligence directly into lending, collections, customer servicing, decision-making, and operational workflows.

Our investments span Machine Learning, Generative AI, Natural Language Processing, intelligent document processing, speech analytics, and predictive decisioning frameworks.

During the year, we continued to strengthen our AI capabilities across several areas:

Intelligent Document Processing

Significant progress was achieved in document classification, document quality assessment, and blur detection capabilities. These enhancements improve onboarding efficiency, reduce manual intervention, accelerate decision-making, and enhance customer experience through faster processing cycles.

Smart Underwriter

One of the most significant AI initiatives within FinnOne Neo®, Smart Underwriter leverages Machine Learning models trained on historical lending patterns to generate predictive confidence scores that assist underwriters in credit decisioning.

The solution analyses customer behaviour, financial information, demographic characteristics, and portfolio-level trends to provide explainable recommendations that improve consistency, risk precision, and operational efficiency.

The significance of this capability was further validated through Gartner's recognition of Nucleus Software's Smart Underwriter use case in its research on the application of predictive AI and synthetic data in lending risk assessment.

Interactive Statement of Account

Leveraging transformer-based architectures and Natural Language Processing capabilities, we developed AI-powered Interactive Statements of Account that convert complex transactional information into intuitive summaries and personalized visual narratives.

By transforming traditional financial statements into simplified, multilingual, and customer-friendly formats, this innovation improves customer understanding and engagement while reducing complexity in financial communications.



AI in Collections

Collections operations continue to benefit from advanced AI-led capabilities.

Sentiment 360 uses conversational intelligence to analyse customer interactions, assess repayment intent, identify emotional indicators, generate call summaries, and recommend actionable next steps. These insights help collections teams improve recovery effectiveness while maintaining customer sensitivity and engagement.

Smart Notes further enhances field productivity by enabling speech-to-text transcription and real-time language translation capabilities, reducing administrative effort and enabling collection officers to focus on customer engagement rather than manual data entry.

Engineering Excellence and Product Quality

Innovation is not only about introducing new capabilities; it is also about continuously improving the way software is engineered, tested, deployed, and maintained.

Our engineering teams continue to embed Lean principles and Agile methodologies across the product lifecycle. Continuous Integration and Continuous Delivery (CI/CD) practices, Acceptance Test-Driven Development (ATDD), automated quality frameworks, and AI-assisted software development tools have strengthened development productivity, product quality, and release predictability.

These investments enable faster innovation cycles while maintaining the high levels of reliability expected by financial institutions operating in mission-critical environments.

Our Product Lifecycle Management framework continues to support structured innovation and long-term product evolution. Over the past decade, the Company has delivered more than 31 major product releases, including multiple annual enhancements across lending and transaction banking platforms.

Security, Privacy and Regulatory Innovation

As banking ecosystems become increasingly digital and interconnected, security and regulatory compliance have become strategic differentiators.

Nucleus Software continues to invest heavily in secure-by-design principles, ensuring that cybersecurity, privacy, and compliance are embedded into platform architecture from inception.

Our investments include:

- Advanced encryption frameworks
- Secure key management systems
- Personally Identifiable Information (PII) protection
- PCI-DSS readiness initiatives
- Enhanced access controls and auditability
- Regulatory compliance accelerators

A significant milestone during the year was the continued advancement of Neo Vault, a secure and scalable platform designed to manage sensitive information through multi-layered authentication, encryption, and auditable controls.

These capabilities strengthen customer confidence while supporting increasingly stringent regulatory requirements across global markets.

Expanding Ecosystem Connectivity

Banking is increasingly becoming an ecosystem business.

To support this transformation, Nucleus Software continues to expand its API ecosystem, enabling seamless integration across banks, fintechs, payment providers, regulators, credit bureaus, and third-party service providers.

Today, our platforms support more than 600 APIs, facilitating secure, real-time connectivity across lending and transaction banking workflows.

Compatibility with Open Banking frameworks, ISO 20022 standards, and modern integration architectures further strengthens platform extensibility and ecosystem readiness.



Board's Report

Driving Innovation Across Global Markets

A key differentiator of our R&D strategy is the combination of technology innovation with deep domain expertise. Our solutions are designed not only around technology trends but also around the specific regulatory, operational, and market requirements of financial institutions across different regions.

During the year, significant innovation efforts were directed towards:

- Australian lending ecosystems through advanced digital origination capabilities aligned with ASIC and responsible lending requirements
- U.S. sub-prime lending markets through hardship management, bankruptcy workflows, OFAC screening, and compliance automation
- Co-lending frameworks supporting collaborative lending models
- Multitenancy architectures enabling SaaS-based deployment models
- NPA Shield for centralized borrower-level classification and regulatory compliance
- Advanced payout and incentive management systems
- Agentic AI-enabled No-Code Low-Code platform capabilities

These investments strengthen our ability to serve customers across geographies while accelerating adoption of future-ready banking models.

Building a Culture of Innovation

Technology innovation is ultimately driven by people.

We continue to invest in creating an environment where experimentation, learning, and collaboration thrive. Through leadership development programs, innovation challenges, hackathons, mentorship initiatives, and structured capability-building programs, we encourage employees to contribute actively to the innovation journey.

Our dedicated Innovation function works across product, engineering, business, and customer-facing teams to identify emerging opportunities, incubate ideas, and accelerate their transition into customer-ready solutions.

This culture of continuous learning and innovation remains one of our most important competitive strengths.

Looking Ahead

As the financial services industry enters an era defined by Artificial Intelligence, embedded finance, digital ecosystems, and intelligent automation, our commitment to innovation remains stronger than ever.

Our R&D agenda will continue to focus on AI-led banking, cloud-native architectures, cybersecurity, regulatory technology, platform modernization, and ecosystem connectivity.

By combining deep domain expertise, engineering excellence, and a culture of continuous innovation, Nucleus Software remains well positioned to help financial institutions navigate change, accelerate growth, and create lasting value.

Innovation has been central to our journey for four decades. It will continue to be one of the most important drivers of our future growth.

Foreign Exchange Earnings and Outgo

1. Export Initiatives and Development of New Export Markets

In FY 2026 foreign exchange earnings from software products and services were at ₹ 295.86 crore, 37% of revenue against ₹ 288.67 crore, 38% of revenue in FY 2025

2. Foreign Exchange Earned and Used

(₹ in crore)

For the Year ended March 31,	2026	2025
Foreign Exchange earnings:		
from software development of products and services	295.86	288.67
from dividend and interest income	9.03	3.96
Foreign Exchange outgo (Including capital goods):	75.46	54.96



Report on Corporate Governance

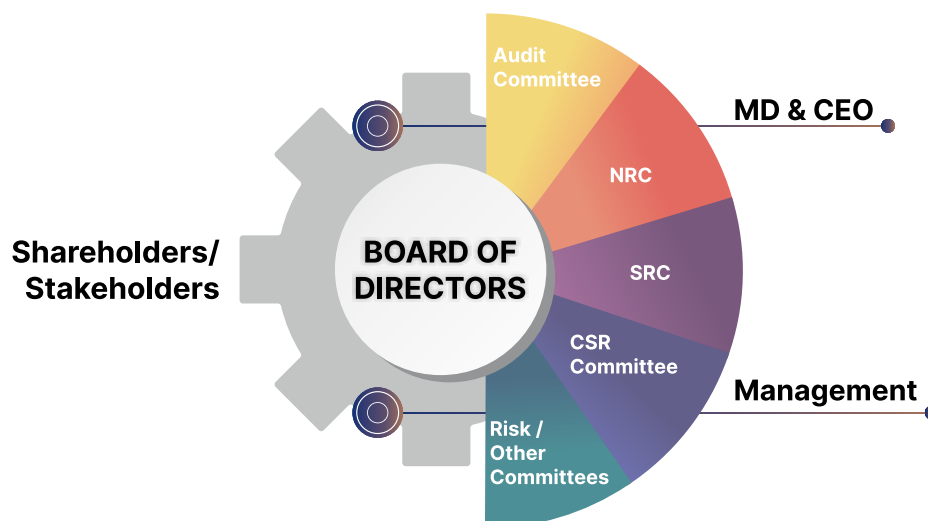
“Corporate Governance forms the foundation of the Company’s commitment to ethical conduct, accountability, transparency, and sustainable value creation. It comprises the framework of policies, practices, and processes through which the Company is directed and controlled, thereby ensuring that its business operations are conducted responsibly and in the best interests of all stakeholders.”

Company Philosophy on Corporate Governance

At Nucleus our core values of Integrity, Respect, Innovation, Result Orientation, and Collaboration strengthen everything we do and form the foundation of our corporate philosophy.

Our values demonstrate our commitment to creating a strong corporate culture and long-term partnerships that deliver unprecedented value to our stakeholders.

Company Framework on Corporate Governance



Policies | Controls | Compliance | Risk | Audit | Ethics

Transparency • Accountability • Sustainable Value

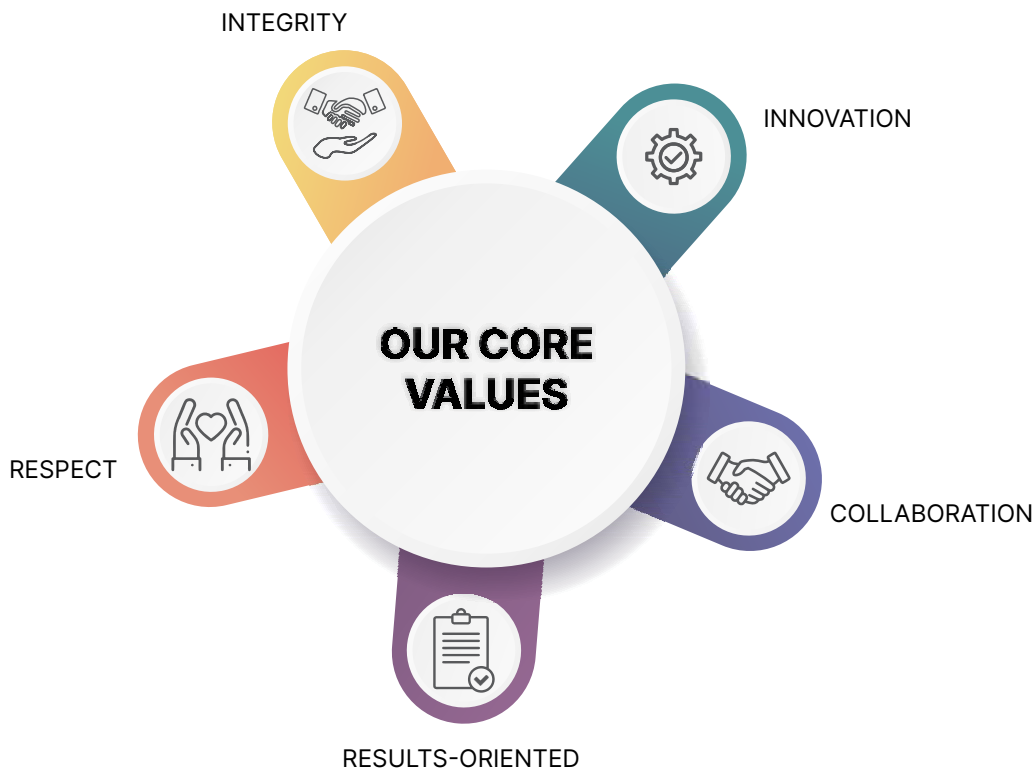
This Report outlines Company’s robust governance framework, policies, and control mechanisms established to uphold the highest standards of transparency, accountability, and ethical business conduct across the organization. It reflects our enduring commitment to integrity-led growth, where governance is not merely a

statutory requirement, but a guiding philosophy embedded in every aspect of decision-making.

Nucleus is dedicated to defining, adhering to, and upholding the highest standards of Corporate Governance across all its business functions and operations.



Report on Corporate Governance



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

Board of Directors. As the steward of shareholders’ capital, the Board remains committed to the highest standards of Corporate Governance, fostering sustainable value creation through integrity, transparency, accountability, and responsible decision-making. The responsibilities of the Board and its members include:

Board



Board’s primary role is to promote the Company’s long-term sustainable success and create enduring value for all stakeholders. It provides strategic direction and oversight, including the approval of business strategy, significant investments, acquisitions and other key decisions.

The composition of the Board at Nucleus is as follows:

Chairperson

The Chairperson provides leadership to the Board, encourages active participation and constructive dialogue among Directors, and promotes transparency and informed decision-making to support the Board’s effective functioning.

Independent Directors

Independent Directors contribute diverse expertise and independent judgment, strengthening the Board’s oversight and accountability. They engage constructively with Management, provide strategic guidance, and offer objective perspectives that support informed decision-making and long-term value creation.

Executive Directors

Executive Directors provide strategic and operational leadership, ensuring effective execution of the Company’s vision and business objectives. They work closely with the Board and Management to drive performance, foster innovation, and strengthen accountability, while contributing to informed decision-making and sustainable long-term value creation.



Size and Composition of the Board

The Board of the Company comprises individuals of high standing and professional eminence, with a balanced mix of skills, expertise, knowledge, and experience that enables it to effectively discharge its responsibilities and provide strategic leadership to the business.

As on 31st March, 2026, the Board comprises three Executive Directors including one Woman Director, four Non-Executive & Non-Independent Director including one Women Director. We hereby confirm that:

- The Board composition is in conformity with the applicable provisions of the Companies Act, 2013 (the Act) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (Listing Regulations).
- The number of Directorship(s), Committee Membership(s), Chairpersonship(s) of all the Directors is within respective limits as prescribed under the Act and Listing Regulations.
- The Company does not have any pecuniary relationship with any of the Non-Executive Directors, other than sitting fees, commission and reimbursement of expenses incurred by them for attending meeting of the Company. Further, during the year, the Company has not provided any loans or advances to firms / companies in which directors are interested.

As part of the Board's ongoing succession planning process, the composition of the Board is reviewed periodically to ensure continued alignment with the Company's strategy, long-term objectives, and the Board-approved skill matrix.

Composition and Directorship(s)/ Committee Membership(s) /Chairmanship(s), joining dates and number of other Board and Committee positions as on the date of this Integrated Annual Report:							
Name and Category	Date of Joining the Board	Relationship with other Directors	No. of shares/ Convertible shares held in the Company	Attendance at the last AGM held on 28th July, 2025	Directorship(s) in other Companies [#]	Membership(s) in other Companies ^{##}	Chairpersonships(s) of Committees of other Companies ^{##}
Non-Executive, Independent Director-Chairperson							
Mrs. Yasmin Javeri Krishan (DIN: 08801422)	30.07.2020	None	-	Yes	-	-	-
Managing Director, Promoter							
Mr. Vishnu R Dusad (DIN: 00008412)	09.01.1989	Father of Executive Director Dr. Ritika Dusad	15,75,325	Yes	1	-	-
Executive Director & CEO							
Mr. Parag Bhise (DIN: 08719754)	16.03.2020	None	28,959	Yes	1	-	-
Executive Director, Promoter							
Dr. Ritika Dusad (DIN: 07022867)	20.07.2016	Daughter of Managing Director	10,00,000	No	-	-	-
Non-Executive, Independent Directors							
Mr. Shekar Viswanathan (DIN: 01202587)	12.02.2024	None	-	Yes	4	1	-
Mr. Prakash Chandra Kandpal (DIN: 06452437)	12.02.2024	None	-	Yes	4	-	2
Dr. Nitin R Gokarn (DIN: 07619691)	10.02.2026	None	-	NA	1	1	-

Notes:

Excluding Directorship in Nucleus Software Exports Limited, Private Limited Companies, Foreign Companies, Section 8 Companies and Alternate Directorships.

##Includes only Audit Committee and Stakeholders' Relationship Committee of Public Companies excluding Nucleus Software Exports Limited.



Report on Corporate Governance



Ms. Yasmin Javeri Krishan
Chairperson, Independent Director

Ms. Yasmin Javeri Krishan has a multi-faceted global experience of over 20 years in Financial Control, Treasury, Process rationalization, Business Intelligence & Executive Search. She is a rank-holding Chartered Accountant from the Institute of Chartered Accountants of India and an MBA (Finance and International Business) from the Stern School of Business, New York University. She has worked with large multinational institutions like Price Waterhouse (India), American Express (US, India and Korea), Citibank (Korea), start-ups in HR consultancy (India) as well as in Business Analytics (Singapore) and a boutique recruitment firm (Singapore).

She was Head of Campus for S P Jain School of Global Management's Singapore Campus. Her work experience spans several industries: Retail Banking & Credit Cards, HR Consultancy & Search, Education, Accounting and Information Consultancy/Decision Management. She served as Honorary Treasurer for a not-for-profit cultural organization called Friends of the Museums in Singapore, for a couple years in the past, to give back to the Singapore cultural community by ensuring the financial security of the Society. She has reasonable proficiency at the Korean language. Ms. Javeri Krishan has been appointed as Chairperson of the Board of Directors, effective March 19, 2026. She has served as a Non-Executive, Independent Director on the Board since July 2020 and been the Chair of the Audit Committee for the past 2 years.

She has also been associated with the Board of the Company's wholly owned Singapore subsidiary since 2016, contributing significantly to strengthening governance processes, network leverage, and strategic oversight across the Group.



Mr. Vishnu R Dusad
Managing Director

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

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

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

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

His unwavering mission to instill a culture of excellence among Nucleus Software's workforce, or "Nucleites," underscores his dedication to fostering innovation and driving transformative change.

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



Mr. Parag Bhise
Executive Director & CEO

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

Throughout his journey at Nucleus Software, Parag has played a pivotal role in shaping the company's product narrative, directly contributing to the creation and evolution of key offerings such as LeaseWare and FinnOne®, his leadership in product engineering for FinnAxia® and FinnOne Neo® has been instrumental in driving the company's evolution towards the Nucleus 2.0 mindset, delivering robust solutions that stand the test of time.

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

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

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

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



Dr. Ritika Dusad
Executive Director

Dr. Ritika Dusad brings a wealth of expertise and leadership to the Nucleus Software Board of Directors. Her strategic vision and relentless pursuit of innovative excellence have been instrumental in positioning Nucleus Software as a leader in the financial technology industry.

With a keen focus on data-driven decision-making, Dr. Dusad leverages her deep understanding of data analytics, artificial intelligence, big data, and data science to drive innovation across our product offerings. Her commitment to simplifying customer processes and enhancing the consumer experience through data-driven insights has enabled financial institutions to thrive in an increasingly digital landscape.

Her previous leadership in Marketing and Global Strategy helped in enhancing brand visibility for the Company. Her expertise in evaluating long-term trends and market intelligence has been instrumental in maintaining business model innovation and ensuring Nucleus Software remains at the forefront of industry trends.

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

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



Report on Corporate Governance



Mr. Shekar Viswanathan
Independent Director

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

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

Mr. Viswanathan held many positions in industry bodies in the past such as the President of the Bangalore Chamber of Commerce and Industry, Chairman of CII Karnataka, Chairman of the Tax Group for the Society of Indian Auto Manufacturers (SIAM), Chairman of FICCI Karnataka, and Chairman of EV Committee with FICCI. He joined the Board of Nucleus in February 2024.



Dr. Nitin R Gokarn
Independent Director

Dr. Nitin R. Gokarn is a former IAS and IPS officer from Uttar Pradesh. He has worked in public administration and public policy for more than 37 years. He has worked for both the Government of India and the Government of Uttar Pradesh. He has held many high-level positions, including Additional Chief Secretary and Principal Secretary in important departments like Housing & Urban Planning, Public Works, State Tax, Urban Development, Road Transport & Highways, and others. He has also worked as Joint Secretary for the Ministry of Road Transport and Highways and as CEO and Project Director for NATRIP under department of Heavy Industries at the central level. He brings rich and diverse experience of governance, infrastructure development, urban planning, transportation, taxation, regulatory frameworks, public-private partnerships, and e-governance.

Dr. Gokarn possess multiple educational qualifications including a PhD in Transformational Leadership, Chartered Financial Analyst (CFA) from ICFAI, Hyderabad and Post Graduate Programme in Public Policy and Management from IIM Bangalore with component in Maxwell School of Public Policy, Syracuse, USA. He joined the Board of Nucleus in February 2026.



Mr. Prakash Chandra Kandpal
Independent Director

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

Mr. Kandpal has held positions as Nominee Director, SBI Foundation and believes in contributing back to the environment and society with strong governance in place. He is currently on the Board of Star Union Dai-Ichi Life Insurance Company Limited, Finreach Solutions Private Limited, Tata AIG General Insurance Company Limited, Union Bank of India, Buddy4study India Foundation and HDFC Pension Management Limited. Mr. Kandpal has been honored by prestigious awards such as Business Leader of the Year Award, in 2021, the Company with Great Managers Award on behalf of SBI GI, in 2021 and secured the Brandon Hall Award in 2018 for SBI for his pathbreaking initiatives in Learning and Development at SBI to name a few.

Mr. Kandpal holds an M.A. in Economics from Kumaon University, Nainital and Masters in Financial Management from Jamnalal Bajaj Institute of Management, Mumbai. He also has multiple professional certifications such as an Executive MBA program (curated for SBI) from ISB Hyderabad, and Global Advance Management Program-AIIMA with Berkley University, USA. He joined the Board of Nucleus in February 2024.



Compensation of the Board of Directors

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

In accordance with Section 197 of the Companies Act, 2013 and pursuant to the approval accorded by the shareholders at the Annual General Meeting held on July 15, 2024, the Non-Executive Independent Directors are entitled to receive remuneration by way of commission, not exceeding one percent of the net profits of the Company for each financial year, for a period of five years. In terms of the provisions of the Companies Act, 2013, Independent Directors are not eligible to participate in the Employee Stock Option Plans (ESOPs) instituted by the Company from time to time.

The remuneration payable to the Executive Directors is reviewed and recommended by the Nomination and Remuneration/ Compensation Committee and is subject to the approval of the shareholders, wherever required. Details of the remuneration paid to the Directors are separately disclosed in the Financial Statements forming part of this Integrated Annual Report.

Compensation Paid /Payable to the Directors for the period April 2025 to March 2026

(Amount in ₹)

Name of Director	Position	Salary	Company's Contribution to Provident and other funds	Perquisites/ Allowances	Commission	Sitting Fees	Total Compensation
Mrs. Yasmin Javeri Krishan	Non-Executive, Independent Director, Chairperson	-	-	-	29,38,044	34,00,000	63,38,044
Mr. S M Acharya*	Non-Executive, Independent Director	-	-	-	28,33,401	30,00,000	58,33,401
Mr. Vishnu R Dusad	Managing Director & Promoter	1,20,00,000	7,20,000	28,800	-	-	1,27,48,800
Mr. Parag Bhise	Executive Director	3,69,32,035	12,94,536	1,61,524	-	-	3,83,88,095
Mr. Anurag Mantri [#]	Executive Director	4,32,63,608	-	-	-	-	4,32,63,608
Dr. Ritika Dusad	Executive, Director	-	-	-	-	-	-
Mr. Shekar Viswanathan	Non-Executive, Independent Director	-	-	-	29,38,044	26,00,000	55,38,044
Mr. Prakash Chandra Kandpal	Non-Executive, Independent Director	-	-	-	29,38,044	34,00,000	63,38,044
Dr. Nitin R Gokarn**	Non-Executive, Independent Director	-	-	-	4,02,472	6,00,000	10,02,472
Total		9,21,95,643	20,14,536	1,90,324	1,20,50,005	1,30,00,000	11,94,50,508

*Mr. S.M. Acharya retired from the Board as Non-Executive Independent Director effective March 18, 2026, upon completion of his second term of 5 consecutive years as an Independent Director.

[#]Mr. Anurag Mantri ceased to be the Executive Director of the Company, on completion of the existing term as Executive Director effective December 18, 2025

**Dr. Nitin R Gokarn has been appointed as Non-Executive Independent Director of the Company w.e.f. February 10, 2026.



Report on Corporate Governance

- None of the Non-Executive Directors received remuneration amounting to 50% or more of the aggregate remuneration paid to all Non-Executive Directors during the financial year ended March 31, 2026.
 - The remuneration paid to the Executive Directors, as disclosed above, excludes the provision for incremental liability towards gratuity and compensated absences, as the actuarial valuation for such liabilities is carried out at the Company level.
 - As on March 31, 2026, none of the Directors were entitled to any severance benefits and none held any stock options of the Company. The notice period applicable to the Executive Directors is as mutually agreed between the respective Executive Director and the Board.
 - Formal letters of appointment have been issued to all Independent Directors and Non-Executive Directors, and the terms and conditions of their appointment are available on the Company's website.
 - In accordance with the Listing Regulations, no employee, including a Key Managerial Personnel, Director or Promoter of the Company, shall enter into any agreement, either on his/her own behalf or on behalf of any other person, with any shareholder or third party with respect to compensation or profit-sharing arrangements in connection with dealings in the securities of the Company, without obtaining prior approval of the Board and the shareholders, as applicable. During the financial year 2025-26, no such instances were reported.
- Annual declarations submitted by the Independent Directors pursuant to Regulation 25(8) of the Listing Regulations, confirming their compliance with the independence criteria.
 - A Certificate from M/s PI & Associates, Company Secretary in practice has been taken as required under the Listing Regulations, confirming that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Director of Company by SEBI/Ministry of Corporate Affairs or any such statutory authority. The certificate is enclosed as **Annexure A**.
 - Additionally, the Independent Directors have confirmed their registration with the Independent Directors' Database maintained by the Indian Institute of Corporate Affairs. The Company issues a formal letter of appointment at the time of each Independent Director's appointment or re-appointment. The detailed terms and conditions of their appointment are available on the Company's website at <https://investor.nucleussoftware.com/governance/governance-documents/>

The Board believes that the aforesaid remuneration structure is commensurate with domestic best practices and adequately reflects the roles, responsibilities, time commitment and contributions of the Non-Executive and Independent Directors, in line with the provisions of Schedule IV to the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Board Independence

The Company has received requisite declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence prescribed under Section 149(6) of the Act read with Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the Listing Regulations. Further, the Independent Directors have also confirmed that they are not aware of any circumstance or situation that exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence. The Board affirms that the Company's Independent Directors meet the criteria prescribed under Schedule V of the Listing Regulations and remain independent from the management, based on the following:

Board Membership Criteria

The Company has a structured and transparent framework for the appointment of Directors. The Nomination and Remuneration/Compensation Committee (NRC) oversees the process and makes recommendations to the Board after evaluating the qualifications, expertise, and suitability of candidates. The broad parameters of the process are as follows:

The NRC identifies and recommends the criteria, qualifications, and positive attributes for appointment of Executive Directors, Non-Executive Directors and Independent Directors to the Board.

The NRC identifies individuals who are qualified to be appointed as Directors based on the Board-approved skill matrix and also considers candidates for Key Managerial Personnel, recommending such appointments to the Board, as appropriate.

In relation to the appointment of Independent Directors, the NRC assesses the overall balance of skills, knowledge, and experience required on the Board and, based on such evaluation, recommends suitable candidates for appointment.

The appointment or re-appointment of Directors is made by the Board based on the recommendation of the NRC and is subject to the approval of the shareholders at the General Meeting or through Postal Ballot, as applicable.



In accordance with the Articles of Association of the Company and provisions of the Act, all the Directors, except the Independent Directors, of the Company, are liable to retire by rotation at the Annual General Meeting (AGM) each year and, if eligible, offer their candidature for re-appointment.

During the year under review, none of the Independent Directors of the Company resigned before the expiry of their tenure.

The appointment and tenure of the Independent Directors are in accordance with the provisions of the Act and the Listing Regulations. The Executive Directors of the Company are appointed in compliance with applicable legal and regulatory requirements and serve in accordance with the terms of their employment with the Company.

Board Meetings

A minimum four meetings are required to be held each year.

The Board also convenes periodically to consider and decide upon matters relating to the Company's strategy, operations, governance, and performance.

Governance Practices Facilitating Effective Director Participation in Meetings



Annual calendar for Board meetings is agreed and circulated in advance.

The agenda for each Board meeting is finalized by the Company Secretary in consultation with the Chairperson.



Urgent business matters are considered and approved through resolutions passed by circulation, wherever necessary.

Agenda papers are supported by detailed notes and relevant information to enable informed decision-making, with items appropriately categorized based on the action required from the Board.



The agenda includes an Action Taken Report outlining the status of decisions arising from previous Board and Committee meetings.

Agenda items relating to Unpublished Price Sensitive Information (UPSI) are circulated at shorter notice only after obtaining the requisite prior approvals.



At end of each Board Meeting, the Chairperson brief the Board on key matters deliberated and decisions taken during the meeting.

Notice and Agenda for Board and Committee Meetings

The agenda for Board and Committee meetings is prepared in compliance with the Companies Act, 2013 and the SEBI Listing Regulations and includes significant corporate actions, strategic initiatives, financial matters, governance issues, and other key developments requiring the Board's oversight and approval.

The agenda papers, together with detailed explanatory notes, provide the Board with comprehensive information to facilitate informed deliberations and effective decision-making.

To enable active participation, audio and video conferencing facilities are made available to Directors who are travelling or located outside Noida.

During FY 2025-26, the Board met twelve times. The gap between two consecutive Board Meetings remained well within the statutory limit of 120 days, with the maximum interval being 83 days. In addition, certain urgent matters were considered and approved through resolutions passed by circulation in accordance with applicable legal and regulatory requirements.



Report on Corporate Governance

Attendance of the Board Meetings

Name of Directors	AGM held for FY 2024-25 28 July 2025	Attendance of the Board meetings Held in FY 2025-26												Held during tenure	At- tended	% of Attend- ance
		16 May 2025	26 June 2025	31 July 2025	20 August 2025	16 September 2025	24 September 2025	01 October 2025	08 November 2025	18 November 2025	10 February 2026	16 March 2026	25 March 2026			
Mr. S.M. Acharya*													NA	11	11	100
Mrs. Yasmin Javeri Krishan														12	12	100
Mr. Vishnu R Dusad														12	12	100
Mr. Parag Bhise														12	12	100
Mr. Anurag Mantri#											NA	NA	NA	9	9	100
Dr. Ritika Dusad	L		L	L	L	L	L		L	L	L	L	L	12	2	17
Mr. Shekar Viswanathan												L		12	11	92
Mr. Prakash Chandra Kandpal														12	12	100
Dr. Nitin R Gokarn**	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA				3	3	100

Present

Attended through video call

L: Leave of absence

NA: Not Applicable

Notes:

*Mr. S.M. Acharya retired from the Board as Non-Executive Independent Director effective March 18, 2026 upon completion of his second term of 5 consecutive years as an Independent Director.

#Mr. Anurag Mantri ceased to be the Executive Director of the Company on completion of his existing term as Executive Director effective December 18, 2025

**Dr. Nitin R Gokarn has been appointed as Non-Executive Independent Director of the Company w.e.f. February 10, 2026.

Board Support: Company Secretary

The Company Secretary assists the Board in the effective discharge of its duties by ensuring timely access to relevant information, robust governance processes, and adequate resources. In addition, the Company Secretary serves as the Secretary to the Board and its Committees and supports compliance with applicable legal, regulatory, and governance requirements.

The Company Secretary is responsible for:

- preparing the Agenda and convening the Board and Committee meetings;
- facilitating the convening of meetings, attending Board, Committee, and General Meetings, and ensuring minutes of the meetings are recorded properly.
- providing guidance to the Directors, both collectively and individually, regarding their roles, responsibilities, and powers.
- assisting the Chairperson in all Board development processes like Board evaluation, Board re-structuring, succession planning, inductions and trainings, etc.
- representing the Company before various regulators and authorities in connection with the discharge of duties under the Act & SEBI Regulations.
- assisting the Board in conduct of the Company's affairs and compliance with corporate governance requirements, and best practices.

Beyond overseeing compliance with statutory and regulatory requirements, the Company Secretary acts as a vital conduit between the Board, Management, and external stakeholders, fostering effective communication and supporting the Company's governance framework.



Technology-Enabled Governance Practices

1. Web Application for circulating Board Papers

Web based application/tool

As part of its commitment to sustainability and digital governance, the Company uses a secure web-based platform for the electronic circulation of Board and Committee agenda papers and pre-read materials, accessible through web browsers and iPads.



The application meets high standards of security and integrity, required for storage and transmission of Board/ Committee Agenda and pre-reads.

2. Compliance Tool

Statutory Compliance Monitoring Tool



The Company leverages a web-based Statutory Compliance Monitoring Tool to facilitate effective monitoring of statutory and regulatory obligations, enabling timely compliance, enhanced oversight, and stronger governance practices.

The tool strengthens the Board's oversight by providing timely assurance and transparency regarding the Company's compliance with applicable legal, statutory, and regulatory obligations.



The tool serves as a centralized platform for monitoring and managing compliance across multiple regulatory domains, helping ensure timely fulfilment of statutory obligations and strengthening the Company's overall compliance framework.

The tool assists the Company in effectively navigating an increasingly complex regulatory landscape by strengthening compliance management, improving risk visibility, and mitigating potential legal and regulatory risks.



Post-Meeting Follow-up Mechanism

The Company has a well-defined governance mechanism to ensure effective implementation of the Board's and Committees' decisions. Significant decisions and recommendations are communicated to the relevant functions immediately following the meetings, and progress on their implementation is tracked through an Action Taken Report, which is reviewed at subsequent meetings.

Separate Independent Directors' Meetings

Pursuant to Schedule IV of the Companies Act, 2013 and Regulation 25(3) of the SEBI Listing Regulations, the Independent Directors meet separately, without the presence of Non-Independent Directors and Management, to review the effectiveness of the Board and its processes.

During FY 2025-26, the Independent Directors meeting was held in March, 2026. The Independent Directors reviewed the performance of the Board, Non-Independent Directors, and the Chairperson, and assessed the adequacy and timeliness of information provided by Management to facilitate effective Board functioning. They also deliberated on key matters arising from Board and Committee discussions.

Attendance of the Independent Director Meetings

Name of the Independent Directors	24.03.2026	% of Attendance
Mrs. Yasmin Javeri Krishan		100
Mr. Shekar Viswanathan		100
Mr. Prakash Chandra Kandpal		100
Dr. Nitin R Gokarn		100

Present

Familiarization Programs for Board members

The Company's familiarization programme is designed to enable Directors, including Independent Directors, to gain a deeper understanding of the Company's business, strategic priorities, governance framework, operational processes, and industry dynamics. The programme is delivered through presentations, detailed briefing materials, interactions with senior management, and site visits, where relevant. Details of the familiarization programme are available on the Company's website at:

https://investor.nucleussoftware.com/media/2fdhq23i/nucleus_familiarisation_programme_for_independent_directors.pdf



Report on Corporate Governance

Diversity in Board

The Board recognizes that diversity is a key enabler of effective governance and decision-making. A diverse mix of skills, experience, backgrounds, and perspectives enriches Board deliberations, promotes balanced judgments, and strengthens stakeholder engagement. The Company remains committed to maintaining an appropriate balance of diversity and competencies on the Board to support sustainable growth and long-term value creation.

Separation of the Office of Chairperson and the Managing Director/Chief Executive Officer

The Company maintains a clear separation between the roles of the Chairperson and the CEO, ensuring an appropriate balance of authority, accountability, and independent oversight. The Chairperson leads the Board, facilitates effective governance, and guides the Company's strategic direction, while the CEO is responsible for managing the Company's operations and implementing the strategy approved by the Board. This governance structure promotes effective decision-making and supports the Company's long-term success.

Key Board qualifications, expertise and attributes

The table below sets out the key qualifications, competencies, skills, experience, and attributes that are considered by the Board while identifying and evaluating candidates for appointment as through its Directors, reflecting the diverse capabilities required to effectively oversee the Company's business and strategic priorities:



Financial

Financial Acumen – Experience in leading or overseeing finance functions, financial reporting, capital allocation, accounting, audit, treasury, or related disciplines, with the ability to provide strategic guidance and effective oversight of financial and governance matters.

Diversity of Perspective – A broad range of gender, cultural, geographic, and experiential backgrounds that contribute diverse viewpoints, foster inclusive decision-making, and enhance the Board's understanding of global stakeholder interests and expectations.



Diversity



Global Business

Global Business Acumen – Experience in operating and driving business success across global markets, coupled with an understanding of varied economic, cultural, and regulatory landscapes, providing valuable insights into international opportunities, risks, and strategic growth initiatives.



Leadership

Strategic Leadership – Significant executive leadership experience with a deep understanding of organizational management, strategic planning, governance, and risk oversight, complemented by demonstrated capabilities in talent development, succession planning, change management, and long-term value creation.



**Information
Technology**

Technology and Digital Transformation – Deep expertise in technology and innovation, with the ability to anticipate emerging trends, leverage disruptive technologies, drive digital transformation initiatives, and enable the development of innovative products, services, and business models.

Corporate Governance and Board Oversight – Experience serving on the board of a listed or public company, with a strong understanding of governance frameworks, fiduciary responsibilities, management accountability, shareholder protection, regulatory compliance, and board effectiveness.



**Board Service and
Governance**



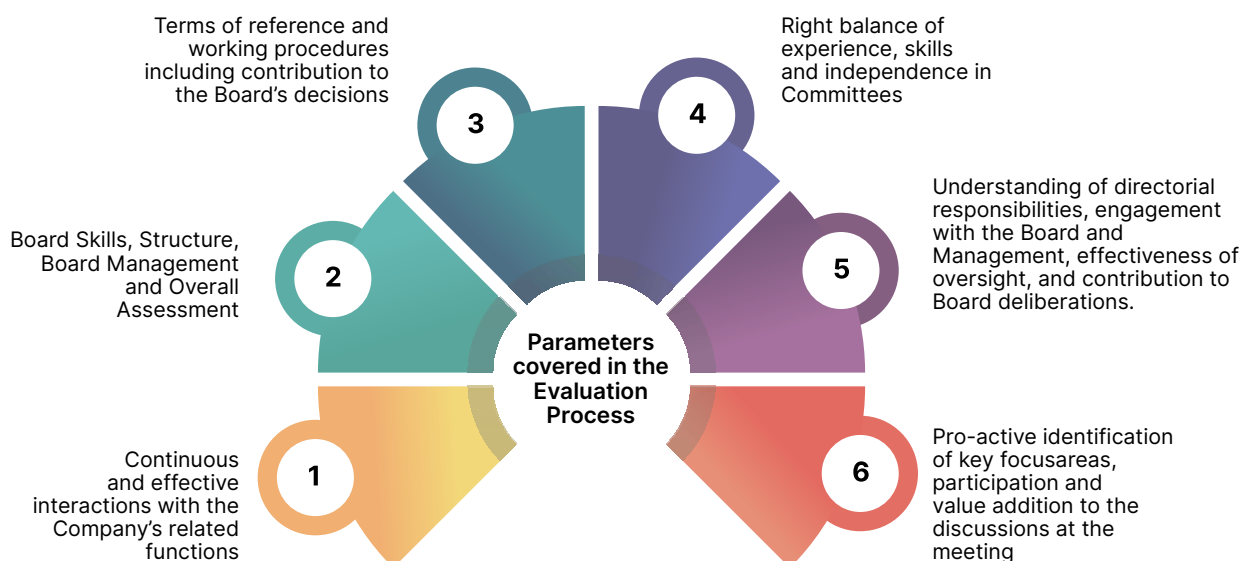
Risk Management

Risk Management – Expertise in identifying, evaluating, and overseeing strategic, operational, legal, regulatory, and compliance risks, and assessing mitigation strategies.

Cybersecurity – Experience in cybersecurity risk management, information security governance, and oversight of cybersecurity policies, controls, and resilience strategies.



Cyber Security





Report on Corporate Governance

The following table highlights the core skills, expertise, and competencies represented on the Board of Directors

Name of Director	Skills/Expertise/Competencies							
	Financial	Diversity	Global Business	Leadership	Information Technology	Board Service and Governance	Risk Management	Cyber Security
Mrs. Yasmin Javeri Krishan	✓	✓	✓	✓		✓	✓	✓
Mr. Vishnu R Dusad	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Parag Bhise	✓	✓	✓	✓	✓	✓	✓	✓
Dr. Ritika Dusad	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Shekar Viswanathan	✓	✓	✓	✓		✓	✓	✓
Mr. Prakash Chandra Kandpal	✓	✓	✓	✓		✓	✓	✓
Dr. Nitin R Gokarn	✓	✓	✓	✓		✓	✓	✓

Mechanism for Evaluating Board members

In accordance with the provisions of the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, the Company has a formal Board Performance Evaluation Policy that provides a structured framework for assessing the effectiveness of the Board, its Committees, the Chairperson, and individual Directors.

The Nomination and Remuneration/Compensation Committee, in line with regulatory requirements and SEBI guidance, has established a comprehensive evaluation framework comprising qualitative and quantitative parameters. The evaluation is conducted through a Board Effectiveness Survey, which is circulated to all Directors and the responses are consolidated, reviewed, and analysed to identify areas of strength and opportunities for continuous improvement.

The performance of the Board is evaluated on various parameters, including its composition and effectiveness, quality and timeliness of information flow, strategic oversight, governance practices, Board dynamics, participation in deliberations, effectiveness of decision-making, and oversight of key business and risk matters.

The performance of Board Committees is assessed based on their composition, effectiveness in discharging responsibilities, quality of deliberations, conduct of meetings, adherence to their terms of reference, independence, and adequacy of information provided to support decision-making.

The evaluation of individual Directors, including Independent Directors, focuses on their contribution to Board and Committee deliberations, strategic guidance, governance oversight, preparedness, independence of judgment, participation in meetings, and contribution towards strengthening policies, processes, and long-term strategic direction. The assessment also takes into account confirmations received from Independent Directors regarding compliance with the independence criteria prescribed under the Companies Act, 2013 and the SEBI Listing Regulations.

The performance of the Chairperson is evaluated by the other Directors, taking into consideration leadership effectiveness, strategic vision, governance standards, stakeholder orientation, Board engagement, and oversight of the Company's business and affairs.

The annual evaluation of the Board, its Committees, the Chairperson, and individual Directors for FY 2025–26 was completed in accordance with the prescribed framework.

Board Committees

The Board Committees support the Board in discharging its responsibilities by providing focused oversight and specialised review of key business, financial, governance, and risk matters. They facilitate informed decision-making and strengthen the Company's governance framework. During FY 2025–26, all Committee recommendations were approved by the Board.



Board Committees



Audit Committee



Mr. Prakash Chandra Kandpal



Mrs. Yasmin Javeri Krishan



Mr. Shekar Viswanathan



Dr. Nitin R Gokarn



Nomination and Remuneration/ Compensation Committee



Mr. Shekar Viswanathan



Mrs. Yasmin Javeri Krishan



Dr. Nitin R Gokarn



Stakeholders Relationship Committee



Dr. Nitin R Gokarn



Mr. Vishnu R Dusad



Mr. Prakash Chandra Kandpal



Corporate Social Responsibility Committee



Dr. Nitin R Gokarn



Mr. Prakash Chandra Kandpal



Mr. Parag Bhise



Mr. Shekar Viswanathan



Dr. Ritika Dusad



Risk Management Committee



Mrs. Yasmin Javeri Krishan



Mr. Vishnu R Dusad



Dr. Nitin R Gokarn



Mr. Parag Bhise



Dr. Ritika Dusad



Mr. Shekar Viswanathan



Mr. Prakash Chandra Kandpal



Culture Committee



Mrs. Yasmin Javeri Krishan



Mr. Vishnu R Dusad



Mr. Shekar Viswanathan



Mr. Parag Bhise



Mr. S.M. Acharya



Chairperson



Member



Mentor



Report on Corporate Governance

Audit Committee

Mr. Prakash Chandra Kandpal

Chairperson - Independent Director

"The Audit Committee plays a critical role in safeguarding the integrity of the Company's financial reporting and governance framework. Through independent oversight of financial reporting, internal controls, audit quality, compliance, and risk management, the Committee continues to evolve its approach to address emerging risks, enhance organizational resilience, and align governance practices with the Company's strategic objectives."

As on March 31, 2026, the Company's Audit Committee comprises four Members and all the Members are Independent Directors. The Committee is chaired by Mr. Prakash Chandra Kandpal. Mrs. Yasmin Javeri Krishan, Mr. Shekar Viswanathan and Dr. Nitin R Gokarn act as Members of the Committee. All the Members of the Committee are financially literate and have relevant expertise in finance, risk management and governance.

Mrs. Poonam Bhasin, Company Secretary and Compliance Officer of the Company, acts as the Secretary to the Committee.

The Audit Committee was constituted in August 2001 and operates in accordance with its Charter, the Companies Act, 2013, and the SEBI Listing Regulations. To effectively discharge its oversight responsibilities, the Committee performs the roles and functions set out in its Charter, including the following:

With reference to the Financial Statements

- Examination of the financial statements and the auditors' report thereon,
- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:-
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
 - Changes, if any, in accounting policies and practices and reasons for the same
 - Major accounting entry, if any involving estimates based on the exercise of judgment by the management
 - Significant adjustments, if any made in the financial statements arising out of audit findings
 - Compliance with Accounting Standards

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

With reference to Auditors

- The recommendation for appointment, retention, termination, remuneration/compensation, and terms of appointment of all Auditors of the Company including filling of casual vacancy;
- Reviewing and monitoring the Auditor's independence and performance and effectiveness of the Audit process;
- Review management letters/letters of internal control weaknesses issued by the independent auditor;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;



- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit coverage, to ascertain adequacy and appropriateness;
- Conducting a post-audit review of the financial statements and audit findings, including any significant suggestions for improvements provided to the management by the statutory auditor or the internal auditor.

With reference to Related Party Transactions

- Approval or any subsequent modification of transactions of the company with Related Parties,
- The term “related party transactions” shall have the same meaning as provided in SEBI (LODR) Regulations, 2015 and also the provisions of Companies Act, 2013 read with relevant rules thereto.

Other references

- Scrutiny of Inter-Corporate Loans and Investments,
- Valuation of undertakings or assets of the company, wherever it is necessary,
- Evaluation of Internal Financial Controls and Risk Management Systems
- Monitoring the end use of funds raised through public offers and related matters.
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the Whistle Blower mechanism;
- Approval of appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

- Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances/ investments.

Following information is required to be mandatory reviewed by Audit Committee

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and term of the internal auditor shall be subject to review by the Audit Committee
- Statement of deviations:
 - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of SEBI Regulations
 - (b) annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice in terms of SEBI Regulations.

Additional responsibility of the Chairperson of the Audit Committee

- Direct access to the Chairperson of the Audit Committee under the vigil mechanism process.
- The Chairperson of the Audit Committee shall be present at Annual General Meeting to answer shareholder queries.

Powers of the Audit Committee

Audit Committee has been provided with following powers:

- o To investigate any activity within its terms of reference.
- o To seek information from any employee.
- o To obtain outside legal or other professional advice.
- o To secure attendance of outsiders with relevant expertise, if it considers necessary.

Attendance at the Audit Committee Meetings

During the financial year 2025-26, the Audit Committee met ten times. Additionally, some of the businesses were considered by passing resolution(s) by circulation. All the decisions and recommendations made by the Committee were approved by requisite majority of the Members of the Committee. As per the statutory requirement, the maximum



Report on Corporate Governance

gap between two Audit Committee Meetings did not exceed the mandatory 120 days. (The maximum gap between two meetings was 94 days).

Name of Directors	Attendance of the Audit Committee meetings held in FY 2025-26										Held during tenure	At-tended	% of Attendance
	15 May 2025	16 May 2025	30 July 2025	31 July 2025	20 August 2025	01 October 2025	07 November 2025	08 November 2025	09 February, 2026	10 February, 2026			
Mr. Prakash Chandra Kandpal [#]											10	10	100
Mr. S.M. Acharya [*]											10	10	100
Mrs. Yasmin Javeri Krishan											10	10	100
Mr. Shekar Viswanathan											10	10	100
Dr. Nitin R Gokarn ^{**}	NA	NA	NA	NA	NA	NA	NA	NA	NA	-	-	-	-

Present

Attended through video call

L: Leave of absence

NA: Not Applicable

Notes:

^{*}Mr. S.M. Acharya retired from the Board as Non-Executive Independent Director effective March 18, 2026 upon completion of his second term of 5 consecutive years as an Independent Director.

^{**}Dr. Nitin R Gokarn has been appointed as Member of the Audit Committee effective March 19, 2026.

[#]Mr. Prakash Chandra Kandpal appointed as the Chairperson of the Audit Committee effective March 19, 2026.

The erstwhile Chairperson of the Audit Committee was present at the previous year Annual General Meeting held on July 28, 2025 to answer shareholders' queries.

In addition to its members, the Chief Financial Officer, Internal Auditor, Statutory Auditors, members of Management, and other executives attend Audit Committee meetings, as required.

The Committee oversees key financial, audit, compliance, and governance matters and periodically reports its observations and recommendations to the Board.

Separate Meetings of the Audit Committee Members with the Auditors

As part of its commitment to robust governance and auditor independence, the Audit Committee holds separate interactions with the Statutory Auditors and Internal Auditors, without the presence of Management, prior to the review of financial results. These meetings enable open and candid discussions on audit observations, internal control effectiveness, risk areas, and any concerns or disagreements with Management, thereby strengthening the Committee's oversight responsibilities.

Nomination and Remuneration/Compensation Committee

Mr. Shekar Viswanathan

Chairperson - Independent Director

"The Nomination and Remuneration Committee continued to operate effectively during the year, supporting key leadership transitions and ensuring continuity at the Board and senior management levels. The Committee remained focused on succession planning, talent management, and remuneration practices, while leveraging market insights and benchmarks to strengthen its forward-looking approach."

As on 31st March, 2026, the Company's Nomination and Remuneration Committee comprises three Members and all the Members are Independent Directors. The Nomination and Remuneration/Compensation Committee is chaired by Mr. Shekar Viswanathan. Mrs. Yasmin Javeri Krishan and Dr. Nitin R Gokarn act as Members of the Committee.



Mrs. Poonam Bhasin, Company Secretary and Compliance Officer of the Company, acts as the Secretary to the Committee.

Terms of Reference/Charter of the Nomination and Remuneration/Compensation Committee

Primary responsibility of the Committee is to identify and nominate suitable candidates for Board membership, KMP and as members of senior Management of the Company. The Committee also formulated policies relating to the remuneration of Directors, Key Managerial Personnel and other Senior Management personnel of the Company.

This Committee is responsible for:

- Recommending desirable changes in the Board composition, size and diversity, committees' structures and processes, and other aspects of the Board's functioning
- Formulating criteria for determining qualifications, positive attributes and independence of an Independent Director
- Conducting search and recommending new Board members in light of resignation of some current member/s or in case of a planned expansion of the Board
- Identifying persons who are qualified to become Directors and who may be appointed as senior management in accordance with the criteria laid down, and recommend to the Board for their appointment
- Recommending to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel and other senior employees, and while formulating such policy, to ensure that:
 - a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the desired persons
 - b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - c) remuneration to Directors, Key Managerial Personnel and senior management involves a balance between fixed and incentive pay

reflecting short and long-term performance objectives appropriate to the working of the Company and its goals

- d) recommend to the Board, all remuneration, in whatever form, payable to senior management and Key Managerial Personnel
- Formulating criteria for evaluation of Independent Directors and the Board and carrying out evaluation of each Director's performance
- Ensuring that there is an appropriate induction program in place for new Directors and members of senior management and reviewing its effectiveness
- Developing a succession plan for the Board and certain Key positions and regularly reviewing the plan
- Reviewing succession plans for the senior management
- Reviewing and Formulate Employee Stock Option Plan (ESOP) / Restricted Stock Option Plan (RSU)
- Determine terms and conditions of ESOP/RSU plan, eligibility criteria, grant of options, vesting and exercise of options and such other adjustments in case of corporate actions.
- Review the design of and approve the Company's other benefit plans (including retirement, medical and other employee benefit and perquisite plans)
- Perform such functions as required by the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ('ESOP Regulations') and its amendments, if any
- Carrying out any other function as is mandated by the Board from time to time and/or is enforced by any statutory notification, amendment or modification, as may be applicable.

Attendance at the Nomination and Remuneration/Compensation Committee Meetings

During the financial year 2025-26, the Committee met nine times. Additionally, some of the businesses were considered by passing resolution(s) by circulation. All the decisions and recommendations made by the Committee were approved by requisite majority of the Members of the Committee.



Report on Corporate Governance

Name of Directors	Attendance of the Nomination and Remuneration/ Compensation Committee meetings held in FY 2025-26									Held during tenure	At- tended	% of Attend- ance
	15 May 2025	09 June, 2025	26 June, 2025	17 July, 2025	21 July, 2025	20 August, 2025	18 November, 2025	09 February, 2026	25 March, 2026			
Mr. Shekar Viswanathan#	NA	NA	NA	NA	NA	NA	NA	NA		1	1	100
Mr. S.M. Acharya*									NA	8	8	100
Mrs. Yasmin Javeri Krishan										9	9	100
Mr. Prakash Chandra Kandpal®									NA	8	8	100

Present

Attended through video call

L: Leave of absence

NA: Not Applicable

Notes:

*Mr. S.M. Acharya retired from the Board as Non-Executive Independent Director effective March 18, 2026 upon completion of his second term of 5 consecutive years as an Independent Director.

**Dr. Nitin R Gokarn has been appointed as Member of the Nomination and Remuneration/Compensation Committee effective March 19, 2026.

#Mr. Shekar Viswanathan has been appointed as Chairperson of the Nomination and Remuneration/Compensation Committee effective March 19, 2026.

® Mr. Prakash Chandra Kandpal ceased to be Chairperson of the Nomination and Remuneration/Compensation Committee effective March 19, 2026.

The erstwhile Chairperson of the Nomination and Remuneration/ Compensation Committee attended the previous year Annual General Meeting held on July 28, 2025.

Remuneration Policy

Remuneration policy for the members of the Board of Directors of the Company takes into consideration their role and responsibilities. The salient features of the policy are highlighted below:

- The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component) and commission to its Managing Director (an Executive Director).
- The Nomination and Remuneration/ Compensation Committee decides the commission payable to the Executive Directors and the Non-Executive Directors out of the profits for the financial year and within the ceilings prescribed under the Companies Act, 2013 and as approved by the shareholders at a General Meeting.
- Non-Executive Directors of the Company are paid sitting fees for attending meetings of the Board and meetings of Committees of the Board, as per the Companies Act, 2013 and as prescribed in the Articles of Association of the Company.
- The Company reimburses expenditure reasonably incurred by the Directors in the performance of their duties as per the provisions of the applicable laws Companies Act, 2013 and in conjunction with the rules and policies of the Company.
- The Nomination and Remuneration/ Compensation Committee reviews and finalizes the remuneration of the key executives on an annual basis, or earlier if deemed necessary.

Stakeholders Relationship Committee

Dr. Nitin R Gokarn

Chairperson - Independent Director

“The Stakeholders’ Relationship Committee plays an important role in safeguarding shareholder interests by overseeing investor services and grievance redressal mechanisms. Backed by strong governance processes, the Committee continues to focus on enhancing stakeholder engagement, improving service standards, and gaining deeper insights into evolving shareholder expectations and market developments.”

As on 31st March, 2026, the Stakeholders’ Relationship Committee comprises three Members. The Committee is chaired by Dr. Nitin R Gokarn. Mr. Prakash Chandra Kandpal and Mr. Vishnu R Dusad act as Members of the Committee.

Mrs. Poonam Bhasin, Company Secretary and Compliance Officer of the Company, acts as the Secretary to the Committee.

Terms of Reference/Charter of Stakeholders Relationship Committee

The Stakeholders Relationship Committee of the Board is constituted with powers and responsibilities including, but not limited to.:

- To approve/ reject registration of transfer/ transmission/transposition of shares.
- To authorize issue of Duplicate Share Certificates and Share Certificates after Split/Consolidation/Re-materialization and in replacement of those which are defaced, mutilated, torn or old, decrepit or worn out.
- To monitor and review the performance and service standards of the Registrar and Share Transfer Agents of the Company and provide continuous guidance to improve the service levels.



- To monitor and review the mechanism for redressal of shareholders'/ investors' grievances.
- To authorise Managers/Officers/Signatories for signing Share Certificates;
- To appoint and seek outside advice from professionals, consultants or advisors as deemed appropriate to assist the Committee in discharging its functions efficiently.
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/ statutory notices by the shareholders of the company.
- Resolving the grievances of the security holders of the company including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

The Committee meets as often as required to discharge its functions. The status on complaints and share transfers is reported to the Board.

Attendance at the Stakeholders Relationship Committee Meetings

Name of Directors	Attendance of the Stakeholders Relationship Committee meetings held in FY 2025-26	Held during tenure	At-tended	% of Attendance
	10 February 2026			
Dr. Nitin R Gokarn*	NA	-	-	-
Mr. Vishnu R Dusad		1	1	100
Mr. Shekar Viswanathan#		1	1	100
Mr. Prakash Chandra Kandpal		1	1	100

Present

Attended through video call

L: Leave of absence

NA: Not Applicable

Notes:

*Dr. Nitin R Gokarn has been appointed as the Chairperson of Stakeholders Relationship Committee effective March 19, 2026.

Mr. Shekar Viswanathan ceased to be a Member of the Stakeholders Relationship Committee effective March 19, 2026.

The Erstwhile Chairperson of the Stakeholder Relationship Committee attended the previous year Annual General Meeting held on July 28, 2025.

Details of investor complaints/requests received and resolved during FY 2025-26 are as follows:

Nature of complaints / requests	No. of complaints/requests			
	Received during the year	Resolved during the year	Pending at the year end	Number of complaints not solved to the satisfaction of shareholders
Non- Receipt of Dividend Warrant	Nil	Nil	Nil	Nil
Duplicate/ Revalidation of Dividend warrants	Nil	Nil	Nil	Nil
Issue of duplicate share certificates	Nil	Nil	Nil	Nil
Non receipt of share certificate	Nil	Nil	Nil	Nil
Non-Receipt of Integrated Annual Report	Nil	Nil	Nil	Nil

Corporate Social Responsibility Committee

Dr. Nitin R Gokarn

Chairperson - Independent Director

"The Corporate Social Responsibility Committee continued to provide effective oversight of the Company's sustainability and social impact initiatives during the year. The Committee oversees the formulation and implementation of the Corporate Social Responsibility Policy, recommends Corporate Social Responsibility expenditure, monitors programme effectiveness in Corporate Social Responsibility, Environment and Social, Governance-related areas.."

As on 31st March, 2026, the Corporate Social Responsibility Committee comprises Five Members. The Committee is chaired by Dr. Nitin R Gokarn. Mr. Prakash Chandra Kandpal, Mr. Parag Bhise, Dr. Ritika Dusad and Mr. Shekar Viswanathan act as Members of the Committee.

Mrs. Poonam Bhasin, Company Secretary and Compliance Officer of the Company, acts as the Secretary to the Committee.



Report on Corporate Governance

Terms of Reference/Charter of Corporate Social Responsibility Committee

The purpose of the Committee is to assist the Board in setting Company Corporate Social Responsibility policies and programs and assessing Company Corporate Social Responsibility performance.

The responsibilities of the Corporate Social Responsibility Committee are:

- To formulate and recommend to the Board, a CSR policy for undertaking permissible CSR activities.
- To identify and bring to the attention of the Board key Social Responsibility issues that may affect the business operations, brand image or reputation of the Company.
- To recommend the amount of expenditure to be incurred on CSR activities.
- To re-evaluate Social Responsibility, from time to time, in light of changes in public perception, industry best practices, and evolving priorities and needs in the communities, where company does business
- To provide oversight of Social Responsibility
- To monitor and review the operation and effectiveness of Company's Corporate Social Responsibility policies and programs
- To update Board at each regularly scheduled meeting and make relevant recommendations in relation to matters arising for consideration by the Committee
- To appoint and seek outside advice from professionals, consultants or advisors as deemed appropriate to assist the Committee in discharging its functions efficiently
- To make any amendments or modifications in CSR Policy as required by law or otherwise
- Perform such functions as the Board may from time to time assign to it.

The CSR Policy of the Company, as approved by the Board, is available on our website: <https://investor.nucleussoftware.com/governance/governance-documents/>

Attendance at the Corporate Social Responsibility Committee Meetings

Name of Directors	Attendance of the Corporate Social Responsibility Committee meetings held in FY 2025-26		Held during tenure	At-tended	% of Attendance
	January 20, 2026	March 24, 2026			
Dr. Nitin R Gokarn**	NA		1	1	100
Mrs. Yasmin Javeri Krishan#		NA	1	1	100
Mr. Parag Bhise	L		2	1	50
Mr. Shekar Viswanathan			2	2	100
Mr. S.M. Acharya*		NA	1	1	100
Dr. Ritika Dusad	L	L	2	0	0
Mr. Prakash Chandra Kandpal®	NA		1	1	100



Present



Attended through video call

L: Leave of absence

NA: Not Applicable

Notes:

*Mr. S.M. Acharya retired from the Board as Non-Executive Independent Director effective March 18, 2026 upon completion of his second term of 5 consecutive years as an Independent Director.

#Mrs. Yasmin Javeri Krishan ceased to be a Member of the Corporate Social Responsibility Committee effective March 19, 2026.

**Dr. Nitin R Gokarn has been appointed as the Chairperson of Corporate Social Responsibility Committee effective March 19, 2026.

® Mr. Prakash Chandra Kandpal has been appointed as a Member of the Corporate Social Responsibility Committee effective March 19, 2026.

Risk Management Committee

Mrs. Yasmin Javeri Krishan

Chairperson - Independent Director

"The Risk Management Committee plays a critical role in overseeing the Company's risk management framework and fostering a robust risk-aware culture. Through disciplined oversight of key risks and emerging challenges, the Committee supports informed decision-making, organizational resilience, and the effective management of strategic, operational, regulatory, and financial risks."



As on 31st March, 2026, the Risk Management Committee comprises all Board Members. The Committee is chaired by Mrs. Yasmin Javeri Krishan. Mr. Vishnu R Dusad, Dr. Nitin R Gokarn, Mr. Prakash Chandra Kandpal, Mr. Parag Bhise, Dr. Ritika Dusad and Mr. Shekar Viswanathan act as Members of the Committee.

Mrs. Poonam Bhasin, Company Secretary and Compliance Officer of the Company, acts as the Secretary to the Committee.

Terms of Reference/Charter of Risk Management Committee

The Key Objective of the Committee is to identify and assess significant risk exposures of the Company as well as plan and assess management's actions to manage and mitigate the risks and the related exposures in a timely manner.

This Committee is responsible for:

- Provides executive oversight to Company's Enterprise risk management framework (ERMF), process, procedures and controls.
- Formulating a detailed risk management policy including the framework for identification of risks with a special focus to compliance, regulatory, cyber and info security, financial, operational, business continuity, and reputational risk; measures for risk mitigation; systems of internal control and business contingency plans.
- Oversee Company's process and policies for determining risk threshold/ tolerance and review management's measurement and comparison of overall risk tolerance to established levels.
- Reviewing the Risk Management at the required frequency, considering the changing dynamics.
- Coordinate its activities with the Audit Committee in the instances of overlap with audit activities (e.g. internal or external audit issue relating to risk management policy or practice)
- Keeping the Board informed about nature and content of discussions, recommendations and actions to be taken.

Attendance at the Risk Management Committee Meetings

Name of Directors	Attendance of the Risk Management Committee meetings held in FY 2025-26		Held during tenure	At-tended	% of Attendance
	October 09, 2025	March 24, 2026			
Mrs. Yasmin Javeri Krishan			2	2	100
Mr. Vishnu R Dusad			2	2	100
Mr. Parag Bhise			2	2	100
Mr. Shekar Viswanathan			2	2	100
Mr. S.M. Acharya*		NA	1	1	100
Dr. Ritika Dusad		L	2	1	50
Mr. Anurag Mantri#		NA	1	1	100
Mr. Prakash Chandra Kandpal			2	2	100
Dr. Nitin R Gokarn**	NA		1	1	100

Present

Attended through video call

L: Leave of absence

NA: Not Applicable

Notes:

*Mr. S.M. Acharya retired from the Board as Non-Executive Independent Director effective March 18, 2026 upon completion of his second term of 5 consecutive years as an Independent Director.

#Mr. Anurag Mantri ceased to be the Executive Director of the Company, on completion of his existing term as Executive Director effective December 18, 2025

**Dr. Nitin R Gokarn has been appointed as a Member of Risk Management Committee effective March 19, 2026.

Culture Committee

Mrs. Yasmin Javeri Krishan

Chairperson - Independent Director

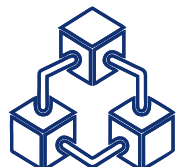
"The Culture Committee has been constituted to play a pivotal role in fostering a values-driven and inclusive workplace culture that promotes employee engagement, collaboration, well-being, and a strong sense of belonging. The Committee provides strategic oversight of initiatives aimed at strengthening organizational culture, enhancing employee experience, and reinforcing the Company's core values."



Report on Corporate Governance

The Board approved constitution of the “Culture Committee” with effect from 19 March 2026, reflecting the Company’s commitment to fostering a strong organizational culture and employee engagement. Since the Committee was constituted near the close of the financial year, no meetings were held during FY 2025–26.

Mrs. Poonam Bhasin, Company Secretary and Compliance Officer of the Company, acts as the Secretary to the Committee.



Governance of Subsidiary Companies

The Company has Eight subsidiaries across the globe. The Company does not have any material non-listed Indian subsidiary Company. The Company has a policy for determining ‘material subsidiaries’ which is disclosed at the Company website i.e. <https://investor.nucleussoftware.com/governance/governance-documents/>

The following table provides a list of all these subsidiaries as on March 31, 2026.

Date of Incorporation	Subsidiaries	Location	% of Shareholding
February 25, 1994	Nucleus Software Solutions Pte. Ltd.	Singapore	100%
August 05, 1997	Nucleus Software Inc.	US	100%
November 02, 2001	Nucleus Software Japan Kabushiki Kaisha	Japan	100%
February 02, 2006	Nucleus Software Netherlands B.V.	Netherlands	100%
April 21, 2008	Nucleus Software Ltd.	India	100%
February 03, 2014	Nucleus Software Australia Pty Limited	Australia	100%
February 10, 2015	Nucleus Software South Africa Pty. Ltd.	South Africa	100%
February 05, 2026	Nucleus Software Vietnam Company Limited	Vietnam	100%

Unlisted Indian Subsidiary Companies

The Company has one Indian Subsidiary Company i.e. Nucleus Software Limited as on March 31, 2026. The Net worth or Turnover of Nucleus Software Limited does not exceed ten per cent of consolidated net worth or turnover of the Holding Company as per immediately preceding accounting year.

The management periodically brings to the attention of the Board of Directors of the Company, a statement of all significant transactions and arrangements entered into by the Unlisted Subsidiary Companies.

The Company policy for determining ‘material’ subsidiaries’ and policy on Related Party Transactions, as approved by the Board can be accessed on the Company website link: https://investor.nucleussoftware.com/media/xuxh4zpq/nucleus_policy_on_material_subsidiaries.pdf and https://investor.nucleussoftware.com/media/fijljk0j/policy_on_related_party_transactions.pdf

During FY-2025-26, the Company has one material subsidiary, the details of the same is as follows:

Name of Material Subsidiary	Date of Incorporation	Place of Incorporation	Name of Auditors	Date of appointment of Auditor
Nucleus Software Solutions Pte. Ltd.	February 25, 1994	Singapore	KNAV Natarajan & Swaminathan LLP	September 30, 2016



Locations

Nucleus services its clients through a strong global presence comprising wholly-owned subsidiaries in India, Japan, Netherlands, Singapore, South Africa, the United States, Australia, and Vietnam, along with branch offices in Mumbai, Pune, Chennai, Dubai, London,.

Nucleus operates state-of-the-art Software Development Centres at Noida (U.P.). The Noida Centre is under the Software Technology Park Scheme of the Government of India.

Nucleus Software Limited (NSL), wholly owned subsidiary operates from a Special Economic Zone, Mahindra World City (Jaipur) Ltd. (MWCJL).

PARENT COMPANY

Nucleus Software Exports Limited	
Registered Office 33-35, Thyagraj Nagar New Delhi-110003 India	Corporate Office A-39 Sector 62 Noida-201307 India

SUBSIDIARIES

Nucleus Software Solutions Pte. Ltd.
300, Tampines Avenue-5#04-06,
Tampines Junction
Singapore-529653



Nucleus Software Japan Kabushiki Kaisha
Mitsubishi Building 11F,
5-2 Marunouchi, 2 Chome
Chiyoda Ku Tokyo 100-0005
Japan

Nucleus Software Inc.
3649 Route 9, North Suite 201,
Old Bridge, NJ 08857
USA

Nucleus Software Netherlands B.V.
Cuserstraat 93, Floor 2nd & 3rd
Amsterdam 1081 CN
Netherlands

Nucleus Software Ltd.
Plot No. IT- A - 017,
Mahindra World City (Jaipur) Ltd.
IT/ITES Special Economic Zone
Jaipur 302037
India

Nucleus Software Australia Pty. Ltd.
c/o- The Gild Group,
Unit 2, 445 Warrigal Road,
Moorabbin Vic 3189,
Australia

Nucleus Software South Africa (Pty) Ltd.
28 Front Street, Brinam, Gauteng
2196
South Africa

Nucleus Software Vietnam Company Ltd.
Room 230, 2nd Floor, UDIC No. 4 Building,
Hoang Dao Thuy Street, Yen Hoa Ward,
Hanoi City,
Vietnam

BRANCH OFFICES IN INDIA

- **Mumbai**
10th Floor, 1016,
Lodha Codename No 1,
One Lodha Place,
Senapati Bapat Marg,
Lower Parel, Mumbai, 400018
- **Chennai**
SKCL Triton Square, 5th floor,
unit#C3-C7, CIPET Road,
Thiru-Vi-Ka Industrial Estate,
Guindy, Chennai - 600032
- **Pune**
Kumar Business Court,
7th Floor, K B C, S. No. 362/3,
Bund Garden Road,
Pune - 411001

BRANCH OFFICES IN OVERSEAS LOCATIONS

- **London (UK) Nucleus Software Exports Ltd.**
Slough Spaces, The Porter Building
1 Burnel Way, Berkshire
SL 1 1FQ, **UK**

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



Company Policies

Whistle Blower Policy

Nucleus is committed to conduct its business in accordance with the applicable laws, rules and regulations, and with highest standards of business ethics. Nucleus does not tolerate any malpractice, impropriety, abuse or wrongdoing. The Company has a well-established Whistle Blower Policy (available on the Company's website at https://investor.nucleussoftware.com/media/pjodquog/whistle_blower_policy.pdf) part of a vigil mechanism for Directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of conduct or ethics policy. This mechanism also provides for adequate safeguards against victimization of Director(s)/employee(s) who avail of the mechanism and also provides for direct access to the Chairperson of the Audit Committee in exceptional cases.

No incident was reported under the Whistle Blower Policy during FY 2025-26. We affirm that :

- Provision is made for adequate safeguards to employees against their victimisation on reporting to Ombudsperson and
- No personnel was denied access to the Audit Committee

Policy on Prevention of Sexual Harassment

The Company is committed to fostering a safe, inclusive, and equitable workplace where every individual is treated with dignity, respect, and fairness. To uphold these values, the Company has adopted a Policy on Prevention of Sexual Harassment (POSH) in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules made thereunder. The Policy promotes a work environment founded on mutual respect, equal opportunity, diversity, and inclusion.

The Company's POSH Policy is gender-neutral and extends protection to all employees. To ensure effective implementation of the Policy and timely redressal of concerns, Internal Committees (ICs) have been constituted in accordance with the provisions of the POSH Act. We affirm that adequate access was provided to any complainant who wished to register a complaint under the policy, during the year.



Report on Corporate Governance

Number of Complaints received during the financial year 2025-26

NIL

Number of Complaints disposed of during the financial year 2025-26

NIL

Number of Complaints pending as on March 31, 2026

NIL

Policy on avoiding Conflict of Interest

The Board is committed to maintain the highest standards of integrity and ensuring that appropriate systems and processes are in place to identify, manage, and mitigate potential conflicts of interest involving Directors and Senior Management. The Company has adopted a Code of Conduct applicable to Directors and Senior Management, which requires the disclosure of actual or potential conflicts of interest and, where applicable, abstention from participation in discussions or decisions on matters in which an individual has an interest.

The Directors and Senior Management annually affirm their compliance with the Code of Conduct. The Code of Conduct is hosted on the Company's website at <https://investor.nucleussoftware.com/governance/governance-documents/> and it is accessible to all stakeholders.

In addition:

- the Directors annually submit, the details of individuals to whom they are related and entities in which they hold interest
- The Directors also inform the Company of any change in their Directorship(s), Chairpersonships(s)/ Membership(s) of the Committees, in accordance with the requirements of the Act and the Listing Regulations.
- Transactions with any of the entities referred above are placed before the Board for approval and interested Directors recuse themselves from any discussion thereon.
- Details of all Related Party Transactions are placed before the Audit Committee on a quarterly basis, if any.

Policy on Related Party Transactions

The Company has adopted a Policy on Related Party Transactions (RPTs) in compliance with the provisions of the Companies Act, 2013 and the SEBI Listing Regulations. The Policy establishes a robust framework for the identification, review, approval, and disclosure of related party transactions, with a focus on ensuring transparency, regulatory compliance, and effective management of potential conflicts of interest.

For transactions that are repetitive in nature or undertaken in the ordinary course of business and on an arm's length basis, omnibus approval is obtained from the Audit

Committee in accordance with applicable regulations. The Audit Committee also reviews such transactions on a quarterly basis. The Policy is available on the Company's website at <https://investor.nucleussoftware.com/governance/governance-documents/>

Confirmations

During the financial year 2025-26:

- all the RPTs were entered in the ordinary course of business and on arm's length basis.
- there are no materially significant related party transactions that may have potential conflict with interest of the Company at large.

The Company has not entered into any material transaction with any of its related parties. Detailed information on related party transactions is enclosed in **Annexure A** to the Board's Report.

Policy on Material Subsidiaries

The Company has adopted a Policy on Material Subsidiaries in compliance with the requirements of the SEBI Listing Regulations. The Policy provides a framework for identifying material subsidiaries and establishing appropriate governance and oversight mechanisms for the Company's subsidiary entities. The Policy is available on the Company's website at <https://investor.nucleussoftware.com/governance/governance-documents/>

Policy on Dividend Distribution

Pursuant to the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has adopted a Dividend Distribution Policy that sets out the parameters and circumstances to be considered while recommending or declaring dividends. The Policy is available on the Company's website at <https://investor.nucleussoftware.com/governance/governance-documents/>

Prevention of Insider Trading

The Company has adopted a Code of Conduct for Prevention of Insider Trading in accordance with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, to regulate, monitor, and report trading by Designated Persons and other connected persons.

The Code also incorporates a framework for the identification, handling, and fair disclosure of Unpublished Price Sensitive Information (UPSI) and prescribes adequate safeguards to prevent its misuse. The Company has established practices and procedures to ensure timely and uniform dissemination of UPSI in compliance with the applicable regulatory requirements. The Code of Conduct for Prevention of Insider Trading is available on the Company's website at <https://investor.nucleussoftware.com/governance/governance-documents/>



Risk Management and Internal Control Policies

The Company has established a robust Risk Management and Internal Control Framework to safeguard its assets, ensure operational efficiency, maintain financial integrity, and support compliance with applicable laws and regulations. A comprehensive report on the Risk Management Framework and Internal Control Systems is presented in a separate chapter of this Integrated Annual Report.

Policy on Archival and Preservation of Documents

Pursuant to Regulation 9 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has adopted a Policy on Archival and Preservation of Documents. The Policy is available on the Company's website at <https://investor.nucleussoftware.com/governance/governance-documents/>

Terms of Appointment of Independent Directors

Pursuant to Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 149 read with Schedule IV to the Companies Act, 2013, the terms and conditions of appointment of the Independent Directors are available on the Company's website at <https://investor.nucleussoftware.com/governance/governance-documents/>



Auditors

Secretarial Auditors

Pursuant to Section 204 of the Companies Act, 2013 and Regulation 24A of the SEBI Listing Regulations, M/s. PI & Associates, Company Secretaries, were appointed as the Secretarial Auditors of the Company for a term of five consecutive years from FY 2025-26 to FY 2029-30, with the approval of the Members at the 36th Annual General Meeting.

Further, the Secretarial Audit Report in Form MR-3, as required under the Companies Act, 2013, is provided as **Annexure F** to the Board's Report and forms part of this Integrated Annual Report. The Report does not contain any qualification, reservation, adverse remark, or disclaimer.

Statutory Auditors

Pursuant to Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s. ASA & Associates LLP, Chartered Accountants (Firm Registration No. 009571N/N500006), were appointed as the Statutory Auditors of the Company for a term of five consecutive years, from the conclusion of the 33rd Annual General Meeting (AGM) until the conclusion of the 38th AGM.

The Statutory Auditors' Report on the financial statements for FY 2025-26 forms part of this Integrated Annual Report and does not contain any qualifications, reservations, adverse remarks, or disclaimers.

Fees paid to the Statutory Auditors

The particulars of payment of Statutory Auditors' fees, on consolidated basis to the statutory auditor and all entities forming part of their network, for services rendered during FY 2025-26 are provided below:

(₹ in Lakhs)

Particulars	Amount
Services as statutory auditors (including quarterly audits)	37.50
For other Services	3.00
Re-imbursement of out of pocket expenses	3.00
Total	43.50 (Exclusive of GST)

Adherence to Accounting Standards

The Company has complied with the applicable Indian Accounting Standards (Ind AS) and other accounting principles generally accepted in India, as prescribed under the Companies Act, 2013 and notified by the relevant authorities. To the best of the Company's knowledge, there have been no deviations in the accounting treatment requiring specific disclosure.

Other Disclosures

Particulars of Senior Management (SMP)

The details of SMP as per SEBI Listing Regulations, since the close of the previous financial year are as under:

Name of Senior Management Personnel	Category
Anurag Mantri [#]	Chief Operating Officer & Country Head-Singapore
Ashok Kumar Bhura	Chief Financial Officer
Apurva Chamaria	Chief Business Officer
Abhishek Pallav	Vice President - Engineering
Bhavit Vijay Godiwala [*]	Chief Customer Success Officer
Mukesh Bangia	Vice President-NEO PMG
Pradeep Malik	Vice President- Digital Services Business
Poonam Bhasin	Company Secretary & Compliance Officer
Saurav Kumar Mohanty	Chief Risk Officer
Swati Patwardhan	Chief Human Resources Officer



Report on Corporate Governance

Changes in Senior Management Personnel

Name	Designation	Details of Change	Effective Date
Aabhinna Suresh Khare	Chief Marketing Officer	Resignation	June 08, 2026
Ashwani Arora	P&L Head - Global Customer Success Team	Resignation	November 28, 2025
Ashish Khanna	Chief Marketing Officer and Chief of Staff to Managing Director	Resignation	November 28, 2025

Note:

*Mr. Anurag Mantri has completed his existing term as Executive Director effective December 18, 2025 and consequently ceased to be the Executive Director of the Company

*Mr. Bhavit Vijay Godiwala has been appointed as Chief Customer Success Officer with effect from June 22, 2026.

Annual Secretarial Compliance Report

The Company has conducted a comprehensive review of its compliance with applicable SEBI Regulations and the circulars and guidelines issued thereunder for FY 2025–26. In accordance with Regulation 24A of the SEBI Listing Regulations, the Annual Secretarial Compliance Report has filed with the Stock Exchanges within the stipulated statutory timeline.

Disclosure of Pending Cases/Instances of Non-Compliance

During the last three financial years, the Company has complied with all applicable requirements of the capital market regulations. No penalties, strictures, or adverse orders have been imposed on the Company by the Stock Exchanges, the Securities and Exchange Board of India (SEBI), or any other statutory or regulatory authority on matters relating to the capital market.

Compliances by the Company of Capital Market Guidelines

The Company has maintained compliance with the applicable requirements of the Stock Exchanges, SEBI, and other statutory authorities on matters relating to the capital markets and has not been subject to any material

non-compliance during the last three years, including FY 2025–26.

Commodity price risk or foreign exchange risk and hedging activities

The Company is not engaged in commodity trading or commodity-related activities. Accordingly, the disclosure requirements relating to commodity price risk and commodity hedging activities, as prescribed under the SEBI Circular dated November 15, 2018, are not applicable to the Company.

A detailed discussion on the Company's exposure to foreign exchange risk, together with the risk mitigation and hedging strategies adopted by the Company, is provided in the Management Discussion and Analysis Report forming part of this Integrated Annual Report.

Directors' and Officers' Liability Insurance Policy

The Company maintains a Directors' and Officers' (D&O) Liability Insurance Policy in compliance with the requirements of the Companies Act, 2013 and the SEBI Listing Regulations. The policy provides coverage against liabilities arising from actions taken in good faith while discharging official duties and also extends to individuals serving on the boards of external entities at the Company's request

Compliance with the Discretionary Requirements under the Listing Regulations

- The Board is led by a Non-Executive, Independent Director Chairperson, who is entitled to maintain an office at the Company's expense and to reimbursement of expenses incurred in the discharge of official duties.
- The Company ensures equitable treatment of shareholders through timely and non-discriminatory dissemination of information. Quarterly financial results, press releases, earnings call recordings and transcripts are made available on the Company's website.
- The positions of Chairperson, Managing Director and CEO are held by separate individuals. The Chairperson is a Non-Executive, Independent Director.

The Company has submitted the quarterly Corporate Governance Compliance Reports to the Stock Exchanges in accordance with Regulation 27(2)(a) of the SEBI Listing Regulations. These reports are available on the Company's website at: <https://investor.nucleussoftware.com/governance/corporate-governance/#compliance-status-reports>



Shareholder Information

Listing Details

Name and Address of Stock Exchanges	Stock Code
BSE Limited (BSE) Floor 25, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001	531209
National Stock Exchange of India Limited (NSE) Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai - 400051	NUCLEUS
ISIN	INE096B01018

For the financial year 2025-26, the Company has paid the Listing Fees to the above Stock Exchanges and the Custody Fees to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

General Body Meetings and Postal Ballot

Annual General Meetings of last three years

Details of last three AGMs and the summary of Special Resolutions passed therein are as under:

Financial year ended	Date and Time	Venue	Special resolution passed
31 st March, 2023	14 th July, 2023, 11:00 A.M. (IST)	AGM through Video Conferencing/ Other Audio-Visual Means facility	No special resolutions were passed in this meeting
31 st March, 2024	15 th July, 2024, 11:00 A.M. (IST)	AGM through Video Conferencing/ Other Audio-Visual Means facility	No special resolutions were passed in this meeting
31 st March, 2025	28 th July, 2025, 11:00 A.M. (IST)	AGM through Video Conferencing/ Other Audio-Visual Means facility	Re-appointment of Mrs. Yasmin Javeri Krishan (DIN: 08801422) as an Independent Director of the Company

Extraordinary General Meeting (EGM)

No EGM of the Shareholders of the Company was held during the financial year 2025-26.

Postal Ballot

During the financial year 2025-26, the following Ordinary and Special Resolutions were passed by the Company through Postal Ballot as on the date of this Integrated Annual Report.

- Re-appointment of Mr. Parag Bhise (DIN: 08719754), as a Whole Time Director & CEO and consider payment of remuneration in case of inadequacy of profits of the Company



Report on Corporate Governance

Ordinary Resolution					
Voting Period	Members as on Cutoff date i.e. Friday, March 27, 2026	Announcement of Consolidated Results	Weblink of Results	Voting Pattern	
				% of votes cast in favour	% of votes cast against
Commenced on Wednesday, April 08, 2026 at 10:00 A.M. (IST) and ended on Thursday, May 7, 2026 at 05:00 P.M. (IST)	40,672	May 08, 2026	https://investor.nucleussoftware.com/governance/postal-ballots/	93.9910	6.0090

- Appointment of Dr. Nitin R Gokarn (DIN: 07619691) as an Independent Director of the Company

Special Resolution					
Voting Period	Members as on Cutoff date i.e. Friday, March 27, 2026	Announcement of Consolidated Results	Weblink of Results	Voting Pattern	
				% of votes cast in favour	% of votes cast against
Commenced on Wednesday, April 08, 2026 at 10:00 A.M. (IST) and ended on Thursday, May 7, 2026 at 05:00 P.M. (IST)	40,672	May 08, 2026	https://investor.nucleussoftware.com/governance/postal-ballots/	99.9972	0.0028

- To consider and approve Nucleus Software RSU Scheme-2026 of the Company

Special Resolution					
Voting Period	Members as on Cutoff date i.e. Friday, March 27, 2026	Announcement of Consolidated Results	Weblink of Results	Voting Pattern	
				% of votes cast in favour	% of votes cast against
Commenced on Wednesday, April 08, 2026 at 10:00 A.M. (IST) and ended on Thursday, May 7, 2026 at 05:00 P.M. (IST)	40,672	May 08, 2026	https://investor.nucleussoftware.com/governance/postal-ballots/	93.9964	6.0036

- To consider and approve Grant of Restricted Stock Units to the Eligible Employees of the Subsidiary Company, in India or Outside India, of the Company under Nucleus Software RSU Scheme-2026

Special Resolution					
Voting Period	Members as on Cutoff date i.e. Friday, March 27, 2026	Announcement of Consolidated Results	Weblink of Results	Voting Pattern	
				% of votes cast in favour	% of votes cast against
Commenced on Wednesday, April 08, 2026 at 10:00 A.M. (IST) and ended on Thursday, May 7, 2026 at 05:00 P.M. (IST)	40,672	May 08, 2026	https://investor.nucleussoftware.com/governance/postal-ballots/	93.9963	6.0037



- To Consider and Approve Secondary Acquisition of Equity Shares of the Company by Nucleus Software Equity Incentive Trust Under Nucleus Software RSU Scheme-2026

Special Resolution					
Voting Period	Members as on Cutoff date i.e. Friday, March 27, 2026	Announcement of Consolidated Results	Weblink of Results	Voting Pattern	
				% of votes cast in favour	% of votes cast against
Commenced on Wednesday, April 08, 2026 at 10:00 A.M. (IST) and ended on Thursday, May 7, 2026 at 05:00 P.M. (IST)	40,672	May 08, 2026	https://investor.nucleussoftware.com/governance/postal-ballots/	93.9972	6.0028

- To Consider and Approve Provision of Loan by the Company for the Purchase of its own Shares by the Nucleus Software Equity Incentive Trust for the benefit of Employees Under Nucleus Software RSU Scheme-2026

Special Resolution					
Voting Period	Members as on Cutoff date i.e. Friday, March 27, 2026	Announcement of Consolidated Results	Weblink of Results	Voting Pattern	
				% of votes cast in favour	% of votes cast against
Commenced on Wednesday, April 08, 2026 at 10:00 A.M. (IST) and ended on Thursday, May 7, 2026 at 05:00 P.M. (IST)	40,672	May 08, 2026	https://investor.nucleussoftware.com/governance/postal-ballots/	93.9973	6.0027

Procedure for Postal Ballot

In compliance with Regulation 44 of the Listing Regulations and pursuant to the provisions of Sections 108 and 110 of the Act read with the Rules framed thereunder and the relevant General Circulars issued by the Ministry of Corporate Affairs in this regard, the Company provided e-voting facility to all its Members.

The Company engaged KFin Technologies Limited, Registrar and Share Transfer Agent for providing e-voting services to enable Members to cast their votes electronically. The Board of Directors had appointed Mr. Devesh Kumar Vasisht (FCS: 8488 and COP No.: 13700), Practising Company Secretary, as the Scrutiniser, for conducting the Postal Ballot process, in a fair and transparent manner.

The results were then displayed on the website of the Company at <https://investor.nucleussoftware.com/governance/postal-ballots/> and on the website of KFin Technologies Limited at www.kfintech.com and also communicated to BSE and NSE.

General Shareholding Information

• Date of incorporation	9 th January, 1989
• Registered Office	33-35, Thyagraj Nagar, New Delhi-110 003 India
• Corporate Office	A-39, Sector 62 Noida, 201307 India
• Corporate Identity Number	L74899DL1989PLC034594
• Date and Time of Annual General Meeting	Monday, July 27, 2026 at 10.00 A.M.
• Venue of Annual General Meeting	AGM through Video Conferencing/ Other Audio Visual Means facility (Deemed Venue for Meeting – Corporate Office): A-39, Sector 62 Noida, 201307 India
• Record date/Cut-Off Date (For AGM e-voting and Final Dividend)	July 10, 2026
• Dividend Payment Date	Within 30 days from date of Annual General Meeting



Report on Corporate Governance

Calendar for Board Meetings

Calendar for financial year 2025-26

The Company follows April-March as the financial year. The meetings of Board of Directors for approval of quarterly financial results during the financial year 2025-26 were held on the following dates:

First Quarter Results	July 31, 2025
Second Quarter and Half yearly Results	November 08, 2025
Third Quarter Results	February 10, 2026
Fourth Quarter and Annual Results	May 21, 2026

Tentative Calendar for financial year 2026-27

The tentative dates of meetings of Board of Directors for consideration of quarterly financial results for the financial year 2026-27 are as follows:

First Quarter Results	July- August, 2026
Second Quarter and Half yearly Results	October-November, 2026
Third Quarter Results	January-February, 2027
Fourth Quarter and Annual Results	April-May, 2027

Distribution of Shareholding as on 31st March, 2026

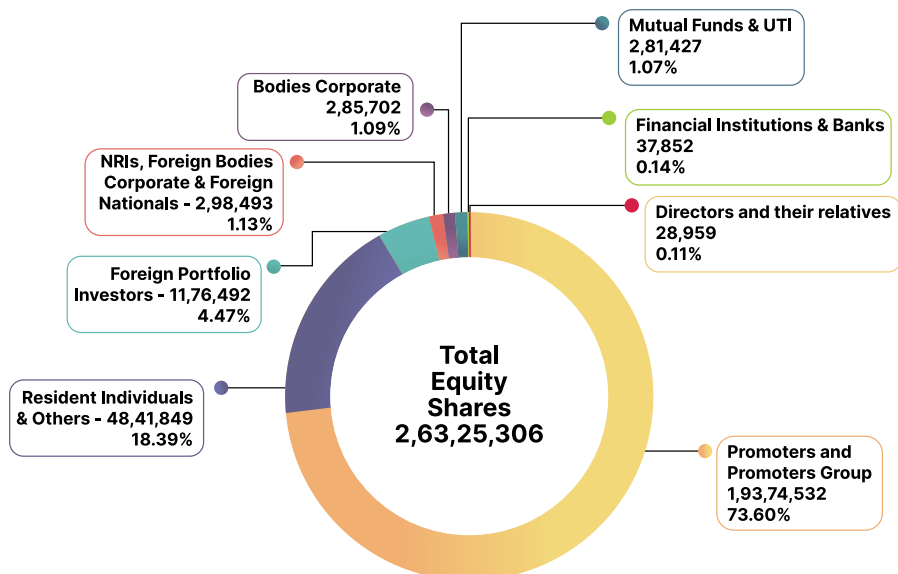
Sl. No.	Shareholders			Shareholding	
	No. of Shares	Number of Shareholders	% of Shareholders	Number of Shares	% of Shareholding
1	1 - 500	38,031	95.92	1,971,588	7.49
2	501 - 1000	893	2.25	6,45,983	2.45
3	1001 - 2000	370	0.93	5,23,605	1.99
4	2001 - 3000	127	0.32	3,13,462	1.19
5	3001 - 4000	65	0.16	2,30,047	0.87
6	4001 - 5000	38	0.10	1,68,294	0.64
7	5001 - 10000	64	0.16	4,39,811	1.67
8	10001 - 20000	20	0.05	2,55,269	0.97
9	20001 and above	40	0.10	2,17,77,247	82.72
	TOTAL	39,648	100.00	2,63,25,306	100.00



Shareholding pattern of the Company as on 31st March, 2026 Vis-à-vis 31st March, 2025

Category of Shareholder	31st March, 2026		31st March, 2025		Change (%)
	Number of Shares	% of No. of Shares	Number of Shares	% of No. of Shares	
Promoters and Promoters Group	1,93,74,532	73.60	1,93,74,532	73.60	0.00
Resident Individuals & Others	48,41,849	18.39	47,67,398	18.11	(0.28)
Foreign Portfolio Investors	11,76,492	4.47	12,71,784	4.83	0.36
Mutual Funds & UTI	2,81,427	1.07	3,62,341	1.38	0.31
Financial Institutions & Banks	37,852	0.14	31,599	0.12	(0.02)
NRIs, Foreign Bodies Corporate & Foreign Nationals	2,98,493	1.13	2,70,571	1.03	(0.11)
Bodies Corporate	2,85,702	1.09	2,18,122	0.83	(0.26)
Directors and their Relatives	28,959	0.11	28,959	0.11	0.00
TOTAL	2,63,25,306	100.00	2,63,25,306	100.00	0.00

Category wise Shareholding as on 31st March, 2026





Report on Corporate Governance

Top 10 Shareholders (other than Promoters) as on 31st March, 2026 in the below format

Name of the Shareholder	No. of Shares	% Equity
Barca Global Master Fund, LP	4,54,381	1.73
Whiteoak Capital Flexi Cap Fund	2,81,407	1.07
Acadian Emerging Markets Equity LI Fund, LLC	1,25,795	0.48
Emerging Markets Core Equity 2 Portfolio of DFA Investment Dimensions Group INC.	66,448	0.25
Russell Investment Company PLC - Acadian Emerging Markets Equity UCITS II	65,887	0.25
Hathway Investments Private Limited	61,178	0.23
Investor Education and Protection Fund Authority MCA	51,471	0.2
Virginia Retirement System Managed by Acadian Asset Management	44,596	0.17
Acadian Emerging Markets Small Cap Equity Fund, LLC	38,586	0.15
Cophall Mauritius Investment Limited - ODI Account	36,283	0.14

Bifurcation of shares held in physical and demat form as on 31st March, 2026:

Particulars	No. of Shareholders*	No. of Shares	% Equity
Physical Segment	220	37,214	0.14
Demat Segment			
NSDL (A)	15,847	2,45,33,422	93.19
CDSL (B)	24,557	17,54,670	6.67
Total Demat (A+B)	40,404	2,62,88,092	99.86
Total	40,624	2,63,25,306	100.00

*PAN consolidation category wise within Depository

Dematerialization of shares and liquidity

The Company's shares are compulsorily traded in dematerialized form on NSE and BSE. Equity shares of the Company representing 99.86% of the Company's equity share capital are dematerialized as on March 31, 2026.

Share Transfer System

In terms of Regulation 40(1) of the SEBI Listing Regulations, as amended from time to time, transfer (including transfer of shares under special window of lodgement open upto February 4, 2027), transmission and transposition of securities shall be effected only in dematerialized form.

Apart from the necessary mandated documents, the following additional documents are to be submitted by the Shareholders/Claimants:

- Form ISR-4
- Demat Conversion Request Form ("DCRF") - NSDL or Demat Request Form ("DRF") - CDSL, as provided by the Depositories.
- Latest Client Master List ("CML") of the demat account in the same order of names, not older than two months and duly attested by the Depository Participant ("DP") where the demat account is held.
- Signature of Beneficiary owner(s) of the demat account required to be attested by the DP on DCRF/DRF as applicable and CML.

Communication with Shareholders

Effective communication is a key pillar of good Corporate Governance and plays a vital role in fostering transparency and strengthening stakeholder relationships. The Company maintains regular engagement with its shareholders through multiple communication channels, ensuring timely and equitable dissemination of information such as:

**Newspapers**

The quarterly, half yearly and annual financial results of the Company's performance are published in leading newspapers such as Business Standard-English and Business Standard-Hindi

**Integrated
Annual
Report**

The Integrated Annual Report, comprising, inter alia, the Board's Report, Corporate Governance Report, Shareholder Information, Business Responsibility and Sustainability Report, Management Discussion and Analysis, and the audited Standalone and Consolidated Financial Statements together with the Auditors' Reports and other relevant information, is circulated to shareholders. The Integrated Annual Report is also made available on the Company's website in a downloadable format.

**Annual
General
Meeting**

A platform for Shareholders to directly interact with the Board and the Management.

**News
Releases**

All our official news releases and presentations are made available on the website of the Company.

**Chairman's
Speech**

The Chairman's address to shareholders at the AGM forms part of the Integrated Annual Report and is accessible through the Company's website.

**Analysts
Presentation/
Investor Call**

In accordance with the SEBI Listing Regulations, audio recordings and transcripts of investor and analyst interactions are made available on the Company's website. The Company also conducts investor and analyst calls following the declaration of financial results to discuss its performance. These interactions are attended by the Senior Management of the Company.



Report on Corporate Governance



Company's Website

The Company's website hosts a dedicated Investor Relations section in compliance with Regulation 46 of the SEBI Listing Regulations. It provides access to Integrated Annual Reports, financial results, stock exchange filings, press releases, statutory policies, investor service information, details relating to unclaimed dividends and shares transferred to the IEPF, the Investor Grievance Redressal Mechanism, and other information pertaining to the Company, its Board of Directors, and Management.



Designated Email ids

The Company has designated investorrelations@nucleussoftware.com as the exclusive email address for addressing shareholders' queries and investor-related communications. The Company is committed to maintaining transparent and effective communication with its shareholders and the investment community. The Investor Relations team proactively engages with investors through conference calls and e-mails. A dedicated Investor Relations section on the Company's website serves as an efficient platform for dissemination of information. Investors may also reach the IR team at ir@nucleussoftware.com.



Stock Exchanges

All price sensitive information and other material developments are promptly disclosed to the Stock Exchanges where the Company's securities are listed, namely BSE Limited and the National Stock Exchange of India Limited. Quarterly financial results and other disclosures required under the SEBI Listing Regulations are filed electronically through the respective stock exchange platforms and are also made available on the Company's website at <https://investor.nucleussoftware.com/>



SEBI and Stock Exchanges' Investor Grievance Redressal System

SEBI's SCORES and SMART ODR platforms, together with the grievance mechanisms of BSE and NSE, facilitate online lodging and tracking of investor complaints. The Company strives to resolve such grievances in a timely manner.



Reminders to Investors

Reminders are sent to the Shareholders of the Company for:

- registering their PAN, KYC & Nomination details;
- claiming the unclaimed dividends and/or shares.



Disclosure of Material Events

The Company has adopted a Policy for Determination of Materiality of Events and Information in accordance with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015



Registrar and Share Transfer Agent

M/s. KFin Technologies Limited continues to act as the Registrar and Share Transfer Agent of the Company.

Reminder Letters to holders of physical shares for updation of PAN, KYC details and Choice of Nomination

In accordance with the SEBI Circular dated March 16, 2023, as amended from time to time, the Company has issued reminders to shareholders holding shares in physical form whose PAN, KYC details and/or Choice of Nomination are not updated, requesting them to furnish the requisite details.

Suspense Escrow Demat Account (SEDA)

Pursuant to the SEBI Circular dated January 30, 2026, the requirement for issuance of Letter of Confirmation (LOCs) has been dispensed with effect from April 2, 2026. Accordingly, upon completion of the prescribed due diligence, listed entities/RTAs shall credit the securities directly to the investor's demat account.

As on March 31, 2026, 2400 shares were lying in the Company's Suspense Escrow Demat Account. Shareholders/claimants may reclaim these shares by submitting the requisite documents to the Company's Registrar and Share Transfer Agent in accordance with the applicable SEBI guidelines. No shares were transferred to any other suspense account during the year.

In accordance with the requirement of Regulation 34(3) and Part F of Schedule V to the SEBI Listing Regulations, details of equity shares in the suspense account are as follows:

Particulars	Number of Shareholders	No. of Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on April 1, 2025	Nil	Nil
Shareholders who approached the Company for transfer of shares from suspense account during the year	Nil	Nil
Shareholders to whom shares were transferred from the suspense account during the year	Nil	Nil
Shareholders whose shares are transferred to the demat account of the IEPF Authority as per Section 124 of the Act	31	1,618
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2026	1	2400

The voting rights on the shares outstanding in the suspense account as on March 31, 2026 shall remain frozen till the rightful owner of such shares claims the shares

Reconciliation of share capital

Pursuant to Regulation 76 of the SEBI (Depositories and Participants) Regulations, 2018, the Company obtains a quarterly Reconciliation of Share Capital Audit Report from a Practising Company Secretary. The report reconciles the total issued and listed equity share capital with the aggregate of shares held in dematerialised form with NSDL and CDSL and those held in physical form, and confirms that the issued and paid-up share capital is in agreement with the total number of shares in circulation.

Unpaid / Unclaimed Dividends and Investor Education

In accordance with Section 124(6) of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, dividends remaining unpaid or unclaimed for a period of seven consecutive years are transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. In addition, shares pertaining to which dividends have remained unpaid or unclaimed for seven consecutive years are required to be transferred to the demat account of the IEPF Authority. Unclaimed dividends for the financial years, 2001-2002, 2002-03, 2003-04, 2004-05, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16, 2016-17 and 2017-18 have been transferred to the IEPF.



Report on Corporate Governance

Nodal Officer (IEPF)

In accordance with the IEPF Rules, the Company has appointed a Nodal Officer, the details of whom are provided below. The same are also hosted on the Company's website at <https://investor.nucleussoftware.com/contact-ir/>

Nodal officer :

Mrs. Poonam Bhasin

Company Secretary & Compliance Officer

Email: poonam@nucleussoftware.com

Tel: +91-120-4031400

Reminder letters & Notice published by the Company prior to transfer of shares to IEPF

In accordance with the IEPF Rules, the Company notifies shareholders whose shares are due for transfer to the IEPF at least three months in advance through communications sent to their latest available addresses and by publishing notices in widely circulated English and regional language newspapers. As an additional measure, the Company sends reminder letters to shareholders for claiming unpaid or unclaimed dividends to help avoid the transfer of dividends and corresponding shares to the IEPF.

Dispute Resolution Mechanism at Stock Exchanges

To facilitate resolution of investor grievances, SEBI has enabled shareholders to avail arbitration through BSE and NSE in cases involving delays or defaults in processing investor service requests by the Company or its RTA.

Online Dispute Resolution (ODR) Mechanism

Pursuant to SEBI circulars issued from time to time, shareholders are advised to first approach the Company or its Registrar and Share Transfer Agent (RTA) for redressal of grievances. In case the response is not received or is not satisfactory, complaints may be lodged through the SEBI Complaints Redress System (SCORES) and/or with the Stock Exchanges.

After exhausting all the above available options for resolution of the grievance, Shareholders may also avail the Online Dispute Resolution (ODR) mechanism through the ODR Portal (<https://smartodr.in/login>) in accordance with the applicable SEBI framework.

The Online Dispute Resolution (ODR) mechanism serves as an additional avenue for resolution of disputes that remain unresolved despite exhaustion of the available grievance redressal mechanisms. Shareholders are advised to invoke the ODR process as a measure of last resort. Matters that are sub judice shall not be referred through the ODR mechanism.

Green Initiatives by the Ministry of Corporate

The Company continues to support the 'Green Initiative' introduced by the Ministry of Corporate Affairs, Government of India, which promotes electronic communication with shareholders through their e-mail addresses registered with the Depository Participants and the Registrar and Share Transfer Agent. In line with this initiative and its commitment to sustainable and environmentally responsible practices, the Company has continued to disseminate the Integrated Annual Report for the year in electronic form to the registered e-mail addresses of its shareholders.

Depository Receipts / Global Depository Receipts / Warrants

As on March 31, 2026, the Company had no outstanding American Depository Receipts (ADRs), Global Depository Receipts (GDRs), warrants, or any other convertible instruments. Accordingly, there was no dilution or likely impact on the Company's equity share capital during the financial year 2025-26.

Other Useful Information for Shareholders

Restricted Stock Option Scheme (RSU)

On May 07, 2026, Shareholders of Nucleus Software Exports Limited ("Parent Company"), upon approval of the Board of Directors of the Company and recommendation of the Nomination and Remuneration/Compensation Committee ("NRC"), have approved "Nucleus Software RSU Scheme-2026" ("Scheme")



The Scheme is implemented and administered by the NRC. The NRC members shall grant the eligible employees and directors of the Company including its subsidiary company, in India or outside India, and to such persons as may, from time to time, be allowed to be eligible for the benefits of the Scheme such number of restricted stock units ("RSUs") exercisable into not more than 10,00,000 (Ten Lakhs) equity shares of face value ₹ 10/- each.

Each RSUs shall vest into one equity share as per the terms and conditions mentioned in the Scheme at an exercise price of ₹ 10 per share.

During the year under review, the Company did not provide any loans to employees for the purchase of Company shares.

Reasons for Pledge

There has been no pledging of shares by the Promoters/ Promoter Group.

In case securities of the Company are suspended from trading, reasons thereof

During the year, no securities of the Company were suspended from trading.

Address For Correspondence

All correspondence by Members should be forwarded to the Company's RTA, M/s. KFin Technologies Limited or to the Company at the following addresses.

KFin Technologies Limited

CIN: L72400MH2017PLC444072

Unit – Nucleus Software Exports Limited

Selenium Building, Tower-B, Plot No 31 & 32,
Financial District, Nanakramguda, Serilingampally,
Hyderabad, Rangareddy, Telangana, India - 500 032.

Toll Free no.: 1800 309 4001

E-mail: einward.ris@kfintech.com

Investor Support Centre: <https://kprism.kfintech.com/>

KFINTECH Corporate Website: <https://www.kfintech.com>

RTA Website: <https://ris.kfintech.com>

KPRISM (Mobile Application): <https://kprism.kfintech.com/signup>

Nucleus Software Exports Limited

Investor Service Department

A-39, Sector-62, Noida 201307

Tel: +91-120-4031400

E-mail: investorrelations@nucleussoftware.com

Website: <https://investor.nucleussoftware.com/>

Compliance Officer

Mrs. Poonam Bhasin

Company Secretary & Compliance Officer

E-mail: Poonam@nucleussoftware.com

Tel: +91-120-4031400

Affirmation and Disclosure

- The Auditor's Certificate confirming compliance with the conditions of Corporate Governance, as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), is annexed as **Annexure A** forms part of this Report.
- Pursuant to Regulation 17(8) read with Part B of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the CEO/CFO Certificate is provided as **Annexure B** to the Corporate Governance Report and forms part of this Integrated Annual Report.



Report on Corporate Governance

- All Directors and members of the Management Committee have affirmed compliance with the Company's Code of Conduct as on March 31, 2026. A declaration to this effect, duly signed by the Chief Executive Officer and Managing Director in this regard is provided in **Annexure C** forms part of this Report.
- The members of the Management Committee have disclosed to the Board any transactions or relationships that may give rise to a potential conflict of interest with the Company. During the financial year under review, there were no material financial or commercial transactions between the Company and any member of the Management Committee that could have had a potential conflict with the interests of the Company.
- Details of all financial and commercial transactions in which Directors may have a pecuniary interest are placed before the Board. Interested Directors abstain from participating in discussions and voting on matters in which they are concerned or interested.
- The Company has complied with the applicable requirements prescribed under Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) of the Listing Regulations.
- No funds were raised through preferential allotment or qualified institutions placement during FY 2025-26 and, accordingly, the disclosure requirements under Regulation 32(7A) of the Listing Regulations are not applicable.
- During the financial year ended March 31, 2026, neither the Company nor its subsidiaries granted any loans or advances to firms, companies, or other entities in which Directors are interested.
- The Company has complied with all applicable mandatory requirements relating to Corporate Governance under the Listing Regulations. There were no instances of non-compliance with the requirements specified under sub-paras (2) to (10) of Part C of Schedule V of the Listing Regulations.
- The Company has not been informed of any agreement falling within the scope of Regulation 30A(1) read with Clause 5A of Paragraph A of Part A of Schedule III of the Listing Regulations. Accordingly, no disclosure is required in this regard.
- In compliance with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management Discussion and Analysis Report is presented as a separate section of this Integrated Annual Report.
- No credit rating taken by the Company during the Financial Year under Review.



Annexure A

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Nucleus Software Exports Limited
33-35, Thyagraj Nagar Market
New Delhi -110003

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Nucleus Software Exports Limited** having CIN: **L74899DL1989PLC034594** and having registered office at 33-35, Thyagraj Nagar Market, New Delhi -110003 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with the Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and the respective Directors, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on March 31, 2026 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S. No.	DIN	Name of Director	Initial Date of Appointment	Date of Appointment in Current Term (incl. date of re-appointment)
1.	00008412	Mr. Vishnu Rampratap Dusad	09/01/1989	01/01/2022
2.	07022867	Ms. Ritika Dusad	20/07/2016	07/08/2025
3.	08719754	Mr. Parag Bhise	16/03/2020	31/07/2025
4.	08801422	Mrs. Yasmin Javeri Krishan	30/07/2020	30/07/2025
5.	01202587	Mr. Shekar Viswanathan	12/02/2024	12/02/2024
6.	06452437	Mr. Prakash Chandra Kandpal	12/02/2024	12/02/2024
7.	07619691	Mr. Nitin Ramesh Gokarn	10/02/2026	10/02/2026

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For PI & Associates,
Company Secretaries**

**Sd/-
Nitesh Latwal
Partner**

ACS No.: A32109

C P No.: 16276

UDIN: A032109H000373714

**Date: May 21, 2026
Place: New Delhi**



Report on Corporate Governance

Annexure B

CERTIFICATION BY CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) OF THE COMPANY PURSUANT TO REGULATION 17(8) AND SCHEDULE V OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To,
The Board of Directors
Nucleus Software Exports Limited

We, Parag Bhise, Chief Executive Officer (CEO) & Executive Director and Ashok Kumar Bhura, Chief Financial Officer (CFO), of Nucleus Software Exports Limited ("**the Company**"), to the best of our knowledge and belief, certify that:

1. We have reviewed the financial statements for the Quarter & Financial Year ended March 31, 2026, along with its schedules and notes on accounts, as well as the cash flow statements;
 - i. These statements do not contain any untrue statements of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, misleading with respect to the statements made;
 - ii. These financial statements, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report, and are in compliance with the existing accounting standards and applicable laws and regulations;
2. Based on our knowledge and information, no transactions entered into by the Company during the period, are fraudulent, illegal or violative of the Company's code of conduct.
3. We are responsible for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee of the Company's Board of Directors, deficiencies in the design or operation of internal controls and steps proposed to be taken to rectify these deficiencies.
4. We have disclosed, based on our most recent evaluation, to the Company's Auditors and the Audit Committee of the Company's Board of Directors:
 - i. Significant changes in internal control over financial reporting during the period, if any;
 - ii. significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Date: May 21, 2026
Place: Noida

Sd/-
Parag Bhise
Chief Executive Officer and Executive Director

Sd/-
Ashok Kumar Bhura
Chief Financial Officer



Annexure C

DECLARATION BY CEO REGARDING COMPLIANCE WITH THE COMPANY'S CODE OF CONDUCT

I, Parag Bhise, Chief Executive Officer (CEO) & Executive Director of Nucleus Software Exports Limited ("the Company") confirm that the Company has adopted a Code of Conduct ("Code") for its Board Members and senior management personnel and the Code is available on the Company's Website.

I, further confirm that the Company has in respect of the financial year ended March 31, 2026, received from its Board members as well as senior management personnel affirmation as to compliance with the Code of Conduct.

Date: May 21, 2026
Place : Noida

Sd/-
Parag Bhise
CEO and Executive Director



Shareholders' Referencer

A. Corporate

- Nucleus was incorporated in New Delhi in 1989 as Nucleus Software Exports Private Limited, as per the Indian Companies Act, 1956. The Company became a Public Limited Company in 1994.
- The Company made an IPO in August 1995. 11,68,900 equity shares, face value ₹ 10/-each were issued to Indian public at a premium of ₹ 40/- per share and 3,31,500 equity shares, face value ₹ 10/-each, were issued to Non-Resident Indians at a premium of ₹ 50/- per share.
- History of Bonus issues at Nucleus is as follows:

Allotment Date	Ratio	No. of Shares
September 24, 1994	60:1	8,76,000
December 27, 1994	57:100	5,76,270
October 22, 2001	1:2	26,37,050
August 10, 2004	1:1	80,45,406
August 8, 2007	1:1	1,61,82,312

- The Company's Registered Office is situated at 33-35, Thyagraj Nagar, New Delhi-110003, India and Corporate office at A-39, Sector 62, Noida 201 301, India.

B. Preferential Issue

The Company had allotted 1,875,500 equity shares of ₹ 10/- each on preferential basis to the promoter/ associates and permanent employees of the Company at a price of ₹ 103.15/- per share inclusive of share premium on June 22, 2001.

C. Buyback of Equity Shares

- During FY 2021-22, the Company completed the Buyback of 22,67,400 equity shares, representing 7.81% of its total paid-up equity share capital, at ₹ 700 per equity share, for an aggregate consideration of ₹ 158.72 crore.
- During FY 2024-25, the Company completed the Buyback of 4,48,018 equity shares, representing 1.67% of its total paid-up equity share capital, at ₹ 1,615 per equity share, for an aggregate consideration of ₹ 72.35 crore.

D. Share Related Data

- Shares of Nucleus are listed on The National Stock Exchange of India Limited and BSE Ltd.
- SYMBOL of Nucleus on NSE is NUCLEUS and Scrip code on BSE is 531209. The Company's shares are traded in "Group B" category at the BSE Ltd.
- International Securities Identification Number (ISIN code- NSDL and CDSL) is INE096B01018.
- Face value of the Company's equity shares is ₹ 10.
- Shares of the Company are compulsorily traded in demat form.

E. Share Transfer System:

Pursuant to the amendments in SEBI Listing Regulations, the Company is not processing any requests for transfer of securities in physical form.

Further, all requests for transmission, transposition, issue of duplicate share certificate, claim from unclaimed suspense account, renewal / exchange of securities certificate, endorsement, sub-division / splitting of securities certificate and consolidation of securities certificates / folios are being processed only in demat form. In such cases, the Company issues a letter of confirmation, which needs to be submitted by the shareholder to the Depository Participant to get credit of these securities in his / her demat account.



F. Dividend Related Data

I. Dividend Recommended for FY 26

The Board of Directors at their meeting held on May 21, 2026 has recommended a Final Dividend of ₹ 12.50 per share (on equity share of par value of ₹10 each). The Proposed Final Dividend is subject to the approval of shareholders at the forthcoming Annual General Meeting.

II. Dividend History

The Dividend declared and paid in the previous financial years is given below:

Financial Year	Dividend		
	Percentage (%)	Per Share (in ₹)	Pay out (In ₹ crore)
2024-25	125%	12.50	32.90
2023-24	125%	12.50	33.47
2022-23	100%	10.00	26.77
2021-22	70%	7.00	18.74
2020-21	60%	6.00	17.42
2020-2021 (Interim)	30%	3.00	8.71
2018-19	90%	9.00	26.13
2017-18	80%	8.00	23.23
2016-17	50%	5.00	16.19
2015-16	50%	5.00	16.19
2014-15	50%	5.00	16.19
2013-14	60%	6.00	19.44
2012-13	30%	3.00	9.72
2011-12	25%	2.50	8.10
2010-11	25%	2.50	8.10
2009-10	25%	2.50	8.10
2008-09	25%	2.50	8.09
2007-08*	30%	3.00	9.71
2006-07	35%	3.50	5.64
2005-06	35%	3.50	5.64
2004-05*	25%	2.50	4.02
2003-04	25%	2.50	2.01
2002-03	20%	2.00	1.58
2001-02	20%	2.00	1.58
2000-01	20%	2.00	0.68

(* The dividend payout in 2004-05 and 2007-08 was on the enhanced capital consequent to 1:1 bonus issue made during the respective years.)

Note:

1. The Board had not recommended any Dividend prior to FY 2000-2001.
2. For FY 2019-20, there was no Dividend declared by the Company.

III. Special Remittance

During the year, the Company undertook special remittance exercise to credit unclaimed dividends directly to the updated bank accounts of Shareholders. This proactive initiative facilitated the timely receipt of dividends by Shareholders and helped reduce the amount of unclaimed dividends.



Shareholders' Referencer

IV. Investor Education & Protection Fund (IEPF)

As per Section 124(5) and 124(6) of the Act read with the IEPF Rules as amended, any dividend which remains unpaid or unclaimed for a period of seven years, shall be transferred by the Company to the IEPF fund.

Also, all shares in respect of which dividend has remained unpaid/unclaimed for seven consecutive years or more are required to be transferred to an IEPF Demat Account.

V. Mandatory KYC Updation

Shareholders are requested to update KYC details in order to receive timely payment of dividend(s) and avoid any withholding of dividend(s).

Unclaimed dividends for the financial years, 2001-2002, 2002-03, 2003-04, 2004-05, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16 2016-17 and 2017-18 have been transferred to the IEPF.

The dates for declaration of dividend for each financial year and due dates for transfer to IEPF Account is mentioned herein below:

Financial Year	Date of Declaration of Dividend	Last date for claiming unpaid Dividend	Due date for transfer to IEPF
2018-19 (Final)	July 08, 2019	July 07, 2026	August 06, 2026
2020-21 (Interim)	July 30, 2020	July 29, 2027	August 28, 2027
2020-21 (Final)	July 23, 2021	July 22, 2028	August 21, 2028
2021-22 (Final)	July 08, 2022	July 07, 2029	August 06, 2029
2022-23 (Final)	July 14, 2023	July 13, 2030	August 12, 2030
2023-24 (Final)	July 15, 2024	July 14, 2031	August 13, 2031
2024-25 (Final)	July 28, 2025	July 28, 2032	August 27, 2032

Shareholders who have not encashed their dividend warrant(s) relating to one or more of the financial year(s) are requested to claim such dividend from Registrars of the Company at the following address:

Kfin Technologies Ltd.

Karvy Selenium Tower B, Plot number 31 & 32,
Financial District, Nanakramguda, Serilingampally Mandal,
Hyderabad – 500032, India
Tel: 040-4067162222/18003094001 | E-mail: einward.ris@kfintech.com

VI. Process for claiming dividends/shares from IEPF

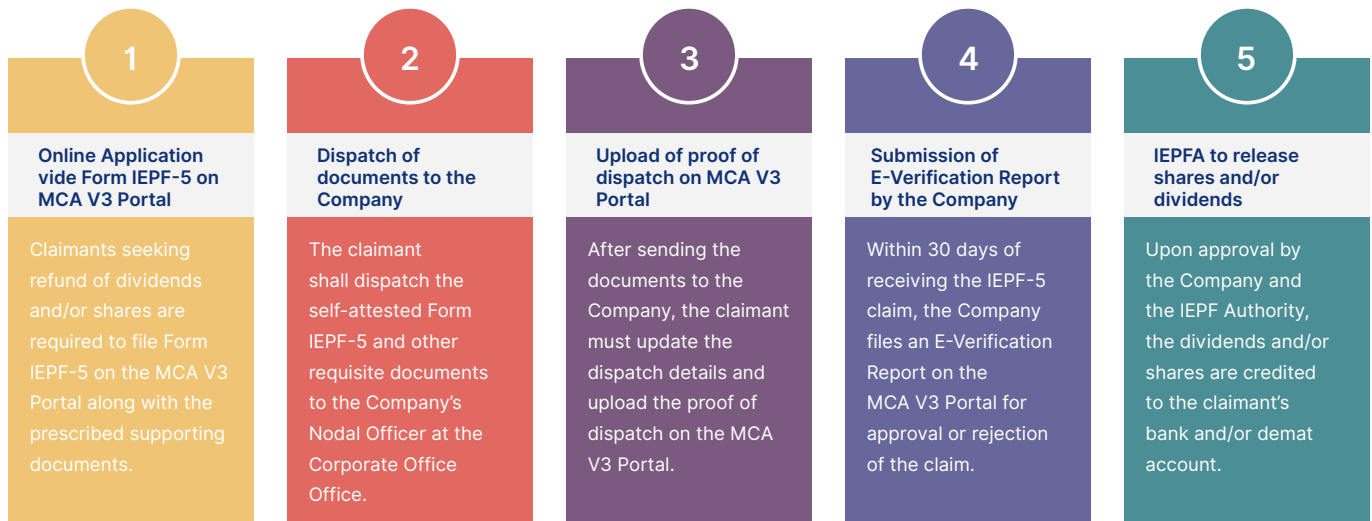
- The claims process starts with approaching the Company for Entitlement Letter, which forms the basis of claims submission to IEPF.

Members/claimants whose dividends and/or shares have been transferred to the IEPF are required to first approach the Company or its Registrar and Transfer Agent (RTA) with the requisite documents, including KYC documents and other supporting documents, as applicable. Upon verification and receipt of complete documentation, the Company/RTA issues an Entitlement Letter, which enables the member/claimant to initiate the process for reclaiming shares and dividends from the IEPF Authority.

- Process for reclaiming the dividends / shares from the IEPF Authority

Post obtaining the Entitlement Letter from the Company/its RTA, Members/Claimants can reclaim the dividends/shares from the IEPF Authority after complying with the prescribed procedures.

The detailed procedure for reclaiming shares and dividends from the IEPF Authority is illustrated below.



G. Shareholder's

(i) Rights of Shareholder(s)

As per Regulation 4(2)(a) of Listing Regulations, as amended, the rights of Shareholders are as under:

- to participate in, and to be sufficiently informed of, decisions concerning fundamental corporate changes.
- participate effectively and exercise voting rights at general meetings;
- receive information regarding the rules and voting procedures governing general meetings;
- opportunity to ask questions to the Board of Directors, to place items on the agenda of general meetings, and to propose resolutions, subject to reasonable limitations.
- participate effectively in key corporate governance decisions, including the nomination and election of Directors;
- exercise ownership rights on an equitable basis, including those of institutional investors;
- have access to adequate mechanisms for redressal of shareholder grievances;
- receive protection against abusive actions by controlling shareholders and have access to appropriate remedies;
- receive corporate benefits, such as dividends, bonus issues and rights issues, in a timely manner, as declared or approved;
- receive shareholder communications, including the Annual Report and notices of general meetings and postal ballots, in a timely manner;
- initiate appropriate legal proceedings, including class action suits, where warranted; and approach the SEBI Complaints Redress System (SCORES) and/or avail the dispute resolution mechanism of the Stock Exchanges in respect of unresolved grievances.

(ii) No Special Rights to any Shareholder(s)

The Company ensures equitable treatment of all shareholders and has not granted any special rights to any shareholder. Further, during the year, the Company did not undertake any transaction or action that could be prejudicial to the interests of minority shareholders.

(iii) Timely, accessible and comprehensive information for all shareholder meetings

The Company believes that informed shareholders are integral to its long-term success. Accordingly, all relevant information relating to shareholder meetings held during FY 2025-26 was disseminated in a timely, comprehensive, and easily accessible manner.



Shareholders' Referencer

(iv) Investor Grievance Redressal Mechanism

The Company firmly believes that a robust and transparent framework for addressing investor grievances is essential to fostering investor confidence and ensuring effective stakeholder engagement. Accordingly, the Company has established a structured grievance redressal mechanism to facilitate the timely and effective resolution of investor concerns. The escalation process for addressing investor grievances is illustrated in the flow chart below.





H. Initiatives by the IEPF for Shareholders/Claimants



The Investor Education and Protection Fund (IEPF) Authority can now be reached through its Interactive Voice Response System (IVRS) and Call Centre support by dialing 14453. The IVRS facility is available round the clock, seven days a week, while Call Centre support is available from 9:30 a.m. to 5:30 p.m., Monday through Friday.



The Investor Education and Protection Fund (IEPF) Authority has launched 'Niveshak Sunwai', a dedicated initiative aimed at addressing the queries and concerns of claimants across India. The initiative seeks to provide direct assistance and facilitate the resolution of claim-related issues, ensuring that claimants receive the necessary support in a timely manner. For further details, claimants are advised to visit the IEPF Authority's website at www.iepf.gov.in.



The '100 Days Campaign - Saksham Niveshak' launched by the IEPF Authority, where in the Company actively participated as part of this initiative. The Company facilitated KYC updation, dematerialisation of shares, and claiming of unpaid dividends through shareholder communications and newspaper advertisements.

I. Investor Services: Designated e-mail Address for Investor Services

In terms of Regulations 13 and 46 of the SEBI (LODR) Regulations, 2015, the designated e-mail address for investor complaints is investorrelations@nucleussoftware.com.



Risk Management Report

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

The Company strives to achieve an appropriate balance between business growth and risk management, and continue to build, enhance, and evolve the risk management framework which enables us to achieve its business strategies with minimal risk exposures and impact. The systematic and proactive identification of risks, and mitigation thereof, enables the organization to boost performance with effective and timely decision-making.

The ERM framework encompasses all the Company's risks, such as Strategic and Business Risk, financial, reputation, operational, legal & compliance risks etc. Any of these categories can have internal or external dimensions. Hence,

appropriate risk indicators are used to identify these risks proactively. The Company takes cognizance of risks faced by its key stakeholders and their cumulative impact while framing its risk responses.

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

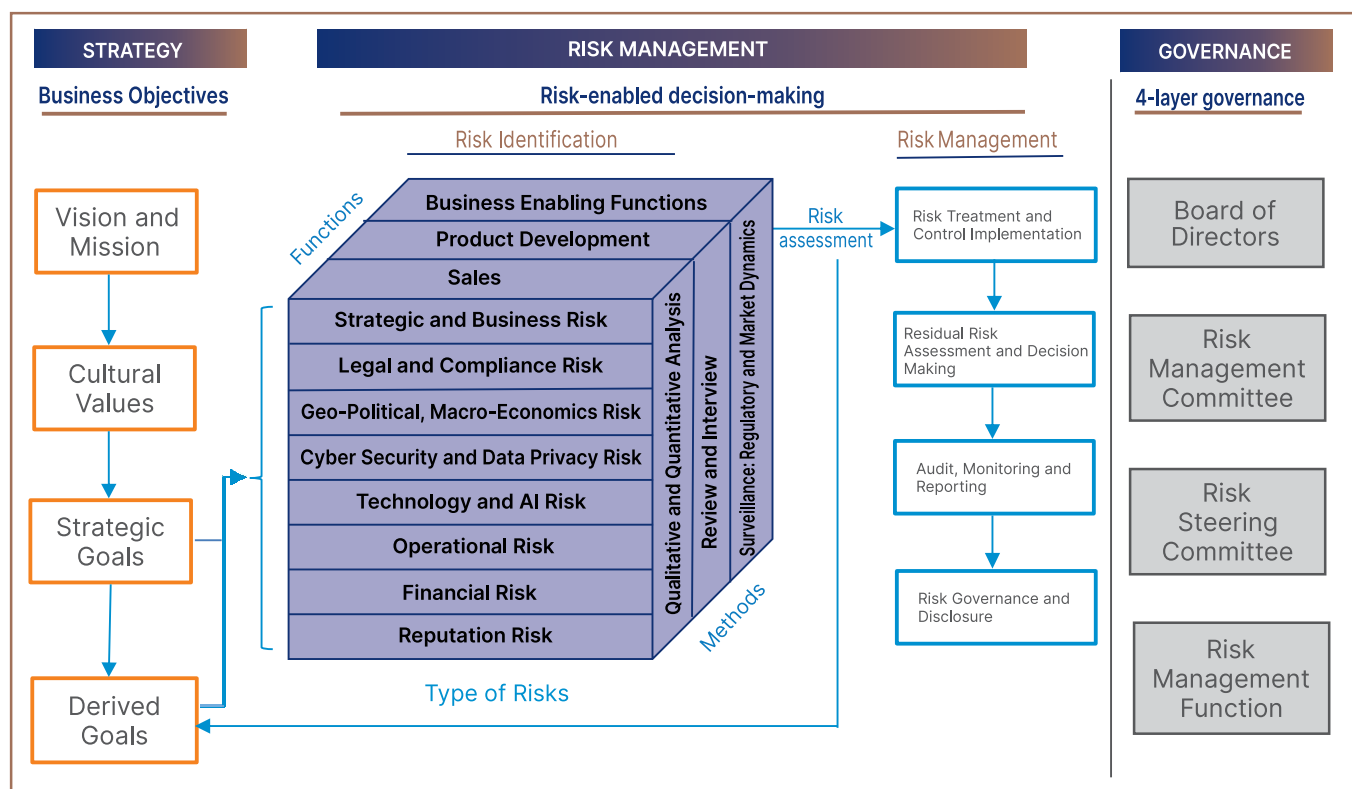
- Alignment to Strategic Objectives
- Alignment to Regulatory Compliance
- Alignment to Clients' need
- Alignment to Employees' need

This is achieved through:

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

Enterprise Risk Management Framework:

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





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

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

1. 1st Line of Defence:

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

2. 2nd Line of Defence:

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

3. 3rd Line of Defence:

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

The governance structure of the Risk Management is as below:

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

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

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

While the Company monitors a broad range of enterprise risks, the following represent some of the key focus areas, along with the corresponding mitigation strategies adopted to manage them:

a. **Strategic and Business Risk**

Rapid technological evolution, changing banking industry requirements, increasing competition from fintechs and digital-native solution providers, and inability to align product offerings with market needs may impact revenue growth, customer acquisition, customer retention, and long-term business objectives.

The Company continuously evaluates market trends, emerging technologies, client requirements, and competitive developments to align its product roadmap and strategic priorities. Regular investments in innovation, product enhancement, strategic partnerships, and diversification across geographies and customer segments support sustainable growth and business resilience.

b. **Legal and Compliance Risk**

Non-compliance with applicable laws, regulations, contractual obligations, data privacy requirements, and industry-specific standards may result in regulatory actions, financial penalties, litigation, loss of business opportunities, and reputational damage.

The Company maintains a comprehensive compliance framework supported by periodic legal assessments, regulatory monitoring, policy



Risk Management Report

governance, employee awareness programs, and independent reviews. Compliance requirements across jurisdictions are continuously monitored to ensure timely implementation of necessary controls.

c. Geopolitical and macroeconomic Risk

Geopolitical uncertainties, economic downturns, inflationary pressures, foreign exchange volatility, and changes in banking sector investment priorities may adversely affect customer spending, technology investments, project pipelines, and overall business performance.

The Company regularly assesses geopolitical and macroeconomic developments through structured risk reviews. Geographic diversification, a balanced customer portfolio, prudent cost management, and strong customer engagement practices help mitigate the impact of external uncertainties.

d. Technology and AI Risk

Technology disruptions, cybersecurity incidents, inadequate adoption of emerging technologies, inappropriate use of Artificial Intelligence, system outages, or product vulnerabilities may affect service availability, data security, regulatory compliance, and customer confidence.

The Company invests in technology modernization, cybersecurity programs, secure software development practices, AI governance frameworks, and continuous monitoring of emerging technology trends. Regular security assessments, vulnerability management, and data protection controls support the secure delivery of products and services. While Company keeps monitoring these risks along with their associated mitigation plans, there is key focus on Cyber Security Risk and Data Privacy as below:

i. Cyber Security Risks

The risks of cyber-attacks are emerging as complex, high impact and high probability risks due to fast-evolving nature of the threat. This risk has potential to bring multi-dimensional impacts, including but not limited to Business continuity and growth, Reputational, and Legal Impact.

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

covered a considerable distance to ensure that it remains proactive and protected from emerging cybersecurity threats.

From a cybersecurity architecture standpoint, Nucleus Software upholds the following key principles:

1. Défense in depth
2. Segregation of duty
3. Principle of least privilege
4. Security by default, security by design, and security by deployment.

During this Journey, Nucleus has onboarded all the key essential cyber security solutions, including tools and technology, to ensure we stay ahead of adversaries. Some of the examples are outlined below.

- o Security Operations Centre (SOC)- 24*7 monitoring of digital assets to detect and respond to actionable incidents within defined SLAs.
- o Zero Trust Access
- o Cyber Threat Intelligence (CTI)- Attack surface, Deep and dark web monitoring along other key aliment of Cyber threat Intelligence services.
- o M365 E5 Security (comprehensive security bundle)
- o Endpoint and Server Security (world's best EDR solution)
- o Perimeter and Internal Network Defence (including next-generation firewall)
- o Privileged Access Management (PAM)
- o Internal and External Audit and Risk assessment
- o Vulnerability Management Program (VM)
- o Backup and Restoration Strategy Implementation.
- o Data Leakage Prevention and web security
- o Adoption on Encryption technology to protect data in Transit, data in motion and data at Rest.
- o Comprehensive RED Teaming/ Penetration Testing
- o Digital Forensic Response Retainer services.



The Company continues to remain vigilant on the potential threats and have taken additional steps to ensure that there are enough safeguards to maintain security and confidentiality of the data. Connectivity to the employees to enable work from home has been allowed via highly secured Zero Trust Network Access (ZTNA).

Comprehensive background verification is conducted for all the associates. Continuous awareness sessions are arranged for the associates advising them about the fast-evolving challenges and risks related to Cyber and Info Security. This is also backed by comprehensive and continuously enhanced processes and practices, tools, and platforms.

ii. Data Privacy Risk

The protection of personal data is of utmost significance and remains a key concern for the clients and other stakeholders. As the organizations increasingly process large amount of personal data and hence remain exposed to evolving piracy and data protection risks, governments across the globe are enacting stringent privacy laws to ensure personal data are protected.

Nucleus Software is continuously working to strengthen its internal controls for the protection of personal data to ensure effective data governance including limited acquisition and use, as well as appropriate retention and disposition. The effectiveness and efficiency of the data privacy measures and controls are periodically self-assessed to identify improvement opportunities and strengthen the overall control environment.

e. Operational Risk

Failures in internal processes, project execution, service delivery, third-party dependencies, cloud infrastructure availability, or human errors may result in operational disruptions, project delays, contractual exposures, and reduced customer satisfaction.

The Company maintains a robust operational control environment supported by standardized processes, quality assurance mechanisms, business continuity planning, disaster recovery capabilities, vendor governance, and periodic control assessments to ensure efficient and reliable operations.

f. Financial Risk

Foreign exchange fluctuations, delays in customer collections, adverse market conditions etc. may impact revenue, profitability, and cash flows.

The Company monitors key financial exposures through periodic reviews of receivables, cash flows, customer creditworthiness, and business performance to support informed decision-making and financial stability.

g. Reputation Risk

Service disruptions, cybersecurity incidents, product quality concerns, or adverse customer experiences may negatively impact customer trust, brand value, and future business opportunities.

The Company actively monitors customer feedback through Net Promoter Score (NPS), Voice of Customer (VoC) programs, and regular client engagements. Insights derived from these mechanisms are leveraged to drive continuous improvement in products, services, and overall customer experience.

h. Other Risk Areas

Executive leadership of Nucleus Software has been continuously connecting with all the associates to ensure the perfect alignment between its vision and its associates

Succession planning for the top leadership positions in each business unit is planned / driven and reviewed by senior management. Extending the same, heads of business units carry out succession planning for key functions within their business units for Nucleus to have strong teams and right talent across all the levels from top to junior most levels.



Business Responsibility & Sustainability Report

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1	Corporate Identity Number (CIN) of the Listed Entity	L74899DL1989PLC034594
2	Name of the Listed Entity	Nucleus Software Exports Limited
3	Year of incorporation	1989
4	Registered office address	33-35, Thyagraj Nagar, New Delhi-110003
5	Corporate address	A-39, Sector 62, Noida- 201301
6	E-mail:	poonam@nucleussoftware.com
7	Telephone	0120-4031-400
8	Website	www.nucleussoftware.com
9	Financial year for which reporting is being done	FY 2025-26
10	Name of the Stock Exchange(s) where shares are listed	BSE Limited (BSE) National Stock Exchange of India Limited (NSE)
11	Paid-up Capital	₹ 26.33 Crore
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mrs. Poonam Bhasin, Company Secretary and Compliance Officer 0120-4031-400 poonam@nucleussoftware.com
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	The disclosures under this report made are on a standalone basis.
14	Name of assurance provider	NA
15	Type of assurance obtained	NA

II. Products/services

16. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Information and communication (J6 and J8)	Computer programming, consultancy, and related activities & other information & communication service activities, IT software, services, and related activities	100%

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total contributed Turnover
1.	IT and IT-enabled services including IT consulting, application	620	100%



III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	NA	5	5
International	NA	2	2

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	PAN India
International (No. of Countries)	50+

b. What is the contribution of exports as a percentage of the total turnover of the entity?

36.71%

c. A brief on types of customers

Nucleus Software primarily serves banks, financial institutions, non-banking financial companies (NBFCs), fintech companies, and corporate banking entities across domestic and international markets.

Its customer base includes:

- Retail and commercial banks
- Corporate and SME lenders
- Islamic financial institutions
- Automotive and captive finance companies
- Transaction banking and treasury operations
- Digital financial service providers

The Company supports customers across multiple financial services areas including lending, transaction banking, payments, cash and liquidity management, and digital banking.

Nucleus Software's platforms are deployed across 50+ countries and support both large-scale global institutions and regional financial organizations operating in complex, high-volume financial ecosystems.

Through its platforms, including FinnOne Neo® and FinnAxia®, the Company enables customers to strengthen operational efficiency, improve risk management, accelerate credit and payment processes, and enhance end-customer experiences through scalable and technology-led financial solutions.

IV. Employees

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		No. (C)	Female
			No. (B)	% (B / A)		% (C / A)
EMPLOYEES						
1.	Permanent (D)	1,902	1,432	75%	470	25%
2.	Other than Permanent (E)	52	44	85%	8	15%
3.	Total employees (D + E)	1,954	1,476	76%	478	24%
WORKERS						
4.	Permanent (F)	-	-	-	-	-
5.	Other than Permanent (G)	-	-	-	-	-
6.	Total workers (F + G)	-	-	-	-	-



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b. Differently abled Employees and workers:

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

21. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors (BOD)	7	2	28.57%
Key Management Personnel (KMP)*	4	1	25%

- Key Management Personnel (KMP) includes Managing Director (MD), Chief Executive Officer (CEO), Chief Financial Officer (CFO), and Company Secretary (CS).

22. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

Particulars	FY 2026 (Turnover rate in current FY)			FY 2025 (Turnover rate in previous FY)			FY 2024 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	10%	9%	10%	8%	9%	9%	10%	13%	11%
Permanent Workers	-	-	-	-	-	-	-	-	-

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding/ subsidiary/ associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Nucleus Software Solutions Pte. Ltd.	Subsidiary	100%	No
2.	Nucleus Software Inc.	Subsidiary	100%	No
3.	Nucleus Software Japan Kabushiki Kaisha	Subsidiary	100%	No
4.	Nucleus Software Netherlands B.V.	Subsidiary	100%	No
5.	Nucleus Software Ltd.	Subsidiary	100%	No
6.	Nucleus Software Australia Pty. Ltd.	Subsidiary	100%	No
7.	Nucleus Software South Africa Pty. Ltd.	Subsidiary	100%	No
8.	Nucleus Software Vietnam Company Limited	Subsidiary	100%	No



VI. CSR Details

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

- (i) Turnover (in Crores) – ₹ 805.97 Crores
- (ii) Net worth (in Crores) – ₹ 874.66 Crores

VII. Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2025-26 Current Financial Year			FY 2024-25 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes. https://investor.nucleussoftware.com/media/qubasg0x/csrapolicynucleus.pdf	Nil	Nil	Nil	Nil	Nil	Nil
Investors (other than shareholders)	NA	NA	NA	NA	NA	NA	NA
Shareholders	Yes, Shareholder can register their grievances at designated email Id i.e. investorrelations@nucleussoftware.com	Nil	Nil	Nil	23	Nil	Nil
Employees and workers	The Company has following policies to address grievance of employees i.e. -Employees Grievance Redressal Policy -Whistle Blower policy -Policy on Prevention of Sexual Harassment. -Code of Conduct, -Equal Employment Opportunity Policy The link to the said policies is https://investor.nucleussoftware.com/governance/governance-documents/	Nil	Nil	Nil	Nil	Nil	Nil
Customers	The "Voice of Customer" survey enables us to understand the client's expectations, needs, satisfaction levels and overall experience of working with the Company. The feedback is collected through a survey, which includes a structured questionnaire. The respective teams engage with the customer to resolve the complaints/ grievances and implement the improvement actions and can reach us at voc@nucleussoftware.com	Nil	Nil	Nil	Nil	Nil	Nil
Value Chain Partners	Yes, mechanism is in place for vendors as mentioned in our Whistle Blower Policy. The link to the Whistle Blower Policy at https://investor.nucleussoftware.com/governance/governance-documents/	Nil	Nil	Nil	Nil	Nil	Nil
Other (please specify)	-	-	-	-	-	-	-

26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format :

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



Business Responsibility & Sustainability Report

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions			P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9								
Policy and management processes																			
1.	a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)		Y	Y	Y	Y	Y	Y	Y	Y	Y								
	b. Has the policy been approved by the Board? (Yes/No)		Y	Y	Y	Y	Y	Y	Y	Y	Y								
	c. Web Link of the Policies, if available		https://investor.nucleussoftware.com/governance/governance-documents/																
2.	Whether the entity has translated the policy into procedures. (Yes / No)		Y	Y	Y	Y	Y	Y	Y	Y	Y								
3.	Do the enlisted policies extend to your value chain partners? (Yes/No)		N	N	N	N	N	N	N	N	N								
4.	Name of the national and international codes/certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.		-ISO/IEC:27001:2022																
5.	Specific commitments, goals and targets set by the entity with defined timelines, if any.		NA	NA	NA	NA	NA	NA	NA	NA	NA								
6.	Performance of the entity against specific commitments, goals and targets along-with reasons in case the same are not met.		NA	NA	NA	NA	NA	NA	NA	NA	NA								
Governance, leadership and oversight																			
7.	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements		Please refer ESG section at Company website www.nucleussoftware.com																
8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).		Board of Directors of the Company along with Executive Management.																
9.	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.		Yes, the Company has committee of Board of Directors i.e., Risk Management Committee responsible for risk management, making decisions on sustainability issues. The Managing Director and CEO & Executive Director are responsible for decision making on sustainability related issues.																
10.	Details of Review of NGRBCs by the Company:																		
	Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee								Frequency (Annually / Half yearly / Quarterly / Any other – please specify)									
		P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
	Performance against above policies and follow up action	The annual evaluation of policies is conducted by key stakeholders. The policies, along with any revisions, are subsequently uploaded at Company's Intranet or website for wider accessibility. The relevant policies are being reviewed by Board of Directors/ Committees of the Board.								Annual where applicable									



	Compliance with statutory requirements of relevance to the principles and, rectification of any non-compliances	The Compliance management framework is in place to oversee regulatory compliances as applicable to the Company. Regular Audits are being conducted to check any non-compliance and taking corrective actions. The Compliance update is placed before Board/Committee on quarterly basis.	Quarterly where applicable								
11.	Has the entity carried out independent assessment/evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.		P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
			No, the Company has evaluated the working of its policies internally. However, these policies are reviewed during Internal and Secretarial audits.								

12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles material to its business (Yes/No)	NA								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programs on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% age of persons in respective category covered by awareness programmes
Board of Directors	15	Cyber Security Awareness Training, Hoshin Kanri Update, Risk Update, AI Training	100%
Key Managerial Personnel	18	Cyber Security Awareness Training, Hoshin Kanri Update, Risk Update, AI Training, Information Security Awareness Programs, POSH Fundamentals and Illegal Insider Trading etc.	100%
Employees other than BOD and KMPs	12	Cyber Security Hygiene & Awareness Session, POSH Fundamentals – 2025, Information Security Awareness – 2025, Data Quality Management Fundamentals, Prevention of Illegal Insider Trading 2025, Code of Conduct, Risk Management, Regulatory Compliance and AI, Artificial Intelligence and Machine Learning, Six Sigma, Lean Product Management	100%
Workers	NA	NA	NA



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2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary

Type	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions preferred? (Yes/No)	Amount (In INR) and Brief of the Case	Has an appeal been preferred? (Yes/No)
(1)				
Penalty/ Fine	1	Assessment unit, Income Tax Department	Assessing officer passed the order against the Company for the AY 2022-23 wherein additions of INR 1.75 crores were made. The department has also initiated penalty proceedings	Yes, Appeal was filed against the order on 27th May 2025.
Settlement	-	-	-	-
Compounding fee	-	-	-	-
(2)				
Penalty/ Fine	1	Income Tax Department, Delhi	Assessing officer passed the order against the Company for the AY 2020-21 wherein interest demand of INR 46,382/- is raised on account of late deduction of TDS.	No
Settlement	-	-	-	-
Compounding fee	-	-	-	-

Non-Monetary

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



3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
Income tax Assessing officer passed the order against the Company for the AY 2022-23 wherein additions of INR 1.75 crores were made. The department has also initiated penalty proceedings. Appeal filed on 27th May 2025.	CIT(Appeals)

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

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

The Policy is available at Company website :

<https://investor.nucleussoftware.com/governance/governance-documents/>

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

Case Details	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Directors	-	-
KMPs	-	-
Employees	1	-
Workers	-	-

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

Particulars	FY 2025-26 (Current Financial Year)		FY 2024-25 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	NA	Nil	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMP	Nil	NA	Nil	NA

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not Applicable

8. Number of days of accounts payables (Accounts payable *365) / Cost of goods/services procured) in the following format:

Case Details	2025-26	2024-25
Number of days of accounts payables	12	9



Business Responsibility & Sustainability Report

9. Provide details of concentration of purchases and sales with trading houses, dealers and related parties along-with loans and advances & investments, with related parties in the following format:

Parameter	Metrics	2025-26	2024-25
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	Not Applicable	Not Applicable
	b. Number of trading houses where purchases	Not Applicable	Not Applicable
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	Not Applicable	Not Applicable
Concentration of Sales	a. Sales to dealers/ distributors as % of total sales	Not Applicable	Not Applicable
	b. Number of dealers/distributors to whom sales are made	Not Applicable	Not Applicable
	c. Sales to top 10 dealers/distributors as % of total sales to dealers/distributors	Not Applicable	Not Applicable
Share of RPTs in	a. Purchases (Purchases with related parties/ Total Purchases)	6%	5%
	b. Sales (Sales related parties/ Total Sales)	5%	4%
	c. Loans & advances (Loans & advances given to related parties/ Total loans & advances)	97%	91%
	d. Investments (Investments in related parties/ Total Investments made)	3%	3%

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Our agreement with the suppliers consists of supplier code of conduct which includes clauses related to ethical business, labor laws, Environment Health & Safety (EHS) etc. Additionally, Nucleus plans to develop formal programs for our value chain partners to educate them on these principles.

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes, the Board of Directors, Senior management of the Company adheres to a Code of Conduct for Directors & Senior Management of Company which expressly outline provisions addressing conflicts of interest.

PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

Particulars	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R&D	-	-	We at present do not separately track R&D spend on ESG. However, our IP and new solution offerings encompass a range of sustainability offerings across sectors.
Capex	2.17%	0.05%	The Company has replaced conventional UPS systems with modular UPS technology to improve energy efficiency and optimize power infrastructure utilization.



2. a. **Does the entity have procedures in place for sustainable sourcing? If yes, what percentage of inputs were sourced sustainably?**

Yes, The Company works towards sustainable sourcing and ensure that the social and environmental performance extends to our supply chain by sharing the expectations with our vendors from time to time. We also promote localization of business by giving preferences to local vendors. The Company is a strong believer in local sourcing when it comes to talent and materials. Procurement of materials from local sources is a smart strategy, we have been following for years, since it reduces time, cost and efforts in procurement, apart from being responsible to the growth of supply base around our locations Nucleus is committed to do business with environmentally responsible vendors with an objective to safeguard the community, the environment and natural resources.

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

We don't track this separately.

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for**

- (a) Plastics (including packaging)
- (b) E-waste
- (c) Hazardous waste
- (d) other waste

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

- **Plastic Waste:** All non-biodegradable plastic waste is sent to designated vendor for recycling or reuse.
- **E-Waste:** Disposed of compiled and registered vendors to the State Pollution Control Board after receiving Form-6 Crushed and recycle certificate.
- **Hazardous Waste:** All Hazardous waste disposed off through State Pollution Control Board authorized vendors.
- **Other Waste:** Biodegradable food waste is composted onsite, producing manure used for horticulture in the premises. Excess manure is distributed among the employees encouraging to the plantations.

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

Extended Producer Responsibility (EPR) is not applicable to the Company's activities

Leadership Indicators

1. **Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

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

2. **If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

Not Applicable

3. **Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

Nil



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4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

Not Applicable

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

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

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category		% of employees covered by									
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
		Permanent employees									
Male	1,476	1,476	100%	1,476	100%	-	-	1,476	100%	1,320	89%
Female	478	478	100%	478	100%	478	100%	-	-	438	92%
Total	1,954	1,954	100%	1,954	100%	478	100%	1,476	100%	1,758	90%
		Other than Permanent employees									
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-

- b. Details of measures for the well-being of workers: NA

Category	Total (A)	% of workers covered by								Day Care facilities	
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits			
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
		Permanent workers									
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-
Other than Permanent workers											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-

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

	FY 2025-2026 Current Financial Year	FY 2024-2025 Previous Financial Year
Cost incurred on well-being measures as a % of total revenue of the company*	0.59%	0.72%

*All expenditures related to staff welfare including Employee Insurance Benefits, Rewards, Reimbursement and Other staff related expenditures excluding salary/wages.



2. Details of retirement benefits, for Current FY and Previous Financial Year.

Particulars	FY2026 Current Financial Year			FY2025 Previous Financial Year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	NA	Y	100%	NA	Y
Gratuity	100%	NA	Y	100%	NA	Y
ESI	-	-	-	-	-	-
Others – please specify	-	-	-	-	-	-

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Premises / offices of the entity is accessible to differently abled employees as per the requirements of the Rights of Persons with Disabilities Act, 2016

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, the entity has implemented an Equal Opportunity Policy in compliance with the Rights of Persons with Disabilities (RPWD) Act, 2016. The policy ensures non-discrimination and promotes inclusivity in recruitment, employment, training, and career development for persons with disabilities. The policy is available on Company's website <https://investor.nucleussoftware.com/governance/governance-documents/>.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	100%	NA	NA
Female	100%	100%	NA	NA
Total	100%	100%	NA	NA

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

Particulars	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	NA
Other than Permanent Workers	NA
Permanent Employees	Yes
Other than Permanent Employees	Yes



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

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

7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:

Nucleus Software Exports Limited does not have any employee association(s) or Unions.

8. Details of training given to employees and workers:

Category	FY 2026 Current Financial Year					FY 2025 Previous Financial Year				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	1,954	1,591	81%	1,476	100%	1,414	1,414	100%	1,414	100%
Female				478	100%	437	437	100%	437	100%
Total	1,954	1,591	81%	1,954	100%	1,851	1,851	100%	1,851	100%
Workers										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-

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

Category	FY 2025-26 Current Financial Year			FY 2024-25 Previous Financial Year		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	1,476	1,476	100%	1,414	1,414	100%
Female	478	478	100%	437	437	100%
Total*	1,954	1,954	100%	1,851	1,851	100%
Workers						
Male	-	-	-	-	-	-
Female	-	-	-	-	-	-
Total	-	-	-	-	-	-

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

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes. The entity has implemented an Occupational Health and Safety (OHS) Management System covering all employees. As part of this system, regular health and wellness initiatives are conducted, including consultation sessions with a Physician, Psychiatrist, Gynaecologist, Nutritionist, Physiotherapist, and Dermatologist. We also organizes preventive health programs such as the celebration of International Yoga Day, a free health camp in collaboration with TATA AIG and the Stay Well Anniversary celebration. Employee well-being is further promoted



through health-focused engagement activities, including sports events, healthy eating initiatives, and wellness competitions. In addition, periodic fire drill exercises are conducted to strengthen emergency preparedness and ensure a safe working environment.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

We identify occupational health and safety risks proactively, for all existing / new / modified activities, processes, products or services and regulatory changes including routine such as Fire Detection Protection System Management, Hazard Identification, People Competency Behaviours etc.

As an IT / ITES company, there are no product risks, but there are those related to the provision of services like ergonomics in work and those associated with the operation of utilities and employee commute. Participation and consultation with relevant personnel involved in the activities is ensured during the risk assessments.

c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks.

NA

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services?

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

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

Safety Incident/Number	Category	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	Nil	Nil
	Workers	NA	NA
Total recordable work-related injuries	Employees	Nil	Nil
	Workers	NA	NA
No. of fatalities	Employees	Nil	Nil
	Workers	NA	NA
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil	Nil
	Workers	NA	NA

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

Our offices are designed with ergonomic workstations and furniture, provision of breakout, recreational and collaboration space as we strive to provide a stress-free work environment to our employees. In our office location, we have provision and maintenance of fire detection, alarm, and suppression systems. We also conduct regular mock drills for fire evacuation as well as medical emergencies.

13. Number of Complaints on the following made by employees and workers:

Category	FY 2025-26 (Current Financial Year)			FY 2024-25 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Nil	Nil	Nil	Nil	Nil	Nil
Health & Safety	Nil	Nil	Nil	Nil	Nil	Nil



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14. Assessments for the year:

Type	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

No such instance took place during the year

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

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

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

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

We require our suppliers/partners to adhere to our code of conduct, business responsibility principles, and values. When the Company places an order, the vendor receives the cost along with GST, which the vendor is responsible for depositing with the government. The finance team monitors this process, as the Company cannot claim the GST amount from the government until it has been deposited by the vendor. Additionally, the suppliers/ partners are responsible to ensure adherence to the law of land.

3. Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

Type	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2025-2026 (Current Financial Year)	FY 2024-2025 (Previous Financial Year)	FY 2025-2026 (Current Financial Year)	FY 2024-2025 (Previous Financial Year)
Employees	NIL	NIL	NIL	NIL
Workers	NA	NA	NA	NA

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

We do not offer a dedicated transition assistance program for retired or terminated employees, as our workforce primarily comprises highly skilled individuals who typically do not require such support.



5. Details on assessment of value chain partners:

Type	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	Nil
Working Conditions	Nil

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

No such cases reported.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

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

Our approach encompasses the following steps:

1.1 Internal Stakeholder Mapping

Internal stakeholder mapping is done across each department/function as follows:

- A. Core sponsors and decision Makers - P&L Head, Business Unit Head, Product Head, Engineering Head and Sales Head
- B. Gatekeepers - Finance, Procurement, Legal and Compliance, IT Security, Human Resources
- C. Operational Champions - Product Marketing, Delivery, Customer Success teams

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

1.2 External Stakeholder Identification

Externally, we identify stakeholders through:

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

1.3 Stakeholder Categorization

Based on the mapping, we categorize stakeholders into:

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



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1.4 Engagement and Feedback Mechanisms

We employ various channels to engage stakeholders:

- **Customer Feedback:** Regular surveys and direct interactions to understand client satisfaction and areas of improvement.
- **Employee Surveys:** Annual surveys to gauge employee morale and gather suggestions for workplace enhancement.
- **Investor Relations:** Quarterly earnings calls and annual general meetings to communicate financial performance and strategic direction.
- **Community Outreach:** Initiatives through the Nucleus Software Foundation (NSF) to support education and skill development in underprivileged communities.

1.5 Materiality Assessment

Sustainability items and stakeholder concerns are evaluated and prioritized on a need-basis, driven directly by regulatory compliance requirements and immediate operational impact..

1.6 Continuous Review and Adaptation

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

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Investors	Quarterly publication of results, Newspaper advertisements, Email, Website, Analysts/ Investor Calls, Annual General Meetings, Stock Exchange intimations, Social media platforms like LinkedIn and Instagram etc.	Annually/Half yearly/ Quarterly/ Event basis	Compliance, Governance practices
Employees	Open house, one-on-one counselling, Conference Calls, Online team meetings (zoom, MS teams), Phone calls, instant messaging(WhatsApp)Meetings, operations and assessments reviews, Diwali Mela, Nucleus Foundation Day, Nucleus Outing, The Nucleus Epicentre Magazine.	Regularly/as and when required	Entity's practices, compliance, and responsiveness concerning stakeholder expectations, employee welfare, and regulatory obligations
Customers	Email, Meetings, Project-related calls and meetings; project management reviews; relationship meetings and reviews; executive meetings and briefings; customer visits; responses to RFIs/RFPs; sponsored events; mailers; newsletters; brochures, voice of Customer visits and calls, Online team meetings etc.	Regularly/as and when required	Business/Project related
Suppliers, Service Providers	Email, Meetings, Phone calls, Websites empanelment process, Online team Meetings (zoom, MS teams), instant messaging etc.	As and when required	Business/Project related



Stakeholder Group	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Regulatory Bodies	Emails, Meetings, Advertisements, Submission forms / returns / intimations/ letters etc.	Annually/Half yearly/ Quarterly/ Event basis	In relation to Compliances with applicable laws
Community Outreach	CSR Initiatives through the Nucleus Software Foundation (NSF) to support education and skill development in underprivileged communities	Regularly	CSR Initiatives for society benefit

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

Meeting Environment, Social and Governance criteria has been an important goal. With this belief in mind, the Company has set up Nucleus Software Foundation(NSF), a Trust. This Trust works along with CSR Committee of the Board of Directors on economic environment and social topics. The CSR Committee then places the feedback to the Board.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes, The Company takes inputs from stakeholder and continuous improvement of the policies are made accordingly.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

Nil

PRINCIPLE 5 Businesses should respect and promote human rights

Essential Indicators

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

Category	FY 2026 Current Financial Year			FY 2025 Previous Financial Year		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	1,902	1,902	100%	1,851	1,851	100%
Other than permanent	52	52	100%	17	17	100%
Total Employees	1,954	1,954	100%	1,868	1,868	100%
Workers						
Permanent	-	-	-	-	-	-
Other than permanent	-	-	-	-	-	-
Total Workers	-	-	-	-	-	-



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

Category		FY 2026 Current Financial Year					FY 2025 Previous Financial Year			
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent	1,902	-	-	1,902	100%	1,851		-	1,851	100%
Male	1,432	-	-	1,432	100%	1,414	-	-	1,414	100%
Female	470	-	-	470	100%	437	-	-	437	100%
Other than Permanent	52			52	100%					
Male	44	-	-	44	100%	-	-	-	-	-
Female	8	-	-	8	100%	-	-	-	-	-
Workers										
Permanent										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
Other than Permanent										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-

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

Particulars	Number	Male	Number	Female
		Median remuneration/ salary/ wages of respective category		Median remuneration/ salary/ wages of respective category
Board of Directors* (BOD)	3	3,83,88,095	1	-
Key Managerial Personnel (KMP)**	2	30,55,061#	1	76,01,120
Employees other than BOD and KMP	1,559	16,79,683	499	14,31,884
Workers	-	-	-	-

*Remuneration paid to Executive Director's.

**KMP includes Chief Financial Officers and Company Secretary.

The remuneration includes the salary paid to the respective Chief Financial Officers for the period they served during the year, based on their respective dates of joining and relieving.

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

Parameter	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Gross wages paid to females as % of total wages	21	20.30

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business?

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

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Equal Opportunity Policy ensures non-discrimination and promotes inclusivity in recruitment, employment, training, and career development for persons with disabilities. The policy is available on Company's website: <https://investor.nucleussoftware.com/governance/governance-documents/>



6. Number of Complaints on the following made by employees and workers:

Category	FY 2025-26 Current Financial Year			FY 2024-25 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	Nil	Nil	Nil	Nil	Nil	Nil
Discrimination at workplace	Nil	Nil	Nil	Nil	Nil	Nil
Child Labour	Nil	Nil	Nil	Nil	Nil	Nil
Forced Labour/Involuntary Labour	Nil	Nil	Nil	Nil	Nil	Nil
Wages	Nil	Nil	Nil	Nil	Nil	Nil
Other human rights related issues	Nil	Nil	Nil	Nil	Nil	Nil

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

Safety Incident/Number	FY 2026 Current Financial Year	FY 2025 Previous Financial Year
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	Nil	Nil
Complaints on POSH as a % of female employees/ workers	Nil	Nil
Complaints on POSH upheld	Nil	Nil

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The following policies govern the mechanism of redressing complaints

- Policy on Prevention of Sexual Harassment
- Equal Opportunity Policy
- Grievance redressal Policy

9. Do human rights requirements form part of your business agreements and contracts?

Yes

10. Assessments for the year:

Category	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.

No concern/risk was identified during these assessment.



Business Responsibility & Sustainability Report

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints

At Nucleus, our commitment to a values-based ethos is embodied in our Code of Conduct and Ethics. The Code is available at Company website: <https://investor.nucleussoftware.com/governance/governance-documents/>.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

We adopt a zero-tolerance approach to issues related to human rights. We follow all government regulations and regulatory policies and comply to local laws through its policies and standards.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes, premise/office of the entity is accessible to differently abled visitors

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	All value chain partners are expected to adhere to Code of Conduct which does not tolerate any Discrimination, any form of harassment, whether sexual, physical, verbal or physiological and do not promote child/forced labour. However Nucleus does not conduct any formal assessment for the same.
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	NA
Others – please specify	

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

No risks / concerns arising identified.

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

(In KJoules)

Parameter	FY 2026 (Current Financial Year)	FY 2025 (Previous Financial Year)
From Renewable resources		
Total electricity consumption (A)	47,08,18,800	52,03,76,400
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable resources (A+B+C)	47,08,18,800	52,03,76,400
From Non Renewable resources		
Total electricity consumption (D)	9,03,75,55,200	9,05,82,33,600
Total fuel consumption (E)	85,62,24,000	60,56,64,000
Energy consumption through other sources (F)	-	-
Total energy consumed from renewable resources (D+E+F)	9,89,37,79,200	9,66,38,97,600
Total energy consumed (A+B+C+D+E+F)	10,36,45,98,000	10,18,42,74,000
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	1.29	1.32
*Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumption/ Revenue from operations adjusted for PPP)	26.16	26.75
Energy intensity in terms of Physical Output	-	-
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-



* The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published by the IMF - for India. For the years ended March 31, 2026 and March 31, 2025, it is 20.34 and 20.66, respectively.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

No

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2026 (Current Financial Year)	FY 2025 (Previous Financial Year)
Water withdrawal by source (in kiloliters)		
(i) Surface water	0	0
(ii) Groundwater	40,919	31,543
(iii) Third party water	-	-
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v)	40,919	31,543
Total volume of water consumption (in kiloliters)	40,919	31,543
Water intensity per rupee of turnover (Water consumed / turnover)	0.0051 Ltr/₹	0.0041 Ltr/₹
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

4. Provided the following details related to water discharged:

Parameter	FY 2026 (Current Financial Year)	FY 2025 (Previous Financial Year)
Water discharge by destination and level of treatment (in kiloliters)		
(i) To Surface water	-	-
-No Treatment	-	-
-With treatment – please specify level of treatment	-	-
(ii) To Ground water		
-No Treatment	37,855	35,337
-With treatment – please specify level of treatment	3,064	3,373
(iii) To Sea water	-	-
-No Treatment	-	-
-With treatment – please specify level of treatment	-	-
(iv) Sent to third parties	-	-
-No Treatment	-	-
-With treatment – please specify level of treatment	-	-
(v) Others	-	-
-No Treatment	-	-
-With treatment – please specify level of treatment	-	-
Total water discharged (in kiloliters)	40,919	38,710



Business Responsibility & Sustainability Report

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Since we are an IT sector entity Zero Liquid Discharge is not applicable on us.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the given format:

We being an IT consulting services and business solutions company does not have significant air emissions.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity:

Since Nucleus is an IT Company, our production process involves the release only of a trace amount of GHG.

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Yes, we are taking following measures to ensure the reduction in Gas emissions

- Strong measures are being observed to ensure that no equipment is left in a switch-on mode during non-working hours unnecessarily.
- Use of AAC blocks in construction for keeping the load and pressure on air-conditioning minimal.
- Installation of chillers graded with VFD in HVAC plant to reduce energy consumption immensely.
- Usage of Solar energy as a power source.
- We maintain a good tree to land ratio at Noida Campus where trees are planted to ensure greenery and maintain balance.
- We used fluorescent tube lights fitting with high energy efficient LED ceiling mounted fitting in entire campus.
- We have installed RECD to reduce the harmful emissions released into the atmosphere from diesel generators.

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2025-2026 (Current Financial Year)	FY 2024-2025 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	NA	NA
E-waste (B)	3.99	NA
Bio-medical waste (C)	NA	NA
Construction and demolition waste (D)	NA	NA
Battery waste (E)	0.27	2.64
Radioactive waste (F)	NA	NA
Other Hazardous waste. Please specify, if any. (G)	NA	NA
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	NA	NA
Total (A+B + C + D + E + F + G + H)	4.26	2.64



Parameter	FY 2025-2026 (Current Financial Year)	FY 2024-2025 (Previous Financial Year)
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	0.27	2.64
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
Total	0.27	2.64
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	-	-
(ii) Landfilling	-	-
(iii) Other disposal operations	3.99	-
Total	3.99	-

Note: No independent assessment/ evaluation/assurance has been carried out by an external agency.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Being an IT Company, we do not produce any hazardous and toxic chemicals in our product and processes. Only E-waste is generated, for which we have a policy with our vendor to buy back the waste and recycle it at their end.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details:

No

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Not Applicable

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances,

Yes

Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in kiloliters): NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. NO

2. Please provide details of total Scope 3 emissions & its intensity.

Since Nucleus is an IT Company, our production process involves the release only of a trace amount of GHGs.

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not Applicable



Business Responsibility & Sustainability Report

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

S. No.	Initiative Undertaken	Details of the initiative (Web-Link, if any, may be provided along with summary.	Outcome of the initiative
1	Energy Conservation Program	Installed highly efficient UPS through cooling system.	These measures resulted in significant reduction in energy losses, improved operational efficiency, and enhanced sustainability performance. The initiative reflects the Company's continued commitment toward responsible energy management and reduction of environmental impact through adoption of energy-efficient technologies.
2	Emission reduction Programs	Installed Retrofit Emission Control Device (RECD) on diesel generators (DG sets)	Emission reductions are estimated based on manufacturer-certified performance data of Retrofit Emission Control Devices (RECD), which indicate a reduction efficiency of 70%-90% for Particulate Matter (PM), Carbon Monoxide (CO), and Hydrocarbons (HC) from DG set exhaust emissions.
3	Water Reduction Program	- Rainwater Harvesting (RWH) - Sewage Treatment Plants (STP 100KLD).	Rainwater Harvesting is the sustainable collection and storage of rain from surfaces like rooftops or land to combat water scarcity, reducing reliance on municipal supplies Sewage Treatment Plants Initiative helps in the conservation of freshwater resources through reuse of treated wastewater for non-potable needs like irrigation, industrial cooling, and toilet flushing and reducing the dependency on external freshwater sources, improved water management practices and strengthened environmental sustainability through responsible water conservation measures.
4	Waste Reduction Program	- Replaced single use paper glass to ceramic cups - Reused RO wastewater - Recycled food and organic waste	Replaced single use paper glass to reusable ceramic cups As part of its waste minimization and sustainable workplace practices, the Company has transitioned from single-use paper cups to reusable ceramic cups across its office locations. This measure has led to an estimated 50% reduction in paper cup consumption, contributing to a reduction in office-generated waste. Reused RO wastewater The Company has implemented a wastewater reuse practice generated from the RO system that is reused for non-potable purposes such as cleaning, flushing, and horticulture activities. The initiative contributed towards reduction in freshwater consumption and improved water resource management Recycled food and organic waste Generated within the premises is composted and reused as manure for in-house horticulture activities.

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Nucleus Software maintains a comprehensive and documented Business Continuity Management (BCM) and Disaster Recovery (DR) framework to support the resilience and continuity of critical business operations and technology services during disruptive events. The framework is designed to minimize business disruption and facilitate the timely recovery of critical processes, applications, and supporting infrastructure.

The BCM framework includes critical business functions, Recovery Time Objectives (RTOs), Recovery Point Objectives (RPOs), business dependencies, continuity strategies, communication plans, and clearly defined roles and responsibilities. These plans are reviewed and updated periodically to reflect changes in business operations, technology, and organizational requirements.

The Disaster Recovery framework includes documented recovery procedures, secure backup and restoration processes, recovery environments, and technical recovery plans for critical systems and infrastructure. Regular Disaster Recovery (DR) testing and recovery validation exercises are conducted to verify the effectiveness of recovery procedures, validate RTOs and RPOs, and confirm the successful restoration of critical systems and data. The results of these DR tests are documented, reviewed by management, and used to identify improvement opportunities, ensuring the organization's technology recovery capabilities remain effective and aligned with business, customer, and regulatory expectations.



6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

As the company is an IT/ITES company, there are no significant adverse impact as a result of our business activities.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

Presently, we are not assessing the value chain partners for environmental impacts.

PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.

The Company is affiliated with 9 trade and industry chambers/associations.

- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1.	Software Technology Park of India (STPI)	National
2.	Electronics and Computer Software, Export Promotion Council	National
3.	Confederation of Indian Industry (CII)	National
4.	National Association of Software and Services Companies (Nasscom)	National
5.	Federation of Indian Chambers of Commerce and Industry (FICCI)	National
6.	Japan Fintech Association	International
7.	American Financial Services Association (AFSA)	International
8.	Global Finance & Technology Network (GFTN)	International
9.	National Automotive Finance Association (NAF)	International

2. Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.

No adverse orders were received from regulatory authorities.

Leadership Indicators

1. Details of public policy positions advocated by the entity:

Nil

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

While the specific initiatives mentioned may not directly apply to our Company. However, it's important to highlight our proactive approach towards Corporate Social Responsibility (CSR) by conducting the internal assessments voluntarily to monitor and evaluate strategic CSR programs. These assessments reflect our dedication to ensuring the effectiveness and impact of our CSR endeavors.



Business Responsibility & Sustainability Report

In line with this commitment, the establishment of the Nucleus Software Foundation (NSF) stands as a testament to our values and aspirations. Established in 2014 as a Section 25 Company, the NSF operates with a clear mission: “Empowering the underprivileged with the essence of education for better livelihood and a better life.”

Through the NSF, we channel our resources and efforts towards meaningful initiatives that contribute to the well-being and upliftment of the communities we serve. Our focus on education as a means of empowerment underscores our belief in creating sustainable and impactful change for a brighter future.

Together with the NSF, we strive to make a positive difference in the lives of those in need, embodying our commitment to corporate citizenship and social responsibility. As we continue to evolve and grow, our dedication to making a meaningful impact remains unwavering

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity.

Kindly refer Annexure- G, CSR Section of Board’s Report

3. Describe the mechanisms to receive and redress grievances of the community.

We have Whistle Blower Policy in addition to our internal mechanisms to address grievances.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Particulars	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Directly sourced from MSMEs/ small producers	14.01%	8.85%
Sourced directly from within the district and neighbouring districts	While this metric is not available, but we prefer sourcing of material from nearby areas only.	While this metric is not available, but we prefer sourcing of material from nearby areas only.

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/ on contract basis) in the following locations, as % of total wage cost

Name of authority	FY 2025-26 Current Financial Year (%)	FY 2024-25 Previous Financial Year (%)
Rural	-	-
Semi- Urban	-	-
Urban	-	-
Metropolitan	100%	100%

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Not Applicable

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

Kindly refer CSR section of Board’s Report.

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups?

Our commitment to fairness, equality, and transparency shines through in our Procurement Policy, which staunchly opposes discrimination of any kind. Regardless of gender, nationality, ethnicity, religion, or disability, we uphold the principles of inclusivity and respect in our vendor relationships.

Adhering to both local legislations and global best practices, our procurement process stands as a beacon of objectivity and transparency. We ensure that each vendor is selected based solely on merit, competence, and suitability for the task at hand, without bias or prejudice.

While our approach prioritizes fairness and impartiality, we recognize the importance of supporting marginalized and vulnerable groups. Although we currently do not have a preferential policy in place for purchasing from



such suppliers, we remain open to exploring opportunities to empower and uplift these communities in our supply chain.

As we continue to evolve and refine our practices, we remain committed to fostering a procurement environment that not only upholds the highest ethical standards but also promotes social responsibility and inclusivity. Together, we can create a marketplace where diversity is celebrated, and every voice is heard and valued.

(b) From which marginalized /vulnerable groups do you procure?

Not Applicable

(c) What percentage of total procurement (by value) does it constitute?

Not Applicable

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

Not Applicable

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Not Applicable

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Education of underprivileged kids (School for Underprivileged)	80	100%
2	Remedial education at Government schools and local community centers	1,000	100%
3	Vedic Education support	170	100%
4	Supporting disabled people and artisans	30	100%
5	Supporting Education of Hearing Disabled kids	60	100%
6	Education for tribal kids (Educational quality improvement and remediation)	40,000	100%
7	Training Aanganwadi teachers and content development for the same	1,200	100%
8	Experiential Science Teaching for Middle school and Training youth for educational support	600	100%
9	Experiential Science education support	300	100%
10	Education for rehabilitated kids	500	100%
11	Food support for Government school students	600	100%
12	Women empowerment & remedial education	1,000	100%
13	Women empowerment Tailoring and Embroidery course	300	100%
14	Scholarships for kids of CRPF Martyrs	24	100%
15	Water Resource management	220	100%

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

We place a high priority on customer satisfaction and actively seek feedback through multiple accessible channels. At the heart of this approach is our dedicated "Voice of Customer" platform, built to capture insights and address concerns promptly and effectively.

Complementing this, customers have direct access to their assigned Account Managers and Client Engagement Managers, who serve as their trusted, day-to-day points of contact. These professionals are well-equipped to respond swiftly and ensure smooth issue resolution.



Business Responsibility & Sustainability Report

Regularly scheduled customer connect meetings further strengthen communication, offering ongoing opportunities to discuss evolving needs, expectations, and feedback. In addition, customers can reach us via email or escalate concerns through a clearly defined escalation matrix, ensuring timely and effective responses.

Each project is supported by a structured escalation framework, allowing any customer concerns to be routed to the appropriate level of management without delay. Our senior leadership team also remains actively involved, engaging with customers to gain direct insights and proactively address potential challenges.

By offering these diverse touchpoints and maintaining a transparent, responsive communication process, we reaffirm our commitment to listening to our customers, continuously enhancing our services, and building enduring, trust-based relationships.

2. Turnover of products and/services as a percentage of turnover from all products/service that carry information about:

CSR Project	As a percentage to total turnover
Environmental and Social parameters relevant to the product	This is not relevant to the nature of our business operations and the services we offer.
Safe and responsible usage	
Recycling and/or safe disposal	

3. Number of consumer complaints in respect of the following:

Type of Complaints	FY 2026			FY 2025		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data Privacy	Nil	Nil	NA	Nil	Nil	NA
Advertising	Nil	Nil		Nil	Nil	
Cyber Security	Nil	Nil		Nil	Nil	
Delivery of essential services	Nil	Nil		Nil	Nil	
Restrictive Trade practices	Nil	Nil		Nil	Nil	
Unfair Trade Practices	Nil	Nil		Nil	Nil	
Others	Nil	Nil		Nil	Nil	

4. Details of instances of product recalls on account of safety issues:

Particulars	Number	Reasons for recall
Voluntary recalls	Not Applicable, due to the nature of operations the Company	
Forced recalls	Not Applicable, due to the nature of operations the Company	

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, Nucleus Software maintains a comprehensive Cyber Security governance framework comprising policies, standards, procedures, guidelines, and technical controls designed to protect information assets, technology infrastructure, applications, and data against evolving cyber threats. The framework is risk-based and supports the identification, assessment, mitigation, monitoring, and reporting of cyber risks across the organization. The Cyber Security framework covers key domains including security governance, risk management, asset management,



identity and access management, network security, application security, vulnerability management, threat monitoring, incident response, security awareness, third-party risk management, data protection, business continuity, disaster recovery, and regulatory compliance. Security controls are periodically reviewed and enhanced to address emerging threats, evolving business requirements, industry best practices, and applicable regulatory obligations. The framework is supported by ongoing security assessments, monitoring activities, awareness programs, and continuous improvement initiatives to strengthen the organization's overall cyber resilience and security posture.

The principles regarding data privacy are available on our website at:

<https://www.nucleussoftware.com/privacy-policy/>

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

Nil

7. **Provide the following information relating to data breaches:**

- a. **Number of instances of data breaches along-with impact**

Not Applicable / No Reportable Cases

- b. **Percentage of data breaches involving personally identifiable information of customers**

Not Applicable / No Reportable Cases

- c. **Impact, if any, of the data breaches**

Not Applicable / No Reportable Cases

Leadership Indicators

1. **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

The information on our product & services offerings is available on our company's website:

<https://www.nucleussoftware.com>

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

To ensure the safe and responsible usage of our products and services, the Product team follows a structured approach to consumer education and awareness. For every new release, a comprehensive policy document is shared with customers, outlining key features, compliance guidelines, and usage protocols.

During the implementation phase, customers are also provided with detailed support materials, including product write-ups and user manuals. These documents are designed to equip users with clear instructions, best practices, and safety guidelines to maximize product efficiency while ensuring responsible usage. Additionally, our support teams remain actively engaged to address any queries and provide ongoing assistance as needed.

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

Nucleus Software maintains defined communication, incident management, and business continuity processes to ensure that customers are informed in a timely manner of any planned or unplanned disruption to essential services. Appropriate communication channels are used to provide information on the nature of the disruption, expected impact, resolution timelines, and service restoration updates.

4. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole?**

Not Applicable, being a technology solutions Company, displaying product information on the product over and above what is mandated as per local laws is not applicable to us.

Yes, the "Voice of Customer" survey enables us to understand the client's expectations, needs, satisfaction levels and overall experience of working with the Company. The feedback is collected through a survey, which includes a structured questionnaire. The respective teams engage with the customer to implement the improvement action.



Management's Discussion and Analysis

of Financial Condition and Results of Operations of Nucleus Software Exports Limited

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

A. INDUSTRY STRUCTURE AND DEVELOPMENTS

Global Industry Overview

The global banking and financial services industry continues to undergo structural transformation driven by digital acceleration, evolving customer expectations, regulatory modernization, and the growing adoption of Artificial Intelligence (AI) across financial ecosystems.

Financial institutions globally are increasingly transitioning from legacy operating environments towards cloud-enabled, API-first, and intelligence-led platforms that enable greater agility, scalability, and customer-centricity. This shift is redefining how banks originate loans, manage risk, engage customers, process transactions, and operate enterprise-wide banking ecosystems.

According to McKinsey, Generative AI alone has the potential to create up to US\$340 billion annually in additional value for the global banking industry, accelerating investments across underwriting, servicing, fraud management, collections, and operational automation.

At the same time, transaction banking ecosystems are also evolving rapidly with increasing focus on real-time payments, treasury digitization, API-led integration frameworks, embedded banking services, and operational resilience. Financial institutions across developed and emerging markets continue to prioritize scalable digital architectures, ecosystem interoperability, and intelligent automation to improve operational efficiency and customer experience.

These structural shifts continue to create long-term opportunities for financial technology organizations capable of combining domain expertise, scalable platforms, operational resilience, and future-ready innovation.

India Banking & Financial Services Landscape

India continues to strengthen its position as one of the world's fastest-growing digital financial ecosystems.

The rapid expansion of digital public infrastructure, increasing smartphone penetration, growth in real-time digital payments, and policy-led financial inclusion initiatives continue to accelerate digitization across banking and lending ecosystems. According to RBI data, digital payments accounted for approximately 99.8% of total payment transaction volumes in India during H1 2025, highlighting the scale and maturity of India's digital financial infrastructure.

India's banking ecosystem is witnessing increasing investments across retail and MSME lending digitization, co-lending frameworks, embedded finance ecosystems, AI-led underwriting and collections, and digital onboarding and servicing platforms. The continued expansion of UPI ecosystems, Account Aggregator frameworks, consent-based data sharing models, and digital identity infrastructure is further reshaping customer acquisition and servicing models across the industry.

Financial institutions are increasingly focusing on improving customer experience, accelerating loan turnaround times, strengthening fraud and risk controls, modernizing collections ecosystems, and enabling multilingual and inclusive banking experiences.

Key Market Trends

Several structural and technology-led trends continued to shape the global financial technology landscape during the year.

Artificial Intelligence and Machine Learning are increasingly moving from experimental adoption to enterprise-wide implementation across banking operations. Financial institutions are leveraging AI across underwriting, fraud detection, customer servicing, collections optimization, operational automation, and predictive analytics. The emergence of Generative AI and Agentic AI frameworks is further accelerating discussions around intelligent banking ecosystems and workflow automation.



Cloud adoption continues to remain another major industry priority, with financial institutions accelerating investments in cloud-native and hybrid-cloud environments to improve operational resilience, deployment agility, scalability, and cost optimization.

Simultaneously, customer expectations continue to evolve rapidly. Customers increasingly expect seamless, intuitive, and real-time digital banking experiences across channels, leading financial institutions to strengthen investments in digital onboarding, omnichannel engagement, multilingual servicing, personalized lending journeys, and self-service ecosystems.

Cybersecurity and data governance also continue to remain strategic priorities across global banking ecosystems.

Competitive Dynamics

The financial technology landscape continues to remain highly competitive and innovation-driven.

Nucleus Software competes with a diverse set of global banking technology providers, enterprise platform companies, specialized lending technology firms, digital-first fintech players, and emerging AI-led banking solution providers.

The Company's competitive positioning continues to be strengthened through deep lending and transaction banking expertise, enterprise-grade product capabilities, scalable and extensible architectures, long-standing customer relationships, and AI-led innovation across banking operations.

The Company continues to differentiate itself through its ability to combine domain expertise, operational resilience, customer-centric innovation, and strong execution capabilities across diverse banking environments and geographies.

Regulatory Environment

The regulatory environment across global banking ecosystems continues to evolve rapidly, driven by increasing focus on data privacy, operational resilience, cybersecurity, responsible AI adoption, financial inclusion, and consumer protection.

In India, regulatory developments across digital lending guidelines, data privacy frameworks, co-lending structures, and Account Aggregator ecosystems continue to shape technology investments across the banking sector.

Across markets, regulatory modernization is accelerating demand for technology platforms capable of supporting configurable compliance frameworks, secure data management, audit-ready workflows, and scalable governance mechanisms.

Market Expansion Strategies

The Company continues to adopt a focused and region-specific market expansion approach aligned with evolving customer priorities, regulatory environments, and levels of digital maturity across markets.

The Company's strategy continues to focus on strengthening its presence across Asia-Pacific, the Middle East, North America, Africa, Europe, and developed markets through deeper customer engagement, ecosystem partnerships, strategic industry participation, and regional delivery capabilities.

"The future of financial services will be shaped by institutions that combine agility, intelligence, resilience, and trust at scale."

B. COMPANY OVERVIEW

The Company was incorporated on January 9, 1989 as Nucleus Software Exports Private Limited with its registered office at 33-35 Thyagraj Nagar, New Delhi, India. Subsequently in October 1994, it was converted into a Public Limited Company. In August 1995, Nucleus made an Initial Public Offer and is currently listed at National Stock Exchange of India Ltd. and BSE Ltd.

Nucleus operates through integrated and well networked subsidiaries in India, Japan, Netherlands, Singapore, USA, Australia, Vietnam and South Africa. Since 1995, product development has been our forte and the Company has chosen to exclusively develop products and further add value through dedicated Research and Development initiatives.

Over the years we have gained deep experience working closely with Global leaders in the Banking and Financial Services industry. The Company has eight subsidiaries, as described below:



Management's Discussion and Analysis

Date of Incorporation	Name of Subsidiary Company	Location	Percentage of Shareholding
February 25, 1994	Nucleus Software Solutions Pte. Ltd.	Singapore	100%
August 05, 1997	Nucleus Software Inc.	USA	100%
November 02, 2001	Nucleus Software Japan Kabushiki Kaisha	Japan	100%
February 03, 2006	Nucleus Software Netherlands B.V.	Netherlands	100%
April 21, 2008	Nucleus Software Ltd.	India	100%
February 03, 2014	Nucleus Software Australia Pty. Ltd.	Australia	100%
February 10, 2015	Nucleus Software South Africa (Pty) Ltd.	South Africa	100%
February 05, 2026	Nucleus Software Vietnam Company Limited	Vietnam	100%

The Company has Corporate office in Noida and branch offices in Chennai, Pune and Mumbai in India and Overseas locations in London and Dubai.

The Singapore subsidiary has a representative office in Jakarta in Indonesia and in Manila in the Philippines. These subsidiaries/branch offices help the Company in providing front-end support to customers and explore new opportunities.

Nucleus Software is a global provider of enterprise lending and transaction banking solutions, serving more than 200 banks and financial institutions across 50 countries. With over four decades of domain expertise, the Company continues to enable financial institutions to accelerate digital transformation while strengthening operational resilience, customer experience, and regulatory readiness.

The Company's platforms support a wide range of banking and financial services operations including:

- Retail Lending
- Corporate & SME Finance
- Islamic Finance
- Automotive Finance
- Captive Automotive Finance
- Cash Management
- Mobile & Internet Banking
- Transaction Banking

Nucleus Software's transaction banking platforms process transactions exceeding US\$15 trillion annually, enabling over 26 million transactions daily through globally integrated banking ecosystems. Its lending platforms manage loan portfolios exceeding US\$1.2 trillion globally, while supporting more than 500,000 daily users log in across banking operations worldwide.

By combining deep banking expertise, enterprise-grade platforms, and future-focused innovation, Nucleus Software continues to strengthen its position as a trusted global technology partner for financial institutions navigating the next phase of digital banking transformation.

The Company's core offerings include:

FinnOne Neo®

FinnOne Neo® is the Company's next-generation digital lending platform designed to enable intelligent, scalable, and customer-centric lending ecosystems.

FinnAxia®

FinnAxia® is the Company's integrated global transaction banking platform supporting payments, liquidity management, cash management, and corporate banking operations.

Nucleus Software Digital Services

Nucleus Software Digital Services supports financial institutions in their digital transformation and modernization journeys through consulting, implementation, integration, transformation, and managed services capabilities.

A brief on the functionality of our products is given below:

FinnOne Neo® – Powering the Future of Digital Lending

FinnOne Neo® is Nucleus Software's flagship AI-enabled digital lending platform, designed to help banks, financial institutions, and lenders transform the entire lending lifecycle—from customer acquisition and credit assessment to loan servicing, collections, and portfolio management.



Built on more than four decades of global lending expertise, FinnOne Neo® combines deep domain knowledge with modern technology architecture to enable financial institutions to deliver faster, more intelligent, and customer-centric lending experiences. The platform supports a wide range of lending businesses, including retail lending, SME finance, commercial lending, automotive finance, housing finance, Islamic finance, and emerging digital lending models.

Today, financial institutions operate in an environment defined by increasing customer expectations, evolving regulatory requirements, rising risk complexity, and rapid technological change. FinnOne Neo® addresses these challenges through a unified platform that combines process automation, data-driven decision-making, ecosystem connectivity, and operational scalability.

Designed around an API-first and cloud-ready architecture, the platform enables seamless integration across core banking systems, fintech ecosystems, credit bureaus, digital channels, and third-party service providers through more than 540 ready APIs. This extensible architecture allows institutions to accelerate innovation while maintaining governance, security, and operational control.

FinnOne Neo® brings together a comprehensive suite of capabilities across:

- Customer Acquisition System (CAS)
- Loan Management System (LMS)
- Collections Management
- Collateral Management System (CMS)
- Enterprise Content Management (ECM)

Together, these capabilities provide a unified digital lending ecosystem that helps financial institutions improve operational efficiency, strengthen risk management, accelerate decision-making, enhance customer engagement, and drive sustainable portfolio growth.

FinnOne Neo® GA 8.5

During the year, the Company announced the global release of FinnOne Neo® GA 8.5, introducing significant advancements across security, governance, AI-driven decisioning, automation, customer engagement, and operational scalability.

The GA 8.5 release reinforces the Company's long-standing commitment to trust, governance, and regulatory alignment, through key foundational enhancements:

- Enhanced Data Security and Governance:

Advanced PII masking, encryption frameworks, and role-based access controls ensuring compliance with global data protection standards.

- Regulatory-Ready Servicing Frameworks: Structured workflows supporting subsidy management, co-lending operations, and audit-ready servicing processes.
- Operational Standardization: Embedded rule engines and automated workflows delivering consistency, traceability, and auditability across lending operations.
- Inclusive Customer Engagement: Multilingual communication frameworks and real-time statements improving accessibility and customer trust.

These enhancements further strengthen the platform's enduring foundation of reliability, security, and compliance, critical for large-scale financial operations.

Accelerating the Future with Intelligent Capabilities

Complementing its strong foundation, FinnOne Neo® GA 8.5 introduces next-generation capabilities that accelerate the transition towards intelligent, real-time lending:

- AI-Driven Decisioning: Behavioral risk scoring, fraud intelligence, and automated rule-based decisioning enhancing credit assessment accuracy.
- Real-Time Data and Insights: Instant verification, dashboard intelligence, and real-time analytics supporting faster and informed decisions.
- Lifecycle Automation: Straight-through processing, automated document handling, and workflow orchestration reducing manual intervention and turnaround time.
- Advanced Collections Intelligence: AI-enabled sentiment analysis, predictive scoring, and speech-to-text capabilities improving recovery outcomes.

These capabilities enable financial institutions to shift from process-driven execution to insight-driven decision-making at scale.

FinnOne Neo® - Integrated Enhancements Across Core Modules

✓ *Customer Acquisition System (CAS)*

Enhancements focused on speed, accuracy, and compliance, including real-time verification, fraud detection, automated data extraction, and digital execution frameworks, enabling faster onboarding and improved customer experience.



Management's Discussion and Analysis

- ✓ *Loan Management System (LMS)*
Enhancements delivering flexibility and transparency, including restructuring support, moratorium configurations, co-lending servicing, and multilingual statements, ensuring efficient servicing and regulatory compliance.
- ✓ *Collections Management*
AI-led collections intelligence with predictive scoring, sentiment analysis, and automated workflows, enabling improved recoveries and operational efficiency.
- ✓ *Collateral Management System (CMS)*
A key addition to the platform's capabilities is the enhanced Collateral Management System (CMS), which brings structured governance and lifecycle control to collateral operations.

FinnOne Neo® CMS acts as a centralized repository and single source of truth for collateral data, providing a comprehensive 360-degree view across all lending operations.

Key capabilities include:
 - End-to-End Collateral Lifecycle Management: From onboarding, verification, and valuation to monitoring and release
 - Seamless Integration: API-driven integration with origination, servicing, and collections systems for unified operations
 - Automated Verification and Investigation: Rule-based initiation of collateral checks and validations
 - Collateral De-duplication and Review Mechanisms: Ensuring data accuracy and reducing operational risks
 - Support for Static and Dynamic Collateral Types: Enabling flexibility across lending products

These enhancements significantly improve risk visibility, operational control, and turnaround time, while ensuring standardized collateral processes across the enterprise.
- ✓ *Enterprise Content Management (ECM)*
The release also introduces a strengthened Enterprise Content Management (ECM) System, designed to streamline document processing and enhance operational efficiency.

FinnOne Neo® ECM enables financial institutions to manage, store, index, and retrieve documents seamlessly, while maintaining structured workflows across the lending lifecycle.

- Key capabilities include:
- Workflow-Based Document Processing: Ensuring consistency and efficiency across operations
 - Centralized Document Repository: Unified storage and indexing for easy retrieval and audit readiness
 - Advanced Search and Classification: Text and image-based search capabilities for faster access to information
 - Seamless Integration: Ability to function independently or integrate with core lending systems
 - Automated Archival and Policy Management: Supporting compliance and long-term record management

These capabilities enable institutions to move towards paperless, efficient, and audit-compliant operations, significantly improving productivity and governance.

FinnAxia® – Enabling the Future of Transaction Banking

FinnAxia® is Nucleus Software's integrated transaction banking platform, designed to help banks modernize, scale, and transform their corporate banking operations across payments, receivables, liquidity management, trade finance, and supply chain finance.

As transaction banking continues to evolve from a processing function into a strategic driver of customer engagement and revenue growth, financial institutions are increasingly seeking platforms that can provide real-time visibility, intelligent automation, ecosystem connectivity, and seamless customer experiences. FinnAxia® addresses these evolving requirements through a modular and scalable architecture that enables banks to transform their transaction banking operations while responding rapidly to changing market and regulatory demands.

- FinnAxia® supports financial institutions in delivering:
- Real-time payments and collections ecosystems
 - Enhanced corporate cash visibility and liquidity optimization
 - Digital trade finance and supply chain finance capabilities
 - Intelligent reconciliation and receivables management
 - API-enabled ecosystem connectivity



- Improved treasury and working capital management
- Regulatory-ready and globally compliant transaction banking operations

The platform brings together a comprehensive suite of capabilities including:

Global Receivables

Designed to simplify collections and accelerate reconciliation through virtual account structures, automated cash application, real-time dashboards, and enhanced visibility across payment channels.

Global Payments

Enabling seamless domestic and international payments through high-volume transaction processing, real-time payment tracking, multi-currency support, ISO 20022 readiness, AML compliance, and intelligent payment orchestration.

Global Liquidity Management

Providing corporate treasuries with real-time visibility into enterprise-wide cash positions through automated sweeps, balance forecasting, notional pooling, and liquidity optimization capabilities.

Virtual Account Management (VAM)

Enabling banks to offer granular account visibility and streamlined reconciliation without requiring physical account proliferation, improving operational efficiency and customer control.

Electronic Financial Supply Chain Management (E-FSCM)

Supporting supplier finance, distributor finance, invoice discounting, purchase order financing, and working capital optimization through digitally connected supply chain ecosystems.

Trade Finance

Digitizing end-to-end trade operations across Letters of Credit, Bank Guarantees, Documentary Collections, and Open Account Trade, enabling faster processing, improved visibility, and reduced operational overhead.

Electronic Bill Presentment and Payment (EBPP)

Supporting end-to-end digital billing ecosystems through electronic invoice presentment, multiple payment options, automated reconciliation, and self-service customer experiences.

Today, as corporate banking customers increasingly demand real-time insights, intelligent automation,

integrated treasury services, and frictionless digital experiences, FinnAxia® continues to evolve to help banks strengthen customer relationships, improve operational efficiency, optimize liquidity management, and unlock new growth opportunities.

FinnAxia® GA 9.0

Accelerating the Future with Enhanced Transaction Capabilities

FinnAxia® 9.0 introduces a comprehensive set of enhancements that significantly improve transaction processing, integration capabilities, and customer experience:

Advanced Transaction Processing and Ecosystem Integration

- **Bulk Transactions Processing and Notification Framework:** Enables execution and completion tracking of high-volume transactions with unified notifications, improving operational visibility and control.
- **Bulk Transaction API Enablement:** Facilitates seamless processing of bulk payments through single API calls, enhancing automation and scalability.
- **E-Commerce Integration:** Gateway-driven architecture enabling external platforms to initiate transactions directly, supporting a unified and scalable payments ecosystem.
- **Support for Sub-Member Banks:** Extends platform capabilities to support sub-member banking structures, enabling decentralized operations and ecosystem expansion.
- **Front-End Transaction Status Updates (Exceptional Cases):** Empowers authorized users to modify transaction status directly, ensuring continuity and operational flexibility.

Enhanced Customer Experience and Workflow Efficiency

- **Simplified Transaction Screens:** Configurable transaction interfaces enabling improved usability, reduced complexity, and enhanced user experience.
- **Quick Transfer and Payee Management Enhancements:** Faster transaction initiation and improved payee setup workflows supporting operational efficiency.
- **Regulatory Payee Lookup Integration:** Ensures compliance with regulatory mandates while enhancing transaction validation processes.



Management's Discussion and Analysis

- **Self-Authorization Framework:** Enables straight-through authorization workflows for defined thresholds, reducing dependency on manual approvals.
- **Multi-Factor Authentication (MFA) Flexibility:** Provides configurable authentication methods at user and transaction levels, strengthening security.
- **File-Level Authorization:** Allows bulk authorization or rejection of transaction files, improving operational productivity.
- **Next Authorizer Visibility:** Enhances workflow transparency by displaying authorization hierarchy.
- **Deferred Processing for Non-Business Hours:** Enables automatic scheduling of transactions for next business day processing, ensuring seamless execution.
- **Enhanced Profile Switching:** Allows operational teams to troubleshoot and support customers efficiently by switching profiles securely.

Driving Operational Excellence through Configurability and Automation

- **Configurable Transaction Screens and Workflows:** Enables institutions to tailor transaction journeys as per customer and business requirements, improving adaptability.
- **Enhanced API Ecosystem:** Introduction of new APIs for transaction initiation, validation, and enquiry, enabling seamless integration with ERP and external systems.
- **Automated Role-Based Account Mapping:** Eliminates manual configuration through system-driven mapping of accounts to user roles, reducing errors and improving efficiency.
- **Bulk Customer Onboarding via APIs:** Enables onboarding of multiple corporate accounts in a single step, significantly reducing turnaround time and operational effort.

The release of FinnAxia® 9.0 reflects your Company's continued focus on combining strong foundational capabilities with forward-looking innovation.

Nucleus Digital Services

Enabling Transformation Beyond Platforms

Nucleus Digital Services acts as a strategic enabler, helping financial institutions modernize, integrate, and scale their digital ecosystems.

It combines deep domain expertise with advanced engineering to deliver:

Application & Platform Modernization

Transforming legacy systems into cloud-ready, API-driven architectures.

AI, Data & Automation

Enabling decision intelligence, predictive analytics, and cognitive automation across operations.

Cloud & Infrastructure Transformation

Building secure, scalable, and resilient infrastructure aligned with regulatory requirements.

Ecosystem Integration

Enabling API-led connectivity with fintechs, partners, and enterprise systems.

Accelerators & Platforms

Including enterprise solutions such as ELMS, RMS, IDMS, and NucSpark (Agentic AI framework).

Delivering Measurable Outcomes

Nucleus Digital Services enables financial institutions to:

- Accelerate modernization cycles
- Improve operational efficiency
- Enhance decision-making through AI
- Build scalable, compliant digital ecosystems

Nucleus Software continues to build integrated, AI-driven platforms and transformation capabilities that enable financial institutions to navigate complexity, scale with confidence, and deliver meaningful outcomes across lending and transaction banking.

As the industry evolves, the Company remains focused on enabling a shift from systems to platforms, from processes to intelligence, and from local execution to global scalability-anchored in enduring foundations and accelerated by innovation.

C. AWARDS & RECOGNITIONS

- The Company was honoured with the "Best Global Fintech Pioneer – India to the World" award at the 6th edition of the PICUP Fintech Conference & Awards 2026, a premier industry platform organised by the Indian Banks' Association and FICCI, with Boston Consulting Group as the Knowledge Partner.



- Nucleus Software Annual Report for FY 2024-25 received the Gold Award for Excellence in Technology – Software at the League of American Communications Professionals LLC Annual Report Awards. This recognition highlights the Company's commitment to high standards of transparency, clarity, and stakeholder communication.
- The Company was also conferred the Technical Achievement Award for Annual Report FY 2024-25 by League of American Communications Professionals LLC, reaffirming its focus on innovation and excellence in corporate reporting practices.
- The Company's flagship digital lending platform FinnOne Neo®, was recognised as the Best Enterprise Collections Platform 2026 at the Bharat Collections Summit & Awards 2026. This accolade reflects the platform's ability to deliver structured, scalable, and intelligence-led collections capabilities across large and complex lending portfolios.
- Saudi Finance Company (SFC), in partnership with the Company, was recognised with the "Excellence in Digital Consumer Transformation" award at the Finnovex Saudi Arabia 2025 summit. This recognition highlights the successful transformation of consumer financing across auto, personal, and SME segments, powered by your Company's lending platform.
- Nucleus Software was honoured at the IBSi Global FinTech Innovation Awards (GFIA) 2025, receiving the recognition for "Best-in-Class Transaction Banking Platform" for its work with Federal Bank Ltd. This recognition highlights the strength of FinnAxia® in enabling scalable, API-led transaction banking capabilities across payments, liquidity management, and corporate banking operations.
- The Fintech Partner Award at Asia Fintech Awards 2024 for Nucleus Software flagship solution FinnOne Neo®, revolutionizing digital lending with AI-powered automation and seamless integrations.
- Best Fintech & NBFC Collaboration at 17th NBFC & Fintech Conclave Awards 2024, in partnership with TATA Capital Ltd., showcasing our role in strengthening the fintech ecosystem through strategic alliances.
- Best FinTech of the Year at 17th NBFC & Fintech Conclave Awards 2024, recognizing our unparalleled contributions to the financial services industry and our impact on digital transformation.
- Best Digital Lending Implementation: Best Tool & Practices Adopted at IBSi Global Fintech Innovation Awards 2024, for our cutting-edge work with Ambit Finvest, delivering efficiency, compliance, and next-gen digital lending experiences.
- Nucleus Software Annual Report for the Year Ended March 31, 2024 won the Silver Award for Excellence within the Technology Software industry by the League of American Communications Professional (LACP).
- Dr. Ritika Dusad, Executive Director and was honored with the prestigious "DE&I in Tech Leadership Award" at "The Rising 2024". Emerging victorious from a pool of over 100 nominees. Dr. Dusad's outstanding contributions have transformed the tech industry, instigating impactful change at every juncture.
- Nucleus Software was honored with a prestigious award in 2023 from IBS Intelligence (IBSi) for the "Best Digital Lending Implementation - Most Impactful Project" category. This recognition is a testament to our dedication to innovation and excellence in the realm of digital lending. Our collaborative efforts with Poonawalla Fincorp not only transformed digital lending but also left a lasting impact on the industry.
- Nucleus Software Annual Report for the Year ended March 31, 2023, won the Silver Award for Excellence within the Technology-Software industry and Technical Achievement Award from League of American Communication Professionals (LACP). The Annual Report was also ranked 99th among the top 100 Annual Reports worldwide by League of American Communications Professionals LLC (LACP).
- FinnOne Neo® won the Banking Frontiers Technoviti Award 2023. FinnOne Neo® is the next-generation digital lending solution built on an advanced technology platform designed to shape the future of lending across Retail and Corporate finance. The multi-channel solution helps digitize the complete loan lifecycle end-to-end and supports both cloud and on-premise deployments.
- Nucleus Software received IBSi Global Fintech Innovation Awards 2023 for Most Effective Digitization / Paperless Initiative – Best Project Implementation for Mirae Asset Financial Services



Management's Discussion and Analysis

- Nucleus Software earned the IBSi Global Fintech Innovation Awards 2023 under category Best Transaction Banking implementation for BRAC Bank Ltd.
- Nucleus Software along with Mirae Asset Financial Services India Pvt Ltd. showcased ground-breaking achievement by winning the IBS Intelligence Global Fintech Innovation Awards 2022, in the innovative category Implementation of the Most Effective Paperless Digitization Project.
- Nucleus Software Annual Report for the Year ended March 31, 2022 won the Platinum Award for Excellence within the Technology- Software industry and Technical Achievement Award from League of American Communication Professionals (LACP). The Annual Report was also ranked 49th amongst the World's Top 100 Annual Reports within the Technology-Software industry by LACP.
- Nucleus Software received first position at the "Corporate Governance and Sustainability Vision Awards 2021", held by Indian Chamber of Commerce.
- Nucleus Software Annual Report for the Year ended March 31, 2021 won the Platinum Award for excellence within the Technology- Software industry and the Technical Achievement Award from League of American Communication Professionals (LACP).
- Nucleus Software was awarded the "Best Technological Innovation in Payments (B2B)" award at the Seamless Middle East 2020 conference in Dubai.

D. FUTURE OUTLOOK

Building for a Financial Ecosystem Defined by Intelligence, Agility, and Trust

The global Banking, Financial Services, and Insurance (BFSI) industry continues to undergo structural transformation driven by accelerating digital adoption, Artificial Intelligence (AI), evolving customer expectations, regulatory modernization, and the growing need for operational resilience across financial ecosystems.

Financial institutions globally are increasingly transitioning from legacy operating environments towards cloud-enabled, API-first, and intelligence-led platforms designed to improve agility, scalability, customer experience, governance, and ecosystem interoperability.

According to McKinsey, Generative AI alone has the potential to create between US\$200 billion and US\$340 billion annually in additional value for the global banking industry, reflecting the growing adoption of AI-led capabilities across underwriting, customer servicing, fraud management, compliance, software engineering, and operational workflows. This shift is expected to fundamentally redefine how financial institutions manage growth, efficiency, and customer engagement in the years ahead.

The future of banking is also being shaped by the rapid evolution of:

- API-led and composable banking architectures
- cloud-ready and hybrid-cloud ecosystems
- embedded finance models
- real-time payments infrastructure
- intelligent collections and servicing frameworks
- digital identity and consent-based ecosystems
- AI-enabled risk and fraud monitoring systems

The global digital lending platform market continues to witness strong long-term growth momentum. According to Grand View Research, the market was valued at approximately US\$10.55 billion in 2024 and is projected to reach approximately US\$44.49 billion by 2030, growing at a CAGR of approximately 27.7%.

Simultaneously, transaction banking is undergoing significant modernization globally. Financial institutions are increasingly prioritizing real-time payments, treasury digitization, liquidity optimization, API-enabled ecosystems, and integrated corporate banking experiences. Modern transaction banking platforms are expected to provide greater interoperability, automation, analytics, scalability, and customer-centricity across enterprise banking operations.

India Outlook: Banking the Vision of Viksit Bharat 2047

India continues to strengthen its position as one of the world's fastest-growing and most digitally advanced financial ecosystems.

The rapid expansion of Digital Public Infrastructure (DPI), UPI-led payment ecosystems, Aadhaar-enabled identity infrastructure, Account Aggregator frameworks, and policy-led financial inclusion initiatives continues to accelerate the digitization of banking and lending ecosystems across the country.

India's digital payments infrastructure has emerged as a globally benchmarked ecosystem. According to



the Press Information Bureau (PIB), UPI transactions increased from approximately 92 crore transactions in FY 2017–18 to 13,116 crore transactions in FY 2023–24, representing transformational growth in digital financial adoption across the country. PIB further highlighted that UPI now accounts for nearly 49% of global real-time payment transaction volumes, reinforcing India's emergence as a global leader in digital payment innovation.

The continued expansion of:

- UPI ecosystems
- Consent-based data-sharing frameworks
- Account Aggregator infrastructure
- Embedded finance ecosystems
- AI-led financial services innovation
- MSME digitization initiatives

is fundamentally reshaping customer acquisition, servicing, lending, and transaction banking models across the industry.

India's digital lending ecosystem also continues to witness strong growth momentum. According to Grand View Research, the India digital lending platform market was valued at approximately US\$486.6 million in 2024 and is projected to reach approximately US\$2.45 billion by 2030, growing at a CAGR of approximately 31.5%.

The Indian banking sector is expected to continue investing significantly across:

- retail and MSME lending digitization
- AI-led underwriting and collections
- co-lending and embedded finance ecosystems
- digital onboarding and servicing frameworks
- fraud prevention and risk management systems
- multilingual and inclusive banking experiences
- governance and compliance automation

As India progresses towards its long-term vision of *Viksit Bharat 2047*, the BFSI sector is expected to play a foundational role in driving financial inclusion, credit expansion, digital commerce enablement, MSME growth, and economic formalization.

Future of Lending and Banking Transformation

The future of lending is increasingly expected to be shaped by AI-assisted decisioning, intelligent automation, embedded finance, digital identity

ecosystems, alternative data models, automated document processing, and real-time risk monitoring.

Financial institutions are progressively moving away from fragmented and siloed lending operations towards unified digital lending ecosystems integrating customer acquisition, underwriting, loan management, collateral management, servicing, and collections within scalable and interoperable platforms.

Banks are increasingly prioritizing:

- faster loan turnaround times
- AI-enabled underwriting support
- automated verification workflows
- real-time fraud detection
- intelligent collections ecosystems
- personalized customer journeys
- digital self-service capabilities
- regulatory-ready servicing frameworks

Regulatory and Compliance Outlook

Regulation will continue to remain one of the most important drivers shaping technology investments across global BFSI ecosystems.

Across geographies, regulators are increasingly focusing on:

- digital lending governance
- operational resilience
- data privacy and protection
- cybersecurity frameworks
- consumer protection and transparency
- AI governance and explainability
- auditability and traceability
- fraud prevention and financial integrity

In India, regulatory developments around digital lending guidelines, Account Aggregator ecosystems, data protection frameworks, co-lending structures, and consent-led financial ecosystems are expected to continue shaping technology modernization priorities across banks and NBFCs.

As banking ecosystems become increasingly interconnected and AI-driven, financial institutions are expected to prioritize platforms capable of balancing innovation with governance, agility with compliance, and scalability with operational resilience.



Management's Discussion and Analysis

E. OPPORTUNITIES AND THREATS

Opportunities for Nucleus Software

The ongoing transformation of global banking ecosystems presents significant long-term opportunities for Nucleus Software.

The modernization of lending and transaction banking infrastructure across global markets continues to create demand for platforms capable of supporting intelligent automation, AI-enabled decisioning, composable architecture, regulatory compliance, and ecosystem interoperability.

The increasing adoption of AI across banking workflows presents substantial opportunity across:

- underwriting and credit assessment
- fraud detection and risk monitoring
- intelligent collections
- customer engagement and servicing
- workflow automation and analytics
- operational optimization

The continued evolution of *FinnOne Neo®* and *FinnAxia®*, combined with investments in API-first architecture, AI-led capabilities, cloud enablement, and ecosystem integration, positions the Company to participate meaningfully in this next phase of banking transformation.

Emerging markets across Asia-Pacific, the Middle East, and Africa continue to present long-term opportunities driven by financial inclusion, SME financing, digital lending expansion, and banking modernization initiatives. Developed markets continue to present opportunities around legacy modernization, operational resilience, governance-led AI adoption, and transaction banking transformation.

India also continues to represent a strategically important long-term growth market supported by digital public infrastructure, financial inclusion initiatives, and rapid digitization across banking and financial services ecosystems.

Threats and Risks

The evolving global environment also presents certain risks and challenges.

Regulatory complexity across multiple geographies

may increase localization requirements, compliance expectations, and implementation timelines for financial technology providers. Evolving regulations around digital lending, AI governance, cybersecurity, and data privacy may require continued investments in product modernization and compliance frameworks.

Cybersecurity risks also continue to increase as banking ecosystems become more digital, interconnected, and data-intensive. Financial institutions are expected to place increasing emphasis on operational resilience, security frameworks, fraud prevention systems, and governance-ready technology ecosystems.

The financial technology landscape also remains highly competitive, with participation from:

- global banking technology providers
- enterprise software companies
- digital-first fintech players
- specialized lending technology firms
- AI-led emerging platforms

Macroeconomic uncertainty, geopolitical developments, inflationary pressures, and shifts in global interest rate environments may also impact technology spending priorities and investment cycles across financial institutions.

Rapid advancements in AI, cloud computing, embedded finance, and ecosystem banking models may require sustained investments in innovation, talent, partnerships, and platform evolution to remain competitive and future-ready.

F. THE WAY FORWARD

Looking ahead, the financial services sector is expected to continue evolving in a measured yet decisive manner, shaped by structural shifts in technology adoption, regulatory expectations, and changing customer behaviour across markets.

A few clear themes are emerging across the industry:

- AI-led automation and analytics are increasingly becoming integral to decision-making across lending, risk management, and collections. Financial institutions are moving beyond experimentation towards practical deployment of AI to improve efficiency, enhance credit quality, and support faster, more informed decisions.



- Platform-based and composable architectures are gaining wider adoption as institutions look to modernize legacy environments without disrupting ongoing operations. The focus is on building flexible, API-led ecosystems that allow for faster product innovation and seamless integration with partners.
- Cross-border financial services and regional expansion continue to gather momentum, particularly across emerging markets. Institutions are looking to scale beyond domestic boundaries, while managing regulatory diversity, data requirements, and operational complexity.
- Regulatory and compliance-driven transformation remains a key priority. Increased oversight, governance requirements, and focus on data privacy and security are driving investments in systems that are not only efficient but also transparent, auditable, and aligned with regulatory expectations.

In addition, areas such as MSME financing, co-lending models, embedded finance, and ESG-linked lending are expected to see sustained traction, supported by both regulatory push and market demand.

In this context, Nucleus Software is well positioned to respond to these developments through a balanced and disciplined approach, supported by continued investments in:

- *Product innovation*, with a focus on strengthening core platforms and enhancing capabilities aligned with evolving business requirements
- *Platform scalability*, enabling financial institutions to manage growth, complexity, and multi-market operations efficiently
- *Market expansion*, leveraging global presence and partnerships to deepen engagement across key regions
- *Organizational capability*, including talent development and execution frameworks, to support sustained delivery and innovation

Overall, while the operating environment may continue to present both opportunities and challenges, your Company remains confident of its ability to navigate this phase through strong fundamentals, disciplined execution, and a clear strategic direction.

G. RISKS AND CONCERNS

These are discussed in detail in the Risk Management chapter provided later in this Integrated Annual Report.

H. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Internal control systems are a set of policies, processes and procedures put in place to help achieve the strategic objectives of an organization. At the same time internal controls also enhance the reliability and accuracy of accounting data. The Company has an Internal Control System commensurate with the size, scale and complexity of its operations. This has been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorised use, executing transactions with proper authorisation and ensuring compliance of corporate policies. The Company employs an advanced Enterprise Resource Planning (ERP) system that connects all parts of the organization, to record data for accounting, consolidation and management information purposes. It has continued its efforts to align all its processes and controls with global best practices. The management assessed the effectiveness of the Company's internal control over financial reporting (as defined in Regulation 17 of SEBI Regulations 2015) as of March 31, 2026.

ASA & Associates LLP, the statutory auditors of the Company, have audited the financial statements included in this Integrated Annual Report and have issued an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

The Board of Directors also re-appointed Internal Auditors i.e. Varma & Varma Chartered Accountants, as recommended by the Audit Committee with a well-defined internal audit scope. The audit is based on an internal audit plan, which is reviewed and approved by the Audit Committee. The Internal Auditor reports to the Chairperson of the Audit Committee and presents significant audit observations to the Audit Committee. Based on the report of the Internal Auditor, process owners undertake corrective action in their respective areas and thereby strengthen the controls.



Management's Discussion and Analysis

The Audit Committee also meets statutory auditors to ascertain, inter alia, their views on the adequacy of internal control systems and keeps the Board of Directors informed of its major observations periodically. Based on its evaluation [as defined in Section 177 of the Companies Act, 2013 and Regulation 18 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015], the Audit Committee noted that, as of March 31, 2026, the Company's internal financial controls were adequate and operating effective.

The CEO/CFO certification provided elsewhere in this report also places responsibility on the CEO and CFO to continuously ensure adequacy of our internal control systems and procedures.

I. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES

During FY 2025-26, Nucleus Software continued to strengthen organizational culture, leadership capability, employee experience, and workforce readiness through focused investments in capability building, leadership development, organizational effectiveness, and Lean transformation initiatives. Employee engagement, wellbeing, rewards, Diversity,

Equity & Inclusion (DEI), and innovation-led talent programs remained key priorities, further reinforcing a high-performance and inclusive workplace culture.

Nucleus Software was certified as a Great Place to Work® in India, reflecting its continued commitment to employee experience and workplace excellence. The Company remains focused on fostering continuous learning, inclusive leadership, innovation, and operational excellence to support sustainable growth and long-term value creation.

J. FINANCIAL PERFORMANCE

Consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

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

An overview of the consolidated financial results for FY26 and FY25 is given below:

The consolidated financial results are as below:

(₹ in crore)

For the Year Ended March 31,	2026	% of Revenue	2025	% of Revenue	Growth (%)
Revenue From Operations	876.03	100.00	832.25	100.00	5.26
Expenses					
a) Employee benefit expense	589.41	67.28	534.64	64.24	10.24
b) Operating and other expenses	161.05	18.39	129.26	15.53	24.59
c) Finance costs (Bank charges)	1.41	0.16	0.75	0.09	88.00
Total Expenses	751.87	85.83	664.65	79.86	13.12
Operating Profit (EBITDA)	124.16	14.17	167.60	20.14	(25.92)
Depreciation & Amortization	16.49	1.88	14.81	1.78	11.34
Operating Profit after Interest and Depreciation	107.67	12.29	152.79	18.36	(28.43)
Other Income	64.16	7.32	66.26	7.96	(3.17)
Exceptional Items	21.95	2.51	-	-	-
Profit Before Tax	149.88	17.10	219.05	26.32	(31.58)
Tax Expenses	33.14	3.77	56.05	6.73	(40.87)
Profit After Tax	116.74	13.33	163.00	19.59	(28.38)
Other Comprehensive Income	9.40	1.07	(3.56)	(0.43)	(364.04)
Total Comprehensive Income for the year	126.14	14.40	159.44	19.16	(20.89)



Revenue from Operations

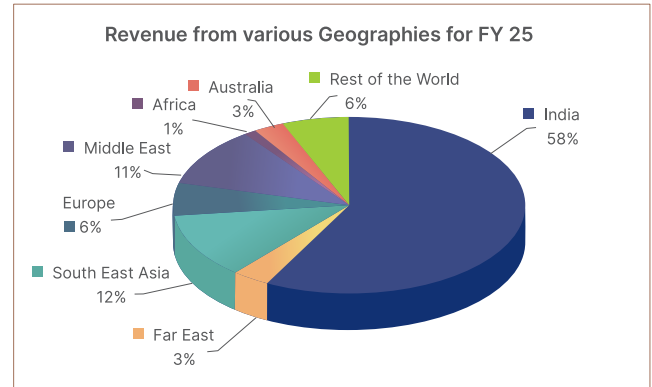
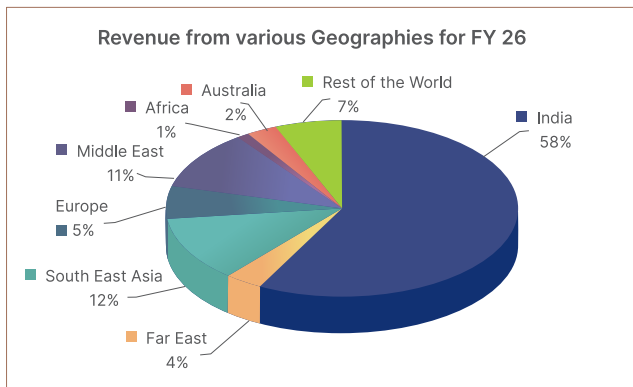
Our revenues from software development comprise of income from fixed price and time and material contracts. Revenue from fixed price contracts comprising of license, related customization and implementation is recognized in accordance with the output method based on percentage completion. Revenue from time and material contracts is recognised as the services are rendered. Revenue from annual technical service contracts is recognized on a pro rata basis over the period in which such services are rendered.

During the year, revenue from operations is ₹ 876.03 crore, as compared to ₹ 832.25 crore for the previous year.

Revenue from Various Geographies

Nucleus Software Group parent Company is incorporated in India and caters to customers situated all across the globe. We operate in seven main geographical segments: India, Far East, Southeast Asia, Europe, Middle East, Africa and Australia, which represent the reportable segments. These segments are based on location of customers of the Company.

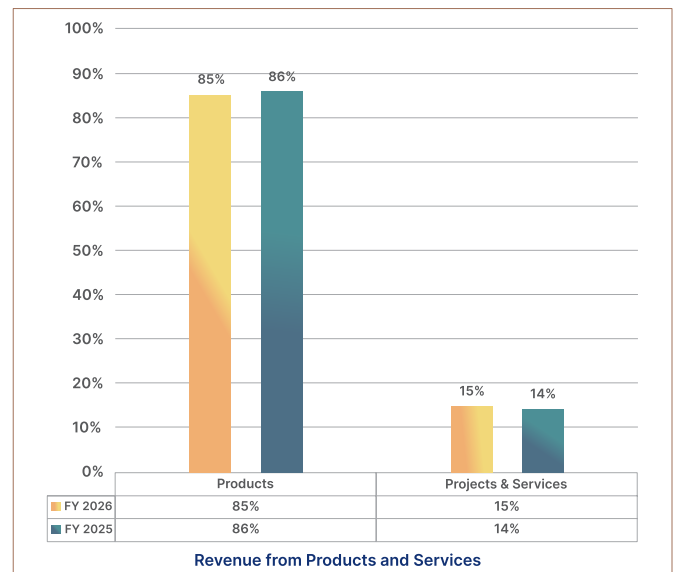
For the year, around 42% of revenue was derived from overseas customers. The graph below presents a geography-wise distribution for the year as well as the previous year.



Revenue from Products and Services

Our Revenues are further disaggregated into Products and Services. "Products", comprises of license fee, revenue from customization and implementation of products and postproduction maintenance support. Product revenue for the year is ₹ 740.56 crore, 85% of the total revenue, against ₹ 713.79 crore, 86% of total revenue, in the previous year.

Software services rendered by the Company typically consist of development of software to meet specific customer requirements. These services consist of application development & maintenance, testing, consulting and infrastructure management services with a strong banking domain focus. Revenue from Software projects and services including other revenue for the year is ₹ 135.47 crore, 15% of the total revenue, against ₹ 118.46 crore, 14% of the total revenue in the previous year.





Management's Discussion and Analysis

EXPENSES

Employee Benefit Expense

Employee benefit expenses include salaries paid to employees globally which have fixed, variable and incentives components; provision for retirement benefits, contribution to provident fund and expense on staff welfare activities. The employee benefit expenses have increased by 10.24% to ₹ 589.41 crore, 67.28% of revenue against ₹ 534.64 crore, 64.24% of revenue in the previous year.

(₹ in crore)

For the Year Ended March 31,	2026	% of Revenue	2025	% of Revenue	Growth (%)
Salaries	536.65	61.26	448.10	58.65	9.95
Contribution to provident and other funds	35.13	4.01	31.52	3.79	11.44
Gratuity expense	9.00	1.02	6.70	0.80	34.26
Staff welfare	8.63	0.99	8.32	1.00	3.77
Total Employee Benefit Expenses	589.41	67.28	534.64	64.24	10.24
Revenue	876.03	100.00	832.25	100.00	5.26

Operating and Other Expenses

Operating and other expenses primarily consist of expenses such as travel expenses, sales and marketing related expenses, outsourced technical service expenses, legal and professional, training & recruitment, information technology expenses, infrastructure charges, contribution to CSR activities etc.

Operating and other expenses are at ₹ 161.05 crore, 18.38% of revenue for the year, increased by 24.59% in comparison to ₹ 129.26 crore, 15.53% of revenue in the previous financial year.

(₹ in crore)

For the Year Ended March 31,	2026	% of Revenue	2025	% of Revenue	Growth (%)
Advertisement, business development and promotion	10.18	1.16	5.61	0.67	81.43
Commission to channel partners	0.41	0.05	0.82	0.10	(49.95)
Communication	1.78	0.20	1.68	0.20	6.02
Conference, exhibition and seminar	9.26	1.06	7.27	0.87	27.40
Conveyance	1.20	0.14	0.89	0.11	34.24
Cost of software purchased for delivery to Clients	0.17	0.02	0.14	0.02	17.39
Directors' remuneration	2.51	0.29	3.01	0.36	(16.56)
Expenditure on Corporate Social Responsibility	3.69	0.42	2.77	0.33	33.31
Insurance	0.85	0.10	1.12	0.13	(24.20)
Information technology expenses	44.11	5.04	41.24	4.96	6.95
Legal and professional	16.48	1.88	16.43	1.97	0.31
Miscellaneous expenses	2.47	0.28	2.07	0.25	19.24
Outsourced technical service expense	11.91	1.36	6.16	0.74	93.39
Power and fuel	4.06	0.46	3.83	0.46	6.08
Provision for doubtful trade receivables/advances/ other current assets	0.05	0.01	(1.60)	(0.19)	(103.13)
Rates & Taxes	0.43	0.05	0.81	0.10	(47.10)
Rent	3.07	0.35	2.60	0.31	17.98
Repair and maintenance	5.74	0.66	5.21	0.63	10.25
Travel expense	26.38	3.01	18.04	2.17	46.26
Training and recruitment	11.33	1.29	6.49	0.78	74.48
Withholding tax charged off	4.97	0.57	4.67	0.56	6.43
Total Operating and Other Expenses	161.05	18.39	129.26	15.53	24.59
Revenue	876.03	100.00	832.25	100.00	5.26



The Increase in Operating and other expense for FY 2026 from FY 2025 is primarily due to higher Advertisement and business promotion expenses, Traveling Expenses, Information Technology Expenses, Training and Recruitment, Conference, Exhibition & Seminar expenses, Outsourced technical service expenses.

The Company has set up Nucleus Software Foundation, a trust for the purpose of undertaking CSR activities of the company. During the year, the Company contributed ₹ 3.69 crore towards CSR activities to the trust. The details of CSR initiatives undertaken by the trust has been provided in a separate section in the Integrated Annual Report.

Finance Cost

Finance cost during the year is at ₹ 1.41 crore, 0.16% of revenue against ₹ 0.75 crore, 0.09% of revenue in the previous year

(₹ in crore)

For the Year Ended March 31,	2026	2025
Bank Charges	0.62	0.43
Interest Expense on lease liability	0.64	0.32
Unwinding of discount (discounting)-security deposit (received)	0.02	-
Interest Others	0.13	-
Total	1.41	0.75

Operating Profit (EBITDA)

Operating Profit during the year at ₹ 124.16 crore, 14.17% of revenue against ₹ 167.60 crore, 20.14% of revenue in the previous year.

Depreciation & Amortization

Depreciation & Amortization on fixed assets is ₹ 16.49 crore, 1.88% of revenue for the year, against ₹ 14.81 crore, 1.78% of revenue in the previous year.

Other Income

Other Income includes interest income, profit on sale of investments, gain/(loss) on exchange fluctuation, MTM gain on Mutual Funds etc.

(₹ in crore)

For the Year Ended March 31,	2026	2025
Dividend on investment	-	0.44
Interest income	30.49	25.86
Net Gain / (Loss) on exchange fluctuation	5.94	0.57
Net Gain/ (Loss) on sale of investments	-	1.22
MTM Gain/ (Loss) on mutual funds	27.13	38.00
Others	0.60	0.17
Total	64.16	66.26

The other income for the year is ₹ 64.16 crore, 7.32% of revenue against ₹ 66.26 crore, 7.96% of revenue in the previous year.

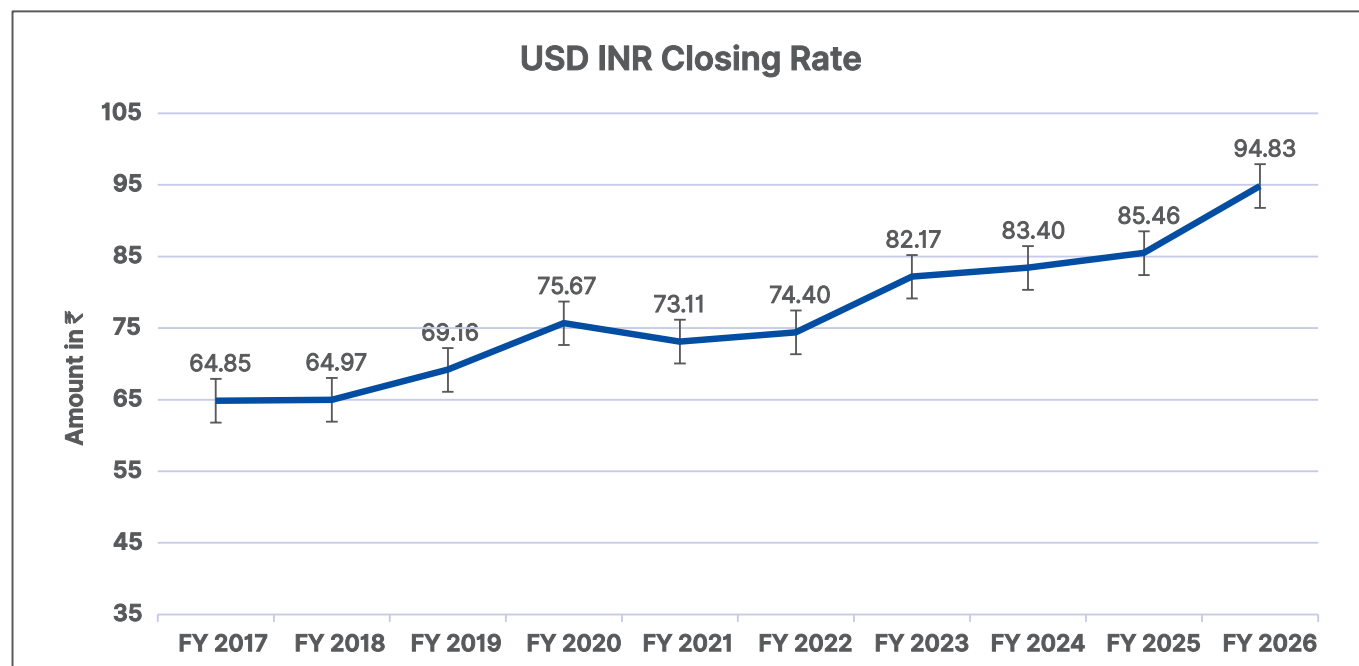
Foreign Exchange Gain / (Loss)

Foreign Exchange Gain (Loss) includes gain (loss) from translation of current assets and liabilities at month end rates, those arising from realization/payments of receivables/payables. During the year the Company had a net foreign exchange gain of ₹ 5.94 crore against gain of ₹ 0.57 crore in the previous year.



Management's Discussion and Analysis

Foreign Exchange continues to be volatile, as depicted in the above-mentioned chart.



The Company follows a well-defined policy of hedging close to receivables through Forward Contracts which are designated as Highly Probable Forecast Transactions. The Company has a conservative approach and does not speculate in foreign currency markets. Forwards are held to maturity and regular reporting and monitoring systems are in place including quarterly updates to the Audit Committee.

Currency-wise revenues for the year along with a comparison for the previous year is as follows:

(in %)		
Currency	FY26	FY25
Indian Rupee	58.31%	57.68%
US \$	28.57%	27.51%
Singapore \$	5.61%	4.81%
Australian \$	2.23%	2.93%
Japanese Yen	2.28%	1.81%
Euro	0.68%	1.60%
Malaysian Ringgit	1.61%	1.62%
British Pound	-	1.08%
Arab Emirates Dirham	0.37%	0.96%
Saudi Ryal	0.17%	-
Vietnamese Dong	0.17%	-
Total	100.00%	100.00%



Taxation

It represents a provision for corporate & income taxes determined in accordance with tax laws applicable in countries where the Company and subsidiaries operate.

(₹ in crore)

For the Year Ended March 31,	2026	2025
- Current Tax Expense	36.55	47.63
- Deferred Tax Credit (net)	(3.41)	8.42
Total	33.14	56.05

Total effective tax for the year is 22.11% of Profit before tax, in comparison to 25.59% of Profit before tax for the previous year.

Profit After Tax

Profit after tax for the year is ₹ 116.74 crore, 13.33% of revenue, against ₹ 163.00 crore, 19.59% of revenue in previous year.

This age of competition necessitates overall revenue growth, earned in an optimal cost environment. We remain committed to achieving higher productivity and generate better margins. Our sales and marketing efforts are focused on increasing our customer base and hence the market share, which would ultimately yield better realizations. Emerging markets across the world will continue to provide stability and growth would be led by larger engagements and value offerings.

Other Comprehensive Income (OCI)

Other comprehensive income represents

- a) Items that will not be reclassified to profit or loss: Equity instruments through OCI – this is on account of fair valuation of investment for which the Company has made an irrevocable option to present the same in the OCI. For the year it is ₹ 4.67 crore, against ₹ (1.93) crore in the previous year. Remeasurements of the defined benefit plans- For the year it is ₹ 3.74 crore, against ₹ (4.38) crore in the previous year.

Tax on above is ₹ (1.61) crore for the year, against ₹ 1.48 crore in the previous year

- b) Items that will be reclassified to profit or loss: Effective portion of gains and loss on hedging instruments in a cash flow hedge, net – when a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of derivative is recognized in OCI. For the year it is ₹ (1.14) crore, against ₹ 0.02 crore in the previous year. Exchange difference on translation of foreign operations for the year it is ₹ 3.47 crore, against ₹ 1.27 crore in the previous year.

Tax on above is ₹ 0.27 crore for the year, against ₹ (0.02) crore in the previous year

Total Other comprehensive income/(loss) net of tax for the year is ₹ 9.40 crore, against ₹ (3.56) crore in the previous year.

Share Capital

The Paid-Up Share Capital of the Company, as on March 31, 2026, is 2,63,25,306 equity shares of ₹ 10 each, as compared to 2,63,25,306 equity shares of ₹ 10 each as on March 31, 2025.

Subsidiaries

The Company has eight subsidiary companies, all over the world, all of which are wholly owned. Its gross investment in Paid-up Share Capital of the Subsidiaries as on March 31, 2026 is as per the below table.



Management's Discussion and Analysis

Name of Subsidiary Company	Currency	As at March 31, 2026		As at March 31, 2025	
		In foreign Currency	Eqv. ₹ (in crore)	In foreign Currency	Eqv. ₹ (in crore)
Nucleus Software Solutions Pte. Ltd., Singapore 6,25,000 equity shares of SGD 1 each	SGD	6,25,000	1.63	6,25,000	1.63
Nucleus Software Inc., USA 10,00,000 equity shares of US\$ 0.35 cents each	USD	3,50,000	1.63	3,50,000	1.63
Nucleus Software Japan Kabushiki Kaisha, Japan 200 equity shares of JPY 50,000 each	JPY	1,00,00,000	0.41	1,00,00,000	0.41
Nucleus Software Netherlands B.V., Netherlands* 7,800 equity shares of Euro 100 each (as at March 31, 2025: 7,500 equity shares of Euro 100 each)	Euro	7,80,000	5.19	7,50,000	4.89
Nucleus Software Limited, India 1,50,00,000 equity shares of ₹ 10/- each	INR	-	16.94	-	16.94
Nucleus Software Australia Pty. Ltd, Australia 1,00,000 Equity share of 1 AUD each	AUD	1,00,000	0.55	1,00,000	0.55
Nucleus Software South Africa (Pty.) Limited, South Africa 10 Equity shares of ZAR 61,200 each	ZAR	6,12,000	0.32	6,12,000	0.32
Nucleus Software Vietnam Company Limited, Vietnam**	-	-	-	-	-
Total			26.67		26.37

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

Note:

* During the year, the Company infused additional capital of Euro 30,000 in equity share capital of Netherlands Subsidiary.

**The Company incorporated a wholly-owned subsidiary, Nucleus Software Vietnam Company Limited, in the Socialist Republic of Vietnam on February 05, 2026. As at 31 March 2026, the Company did not infuse any share capital into the subsidiary. The Company infused USD 1,00,000 equivalent to VND 261,68,00,000 on 06 May 2026 in the Charter Capital of Vietnam subsidiary.

Other Equity

The movement in the components of Other Equity is as below:

(₹ in crore)

Particulars	Closing Balance as on March 31, 2026	Additions/ (Deletions) during the year	Opening Balance as on April 01, 2025
General Reserve	-	-	-
Capital Reserve	0.89	-	0.89
Capital Redemption reserve	6.06	-	6.06
Retained Earnings	853.62	83.83	769.79
Remeasurement of the defined benefit plans	(0.77)	(2.13)	(2.90)
Hedging Reserve	(0.82)	(0.87)	0.05
Foreign Currency Translation Reserve	7.74	3.47	4.27
Equity instrument through other comprehensive income	14.40	4.67	9.73
Total	881.12	93.23	787.89



Non-Current Fixed Assets

As at March 31, 2026, Net carrying amount of Property, Plant and Equipment, Intangible assets, Furniture and fixtures, capital work in progress, right of use of assets etc. is ₹ 89.15 crore, against ₹ 61.29 crore as on March 31, 2025.

(₹ in crore)

As at March 31,	2026	2025	Inc/Dec (%)
Gross Carrying Amount			
Freehold land	0.34	0.34	-
Leasehold improvements	0.14	0.14	-
Buildings	36.16	25.13	43.89
Plant and equipment	11.93	10.24	16.50
Computer equipment	70.55	57.14	23.47
Vehicles	1.72	1.95	(11.79)
Furniture and fixtures	4.12	3.76	9.57
Software	25.38	22.62	12.20
Total Gross Carrying Amount	150.34	121.32	23.92
Less: accumulated depreciation	86.83	79.69	8.96
Net Carrying Amount	63.51	41.63	52.57
Capital work in progress	0.06	0.22	(72.73)
Intangible Assets under Development	0.02	0.03	(33.33)
Right of use Assets (net of Amortisation)	13.15	6.70	96.27
Investment Property (net of Depreciation)	12.41	12.71	(2.36)
Total Non-Current Fixed Assets	89.15	61.29	45.46

As permitted by Ind AS 101, the Company has elected to continue with the carrying values under previous GAAP as deemed cost for all the items of property, plant and equipment and Intangible assets etc.

Investments

The Company continues to remain debt-free and we believe that cash generated from operations and reserves and surplus are sufficient to meet our obligations and requirements towards capital expenditure and working capital requirements.

- a. **Non-current investments** is ₹ 352.75 crore as on March 31, 2026 against ₹ 403.62 crore as on March 31, 2025.

(₹ in crore)

As at March 31,	2026	2025
Investment in equity shares of a listed company at FVOCI	14.65	9.98
Investment in tax free bonds at amortised cost	21.43	32.81
Investment in Target maturity fund (quoted) at amortised cost	87.37	142.40
Investment in unquoted mutual funds at Fair value through profit or loss (FVTPL)	229.30	218.43
Total	352.75	403.62



Management's Discussion and Analysis

- b. **Current investments** is ₹ 291.03 crore as on March 31, 2026 against ₹ 237.06 crore as on March 31, 2025.

(₹ in crore)

As at March 31,	2026	2025
Investment in unquoted mutual funds at Fair value through profit or loss (FVTPL)	248.36	236.53
Investment in tax free bonds at amortised cost	10.69	0.53
Investment in Target maturity fund (quoted) at amortised cost	31.98	-
Total	291.03	237.06

Cash and Bank Balances

As on March 31, 2026 the cash and bank balances (including fixed deposits) is at ₹ 123.11 crore against ₹ 122.67 crore on March 31, 2025.

(₹ in crore)

As at March 31,	2026	2025
Cash in hand	-	-
Balances with Bank		
In Current Accounts	43.21	38.74
Remittance in Transit	3.31	0.04
In Deposit Account with original maturity of less than 3 months	33.49	11.68
In Deposit Account with original maturity of less than 12 months*	42.82	71.93
Balance in earmarked accounts	0.28	0.28
Total	123.11	122.67

*Balance with scheduled banks in deposit accounts include ₹ 0.31 crore (31 March 2025 ₹ 0.55 crore) which are under lien.

Operating Cash Flow

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

Our net cash flow from operating activities before working capital changes is ₹ 111.12 crore for the financial year 2026 against ₹ 172.50 crore in the previous year. After considering working capital changes, operating cash flow for the year is ₹ 117.46 crore against ₹ 150.94 crore in the previous year.

To summarize the Company's liquidity position, given below are few ratios:

As at March 31,	2026	2025
Operating Cash Flow as % of Revenue	13.41	18.14
Cash and Equivalents including current investment as % of Total assets	32.71	31.20
Cash and Equivalents including current investment as % of Revenue	47.27	43.22

Trade Receivables

Our trade receivables (net of provision) as on March 31, 2026 is ₹ 121.12 crore, against ₹ 137.41 crore as on March 31, 2025.



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

As at March 31,	2026	2025
Less than six months	95.94%	98.69%
Between 6 months and 1 Year	4.04%	1.31%
More than 1 Year	0.02%	-

Loans and Other Financial Assets

Loans and Other Financial assets have been classified into Non-Current and Current based on their period of realization.

(₹ in crore)

As at March 31,	2026	2025
Non – Current		
Loans Receivables considered good	0.01	0.08
Security deposits	2.44	1.38
Long-term deposits	220.40	124.17
Total	222.85	125.63

(₹ in crore)

As at March 31,	2026	2025
Current		
Loans Receivables considered good	0.08	0.34
Security deposits	1.53	1.74
Mark-to-market gain on forward contracts	-	0.06
Expenses recoverable from customers	0.93	0.16
Total	2.54	2.30
Total Loans and other Financial Assets	225.39	127.93

Security Deposits is primarily for hiring of office premises amounts to ₹ 3.97 crore as on March 31, 2026 against ₹ 3.12 crore as on March 31, 2025. Long term deposits amounting to ₹ 220.40 crore as on March 31, 2026 include deposits held with banks / financial institutions for maturity more than 12 months from the balance sheet date.

Other Assets

Other Assets include Income tax asset, Service income accrued but not due, Supplier and capital advances, Prepaid expenses etc. Other assets have been classified into Non-Current and Current based on their period of realization.

(₹ in crore)

As at March 31,	2026	2025
Non – Current		
Advance Tax	11.58	8.75
Capital Advances	0.03	8.04
Prepaid Expenses	0.54	1.26
Total	12.15	18.05



Management's Discussion and Analysis

(₹ in crore)

As at March 31,	2026	2025
Current		
Service income accrued but not due	30.81	21.11
Employee Advances	0.35	0.34
Prepaid Expenses	11.87	15.64
Contract cost	0.06	0.01
Balances with Government authorities	0.48	0.62
Supplier advances	7.84	7.14
Deferred Expenses	0.02	0.06
Total	51.43	44.92
Total Other Assets	63.58	62.97

Current Liabilities

Current liabilities include Trade payables, Short-term provisions, Employee payable, Deferred revenue, Advances from customers / Advance billing, Statutory liabilities etc. As on March 31, 2026 the Current liabilities are ₹ 282.24 crore against ₹ 282.55 crore as on March 31, 2025.

(₹ in crore)

As at March 31,	2026	2025
Financial liabilities		
Lease Liabilities	3.64	1.12
Trade Payables	18.21	12.90
Unpaid dividends	0.28	0.28
Payable for purchase of fixed assets	-	1.78
Mark to Market gain on forward contracts	1.09	-
Employee payable	73.29	50.06
Other current liabilities		
Advances from customers/Advance Billing	45.19	61.58
Deferred Revenue	116.14	122.80
Statutory Liabilities	16.09	17.22
Short term provisions		
Compensated absences for employees	6.92	5.34
Provision for asset retirement obligations	0.26	0.22
Provision for Income tax	1.13	9.25
Total	282.24	282.55

Trade payables represent the amount payable for providing goods & services and is ₹ 18.21 crore as on March 31, 2026 against ₹ 12.90 crore as on March 31, 2025. Advances from customers / Advance billing as on March 31, 2026 is ₹ 45.19 crore against ₹ 61.58 crore as on March 31, 2025. These consist of advance payments received from customers, for which related costs have not been yet incurred or product license delivery is a later date. Deferred revenue represents the advance invoicing for annual maintenance charges for which services are to be rendered in the future. As on March 31, 2026 it is ₹ 116.14 crore against ₹ 122.80 crore as on March 31, 2025.



Employee Payables includes the provision for accrued salaries, incentives, bonus and retention bonus payable to employees. It is ₹ 73.29 crore as on March 31, 2026 as against ₹ 50.06 crore as on March 31, 2025.

Statutory dues are the amounts accrued for taxes deducted at source by the Company, staff provident fund, employee state insurance liabilities, GST, etc. As on March 31, 2026 it is ₹ 16.09 crore against ₹ 17.22 crore as on March 31, 2025.

Short-term provisions for Compensated absences and provision for Income taxes are those for which liability is expected to arise in the near future. Sum of all these short-term provisions as on March 31, 2026 is ₹ 8.31 crore against ₹ 14.81 crore as on March 31, 2025.

The Company has made contributions to Nucleus Software Employees Group Gratuity Assurance Trust, which has made further contributions to Employees Group Gratuity Scheme of Life Insurance Corporation of India.

Non-Current Liabilities

Non-Current Liabilities as on March 31, 2026 is ₹ 76.44 crore against ₹ 56.18 crore as on March 31, 2025:

(₹ in crore)		
As at March 31,	2026	2025
Financial liabilities		
Lease Liabilities	4.91	0.88
Deferred Tax liabilities	12.75	14.99
Security Deposit	0.30	-
Other non-current liabilities		
Deferred lease income on Security deposit received	0.12	-
Long-term Provisions		
Compensated absences for employees	31.03	23.50
Gratuity	27.30	16.78
Asset retirement obligations	0.03	0.03
Total	76.44	56.18

A liability or provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The Company based on actuarial valuation determines provision for Compensated absences.



Independent Auditors Report

To the Members of Nucleus Software Exports Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Nucleus Software Exports Limited** ("the Company"), which comprise the standalone balance sheet as at March 31, 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.

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 ₹ 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.



Sr. No.	Key Audit Matter	How our audit addressed the key audit matter
		- o inquired of the relevant project managers about key aspects and the progress of the contracts, including the estimated total contract costs, key project risks, amendments, contingencies, and billing schedules. - o verified the details of activities completed with those stated in the customer contract and confirmed by the project manager including agreeing the respective activities performed according to project management tool with customer report/confirmations which form the basis of percentage of completion; and - o verified the ageing analysis 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.

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.



Independent Auditors' Report

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the standalone financial statements, including the

disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 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;
- (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 its knowledge and belief, as disclosed in the note 2.42 to the standalone financial statement, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material 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 Mittal

Partner

Membership No. 402631

UDIN: 26402631LLZQZL3969

Place: Gurugram

Date: May 21, 2026



Independent Auditors' Report

Annexure A to the Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) (A) According to the information and explanations given to us and audit procedures performed by us, the Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
 - (B) According to the information and explanations given to us and audit procedures performed by us, the Company has maintained proper records showing full particulars of intangible assets.
- (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.
- (c) According to information and explanations given to us and audit procedures performed by us, the title deeds of all of the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company.
- (d) According to information and explanations given to us and audit procedures performed by us, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to information and explanations given to us and audit procedures performed by us, there are no proceedings initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) (a) The Company does not hold any physical inventories during the year. Accordingly, reporting under clause 3(ii)(a) of the Order is not applicable.
- (b) According to information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any time during the year. Accordingly, reporting under clause 3(ii)(b) of the Order is not applicable.
- (iii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, during the year, the Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, and Limited Liability partnerships or any other parties. Accordingly, reporting under clause 3(iii)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and audit procedures performed by us, we are of the opinion that the investment made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are, prima facie, not prejudicial to the Company's interest.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in respect of 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.
- (d) According to the information and explanations given to us and audit procedures performed by us, there is no overdue amounts for more than ninety days in respect of the loans given by the Company. Further, the Company has not given any advance in the nature of loan to any party during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.

- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment 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.
- (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:
- (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.

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	-
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	-



Independent Auditors' Report

- (viii) According to the information provided and explanations given to us, and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessment under the Income Tax Act, 1961 as income during the year and accordingly reporting under clause 3(viii) of the Order is not applicable.
- (ix) (a) The Company has not availed any loans and borrowings during the year. Accordingly, reporting under clause (ix)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) According to the information and explanations given to us, the Company has not obtained any term loans during the year. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under Companies Act, 2013.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies as defined under the Companies Act, 2013.
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable.
- (b) According to the information provided and explanations given to us, and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable.
- (xi) (a) According to the information and explanations given by the management and based upon the audit procedures performed for the purpose of reporting on the true and fair view of the financial statements, we report that no fraud by the Company or any fraud on the Company has been noticed or reported during the year.
- (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, report under section 143(12) of the Act, in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) We have taken into consideration the whistle blower complaint received by the Company during the year while determining the nature, timing and extent of audit.
- (xii) (a) According to the information and explanation given to us, the Company is not a Nidhi Company. Accordingly, reporting under clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions entered with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and details have been disclosed in the financial statements as required by the Indian accounting standards.
- (xiv) (a) According to the information and explanations given to us and audit procedures performed by us, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date, for the period under audit.
- (xv) According to the information and explanations given to us, in our opinion the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.



- (b) According to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities.
- (c) The Company is not Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, reporting under clause 3(xvi)(c) and (d) of the Order are not applicable.
- (xvii) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly reporting under clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit

report, that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the information and explanation as made available to us by the management of the Company up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) In our opinion and according to the information and explanation given to us, there is no unspent amount under sub-section (5) of Section 135 of the Companies Act, 2013 pursuant to any project. Accordingly, reporting under clause 3(xx)(a) and (b) of the Order are not applicable.

For **ASA & Associates LLP**

Chartered Accountants

Firm Registration No. 009571N/N500006

Prateet Mittal

Partner

Place: Gurugram

Date: May 21, 2026

Membership No. 402631

UDIN: 26402631LLZQZL3969



Independent Auditors' Report

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.

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.

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 Mittal

Partner

Place: Gurugram

Date: May 21, 2026

Membership No. 402631

UDIN: 26402631LLZQZL3969



Standalone Balance Sheet as at 31 March 2026

(Amount in ₹ 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

Sd/-

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

Sd/-

VISHNU R DUSAD

Managing Director

DIN : 00008412

Sd/-

ASHOK KUMAR BHURA

Chief Financial Officer

Place : Noida
Date : 21 May 2026

Sd/-

PARAG BHISE

CEO & Whole-time Director

DIN : 08719754

Sd/-

POONAM BHASIN

VP (Secretarial) & Company Secretary

Membership number : 10865



Standalone Statement of Profit & Loss for the year ended 31 March 2026

(Amount in ₹ Lakhs unless otherwise stated)

Particulars	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 expenses	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 income		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
10. EARNINGS PER EQUITY SHARE	2.33		
Equity shares of ₹ 10 each			
a. Basic (₹)		44.94	60.93
b. Diluted (₹)		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

Sd/-

PRATEET MITTAL

Partner

Membership number : 402631

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

Sd/-

VISHNU R DUSAD

Managing Director

DIN : 00008412

Sd/-

ASHOK KUMAR BHURA

Chief Financial Officer

Sd/-

PARAG BHISE

CEO & Whole-time Director

DIN : 08719754

Sd/-

POONAM BHASIN

VP (Secretarial) & Company Secretary

Membership number : 10865

Place : Gurugram
Date : 21 May 2026

Place : Noida
Date : 21 May 2026



Standalone Statement of Changes in Equity for the year ended 31 March 2026

A. Equity share Capital

(Amount in ₹ 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

(Amount in ₹ Lakhs unless otherwise stated)

Particulars	Reserves and Surplus			Items of Other Comprehensive Income (OCI)			Total
	Capital reserve	Capital Redemption reserve	Retained earnings	Other components of equity	Hedging reserve	Equity instrument through other comprehensive income	
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



Standalone Statement of Changes in Equity for the year ended 31 March 2026

(Amount in ₹ Lakhs unless otherwise stated)

Particulars	Reserves and Surplus			Items of Other Comprehensive Income (OCI)			Total
	Capital reserve	Capital Redemption reserve	Retained earnings	Other components of equity	Hedging reserve	Equity instrument through other comprehensive income	
Opening balance 1 April 2024	89	561	70,409	-	4	1,166	72,229
Profit for the year	-	-	16,176	-	-	-	16,176
Effective gain/(loss) on hedging instruments (net of tax)	-	-	-	-	1	-	1
Equity Instruments through Other Comprehensive Income	-	-	-	-	-	(193)	(193)
Final dividend on equity shares	-	-	(3,347)	-	-	-	(3,347)
Buyback of equity shares	-	45	(7,235)	-	-	-	(7,190)
Tax on buyback of equity shares	-	-	(1,686)	-	-	-	(1,686)
Remeasurement of the defined benefit plans, (net 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

Sd/-
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

Sd/-
VISHNU R DUSAD
Managing Director
DIN : 00008412

Sd/-
ASHOK KUMAR BHURA
Chief Financial Officer

Place : Noida
Date : 21 May 2026

Sd/-
PARAG BHISE
CEO & Whole-time Director
DIN : 08719754

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



Standalone Cash Flow Statement for the year ended 31 March 2026

(Amount in ₹ Lakhs unless otherwise stated)

Particulars	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)
	<u>14,125</u>	<u>17,676</u>
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



Standalone Cash Flow Statement for the year ended 31 March 2026

(Amount in ₹ Lakhs unless otherwise stated)

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Supplementary information		
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

Sd/-

PRATEET MITTAL

Partner

Membership number : 402631

For and on behalf of the Board of Directors

NUCLEUS SOFTWARE EXPORTS LIMITED

CIN : L74899DL1989PLC034594

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Sd/-

POONAM BHASIN

VP (Secretarial) & Company Secretary

Membership number : 10865

Place : Gurugram

Date : 21 May 2026

Place : Noida

Date : 21 May 2026



Notes forming part of the Standalone financial statements for the year ended 31 March 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 its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of the non-current financial liabilities.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities (if any) are classified as non-current assets and liabilities.

Operating cycle

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



Notes forming part of the Standalone financial statements for the year ended 31 March 2026

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



Notes forming part of the Standalone financial statements for the year ended 31 March 2026

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.



Notes forming part of the Standalone financial statements for the year ended 31 March 2026

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 etc.	3	3
Computers- servers and networking equipment*	4	6
Vehicles*	5	10
Furniture and fixtures*	5	10
Temporary wooden structures (included in Building)	3	3

*Based on a technical evaluation, the useful lives as given above represent the period over which the management expects to use these assets; hence these lives are different from the useful lives prescribed under Part C of schedule II of the Companies Act, 2013.



Notes forming part of the Standalone financial statements for the year ended 31 March 2026

v. Intangible assets

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the tax authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates.

Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

The management's estimates of the useful lives of the software are 3 years.

vi. Financial instruments

a) Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provision of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

b) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- Fair value through other comprehensive income (FVOCI)-equity investment; or
- Fair value through profit and loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely for payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI-equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivatives financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirement to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Investment in subsidiaries

Investment in subsidiaries is carried at cost.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;



Notes forming part of the Standalone financial statements for the year ended 31 March 2026

- 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.



Notes forming part of the Standalone financial statements for the year ended 31 March 2026

In the case of target maturity funds (TMFs), the Company intends to hold its investment in open ended target maturity funds till maturity. These funds have a pre-determined maturity date, which follow a passive buy-and-hold strategy. This strategy is expected to mitigate market volatility, and the company believes it aligns with the SPPI test requirements under Ind AS 109

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

c) Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new

financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

d) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

e) Derivative financial instruments and hedge accounting

The Company holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

The Company designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates.

At inception of designated hedging relationships, the Company documents the risk management objective and strategy for undertaking the hedge. The Company also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Cash flow hedges

The Company recognizes derivative instruments and hedging activities as either assets or liabilities in its balance sheet and measures them at fair value. Gains and



Notes forming part of the Standalone financial statements for the year ended 31 March 2026

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).



Notes forming part of the Standalone financial statements for the year ended 31 March 2026

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



Notes forming part of the Standalone financial statements for the year ended 31 March 2026

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



Notes forming part of the Standalone financial statements for the year ended 31 March 2026

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



Notes forming part of the Standalone financial statements for the year ended 31 March 2026

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



Notes forming part of the Standalone financial statements for the year ended 31 March 2026

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 on classification 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.

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 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.



Notes forming part of the Standalone financial statements for the year ended 31 March 2026

2.1(a) Property, plant and equipment

(Amount in ₹ 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.



Notes forming part of the Standalone financial statements for the year ended 31 March 2026

2.1(b) Capital work in progress

(Amount in ₹ 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 ₹ Lakhs unless otherwise stated)

Capital work in progress	Amount in capital work in progress				
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Projects in progress	6	-	-	-	6
	(22)	-	-	-	(22)

2.1(c) Intangible assets under development

(Amount in ₹ 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 ₹ 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 ₹ 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.



Notes forming part of the Standalone financial statements for the year ended 31 March 2026

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

(Amount in ₹ 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 ₹ 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 ₹ 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 ₹ 69 Lakhs for the year ended 31 March 2026 (previous year ended 31 March 2025 ₹ 70 Lakhs)

2.3 A. NON-CURRENT INVESTMENTS

(Amount in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2026	As at 31 March 2025
Investments in equity shares of subsidiaries* (unquoted)		
<i>Equity shares at cost</i>		
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



Notes forming part of the Standalone financial statements for the year ended 31 March 2026

(Amount in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2026	As at 31 March 2025
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 ₹ 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 Vietnam Company 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)

Investment in equity instruments (Quoted)

Equity shares at FVOCI

2,900,000 (As at 31 March 2025- 2,900,000) equity shares of ₹ 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



Notes forming part of the Standalone financial statements for the year ended 31 March 2026

(Amount in ₹ Lakhs unless otherwise stated)

Particulars	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 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



Notes forming part of the Standalone financial statements for the year ended 31 March 2026

B. Equity shares designated as at fair value through other comprehensive income

As at 1 April 2016, the Company designated the investments shown below as equity shares at FVOCI because these equity shares represent investments that the Company intends to hold for a long- term for strategic purpose

(Amount in ₹ Lakhs unless otherwise stated)

Particulars	Fair value as at 31 March 2026	Change in fair value during the year ended 31 March 2025	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 ₹ 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	-	1
	<u>273</u>	<u>390</u>
Less: Loss allowance on loan to subsidiary	<u>(272)</u>	<u>(382)</u>
	<u><u>1</u></u>	<u><u>8</u></u>

Note 1:

(Amount in ₹ Lakhs unless otherwise stated)

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*	<u>272</u>	<u>75%</u>	<u>382</u>	<u>82%</u>
	<u><u>272</u></u>	<u><u>75%</u></u>	<u><u>382</u></u>	<u><u>82%</u></u>

* 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.



Notes forming part of the Standalone financial statements for the year ended 31 March 2026

(Amount in ₹ 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

(Amount in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2026	As at 31 March 2025
2.6 INCOME TAX ASSETS (NET)		
a. Advance income tax (net of provisions)	1,155	875
	1,155	875

(Amount in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2026	As at 31 March 2025
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 ₹ Lakhs unless otherwise stated)

Name	As at 31 March 2026	As at 31 March 2025
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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



Notes forming part of the Standalone financial statements for the year ended 31 March 2026

(Amount in ₹ Lakhs unless otherwise stated)

Name	As at 31 March 2026	As at 31 March 2025
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)		
<i>Target maturity Funds at Amortised cost</i>		
a. Tata Crisil IBX Gilt Index - April 2026 Index Fund -Direct Plan-Growth	-	-
b. HDFC Nifty G-Sec Dec 2026 Index Fund -Direct Plan-Growth	3,198	-
	3,198	-
Investment in bonds (quoted)		
<i>Bonds securities at Amortised cost</i>		
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)		
<i>Preference shares at Amortised cost</i>		
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



Notes forming part of the Standalone financial statements for the year ended 31 March 2026

(Amount in ₹ 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:

(Amount in ₹ Lakhs unless otherwise stated)

	Outstanding for following periods from due date of payment (Billed)	As at 31 March 2026					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i)	Undisputed Trade receivables – considered good	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



Notes forming part of the Standalone financial statements for the year ended 31 March 2026

(Amount in ₹ Lakhs unless otherwise stated)

Sl. No.	Outstanding for following periods from due date of payment	As at 31 March 2025					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i)	Undisputed Trade receivables – considered good	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 ₹ 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 ₹ 34 Lakhs (31 March 2025 ₹ 19 Lakhs) which are under lien]

(Amount in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2026	As at 31 March 2025
2.11 OTHER BANK BALANCES		
a. Balances with scheduled banks in earmarked accounts:	28	28
- unclaimed dividend accounts		
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 ₹ 31 Lakhs (31 March 2025 ₹ 56 Lakhs) which are under lien]



Notes forming part of the Standalone financial statements for the year ended 31 March 2026

(Amount in ₹ Lakhs unless otherwise stated)

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
	<u>88</u>	<u>74</u>

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*	80	22%	40	9%
	<u>80</u>	<u>22%</u>	<u>40</u>	<u>9%</u>

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

(Amount in ₹ Lakhs unless otherwise stated)

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
	<u>100</u>	<u>149</u>

(Amount in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2026	As at 31 March 2025
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
	<u>2,603</u>	<u>1,972</u>
Less : Loss allowance for income accrued but not due	(190)	(187)
	<u>2,413</u>	<u>1,785</u>
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



Notes forming part of the Standalone financial statements for the year ended 31 March 2026

(Amount in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2026	As at 31 March 2025
e. Balances with government authorities		
- Tax credit receivable GST/VAT	39	50
f. Others		
- Supplier advances		
- Considered good	764	634
	<u>764</u>	<u>634</u>
Less : Provision for doubtful advances	-	-
	<u>764</u>	<u>634</u>
g. Deferred employee benefits	2	6
	<u>4,392</u>	<u>4,120</u>

(Amount in ₹ 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	4,110	4,110
(As at 31 March 2025 - 41,100,000) equity shares of ₹ 10 each		
Preference shares		
4,000,000 (As at 31 March 2025 - 4,000,000) 11% redeemable non cumulative preference shares of ₹ 10 each	400	400
	<u>4,510</u>	<u>4,510</u>
b. Issued, Subscribed and Paid-Up		
Issued		
26,328,106	2,633	2,633
(As at 31 March 2025 - 26,328,106) equity shares of ₹ 10 each		
Subscribed and Paid-Up		
	<u>2,633</u>	<u>2,633</u>
26,325,306	2,633	2,633
(As at 31 March 2025 - 26,325,306) equity shares of ₹ 10 each		

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



Notes forming part of the Standalone financial statements for the year ended 31 March 2026

(ii) Rights, preferences and restrictions attached to shares

The Company has one class of equity shares having a par value of ₹ 10 each. Each shareholder is eligible for one vote per share held. The dividend 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 ₹ 2,633 Lakhs (2,633 Lakhs as on 31 March 2025) includes ₹ 15,000 in respect of 2,800 forfeited equity shares pending reissue.

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

- Employee Stock Option Scheme and SEBI (Share Based Employee Benefits) Regulations, 2014, is effective for regulation of all schemes by the Company for the benefits for its employees dealing in shares, directly or indirectly from 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.
- 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.
- No options have been granted till date under the ESOP Scheme 2015.



Notes forming part of the Standalone financial statements for the year ended 31 March 2026

(Amount in ₹ 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 ₹ 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



Notes forming part of the Standalone financial statements for the year ended 31 March 2026

Note :

(i) **Dividend**

The Board of Directors on 21 May 2026 have recommended a payment of Final Dividend of ₹ 12.50 per share (on equity share of par value of ₹ 10 each) for the year ended 31 March 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 ₹ 12.50 per share (on equity share of par value of ₹ 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 ₹ 1,615/- per Equity Share ("Maximum Buyback Price") payable in cash for an aggregate amount not exceeding ₹ 72.35 Crore ("Maximum Buyback Offer Size"), excluding transaction costs and taxes. The Settlement of Buyback was done on 23 September 2024 and 4,48,018 Equity Shares bought back were extinguished on 31 December 2024.

(ii) **Nature and purpose of other reserves**

Capital reserve

The Company had transferred forfeited ESOP application money to Capital reserve in accordance with the provision of the Companies Act. The reserve will be utilised in accordance with the provisions of the Companies Act, 2013.

Capital Redemption reserve

This reserve was created on account of 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)



Notes forming part of the Standalone financial statements for the year ended 31 March 2026

(Amount in ₹ 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 ₹ 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

(Amount in ₹ Lakhs unless otherwise stated)

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 ₹ 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



Notes forming part of the Standalone financial statements for the year ended 31 March 2026

(D) Movement in temporary differences

(Amount in ₹ Lakhs unless otherwise stated)

Particular	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 ₹ Lakhs unless otherwise stated)

Particular	Balance as at 1 April 2024	Recognised [Credited/ (Charge)] in the statement of profit or loss during the year	Recognised [Credited/ (Charge)] in OCI during the year	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)



Notes forming part of the Standalone financial statements for the year ended 31 March 2026

(Amount in ₹ 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 ₹ 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:

(Amount in ₹ Lakhs unless otherwise stated)

Outstanding for following period from due date	Not Due	As at 31 March 2025				
		Outstanding for following periods from due date of payments				
		Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
(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



Notes forming part of the Standalone financial statements for the year ended 31 March 2026

(Amount in ₹ 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

(Amount in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2026	As at 31 March 2025
2.21 CURRENT PROVISIONS		
Provision for employee benefits		
a. Provision for compensated absences	554	423
	554	423

(Amount in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2026	As at 31 March 2025
2.22 CURRENT TAX LIABILITIES		
a. Provision for tax	-	680
	-	680

(Amount in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2026	As at 31 March 2025
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 ₹ 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



Notes forming part of the Standalone financial statements for the year ended 31 March 2026

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 -

- the inability of our customers to continue their businesses due to financial resource constraints or their services no-longer being availed by their customers
- customers postponing their discretionary spend due to change in priorities

The 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 ₹ 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 unsatisfied (or partially satisfied) performance obligation as at 31 March 2025, other than those meeting the exclusion criteria is ₹ 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 ₹ Lakhs unless otherwise stated)

Particulars	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:

(Amount in ₹ Lakhs unless otherwise stated)

Particulars	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



Notes forming part of the Standalone financial statements for the year ended 31 March 2026

(Amount in ₹ Lakhs unless otherwise stated)

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
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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 ₹ Lakhs unless otherwise stated)

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
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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



Notes forming part of the Standalone financial statements for the year ended 31 March 2026

(Amount in ₹ 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



Notes forming part of the Standalone financial statements for the year ended 31 March 2026

(Amount in ₹ Lakhs unless otherwise stated)

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
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
a.	Current Ratio (in times)	1.97	1.82	Current assets/Current liabilities	-
b.	Debt-Equity Ratio (in times)	0.009	0.002	Debt consist of lease liabilities / Total equity	₹ 869 Lakhs Lease liabilities addition during the year
c.	Debt Service Coverage Ratio (in times)	37	62	Profit after tax+ Interest +Non cash expenses / 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 ₹ 3,731 Lakhs, expenses higher by ₹ 8,459 Lakhs and Impact of New Labour Code of ₹ 2,195 Lakhs.



Notes forming part of the Standalone financial statements for the year ended 31 March 2026

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 ₹ 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	-	-	-



Notes forming part of the Standalone financial statements for the year ended 31 March 2026

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

(Amount in ₹ 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:

- the use of quoted market prices or dealer quotes for similar instruments.
- for forward exchange contracts, the fair value is determined based on confirmations received from the bankers at the reporting date.
- the fair value of remaining financial instruments is determined using discounted cash flows method.



Notes forming part of the Standalone financial statements for the year ended 31 March 2026

The fair values of current trade receivables, short term loan, current security deposit, trade payables, current financial liabilities, other bank balances and cash and cash equivalents are considered to be the same as their carrying amount, due to their short-term nature.

The fair value of long term loan, non-current security deposit and non-current financial liabilities were calculated based on cash flows discounted using the lending rate as on the transition date since there is no material change in the lending rate.

Fair value hierarchy

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 – Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

b) Financial risk management

The Company's activities expose it to a variety of financial risks arising from financial instruments

- **Market risk,**
- **Credit risk and**
- **Liquidity risk**

Risk Management Committee (RMC) is responsible for identification and review of risks and mitigation plans. The Committee meets regularly for identification and prioritization of risks. RMC conducts risk survey with the senior and middle level management of the Company to identify risks and rate them appropriately. Top risks are identified and remaining are categorized as other risks. The RMC then places updates to the Board of Directors on a regular basis, on key risks facing the Company, along with their mitigation plans.

i) Market risk

a) Currency risk

The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk.

The Company operates internationally and a major portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk through its sales and services and purchase of services from overseas suppliers in various foreign currencies. The Company holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The exchange rate between the rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Company's operations are affected if the rupee appreciates/ depreciates against these currencies.

The Company's risk management policy is to hedge 30% to 55% of its estimated foreign currency exposure in respect of forecast collection over the following 6 months at any point in time. The Company uses forward exchange contracts to hedge its currency risk, mostly with a maturity of less than one year from the reporting date. Such contracts are generally designated as cash flow hedges.

The Company determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of their respective cash flows.



Notes forming part of the Standalone financial statements for the year ended 31 March 2026

Foreign currency exposures are given below :

(Amount in ₹ Lakhs unless otherwise stated)

Currency	As at 31 March 2026		As at 31 March 2025	
	Amount in foreign currency in Lakhs	Amount in ₹ in Lakhs	Amount in foreign currency in Lakhs	Amount in ₹ 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 ₹ 539 Lakhs and ₹ 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.

b) Price risk

(i) Exposure

The Company's exposure to equity securities and mutual funds arises from investments held by the Company and classified in the balance sheet either as fair value through OCI or at fair value through profit or loss.



Notes forming part of the Standalone financial statements for the year ended 31 March 2026

(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 ₹ Lakhs unless otherwise stated)

Particulars	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 ₹ Lakhs unless otherwise stated)

Contract outstanding	Buy/Sell	As at 31 March 2026	Equivalent amount in Rupees in Lakhs	As at 31 March 2025	Equivalent amount in Rupees in Lakhs
		(Original currency)	31 March 2026	(Original currency)	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

(Amount in ₹ Lakhs unless otherwise stated)

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

Notes forming part of the Standalone financial statements for the year ended 31 March 2026

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 ₹ 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 ₹ Lakhs unless otherwise stated):

Particulars	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 ₹ 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

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 ₹ 11,322 Lakhs and ₹ 12,899 Lakhs as of 31 March 2026 and 31 March 2025 respectively and income



Notes forming part of the Standalone financial statements for the year ended 31 March 2026

accrued but not due and unbilled revenue amounting to ₹ 2,413 Lakhs and ₹ 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 ₹ 8 Lakhs and for the year ended 31 March 2025 was ₹ (262) Lakhs.

(Amount in ₹ Lakhs unless otherwise stated)

Particulars	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 ₹ 3 Lakhs and for the year ended 31 March 2025 this was ₹ 204 Lakhs.

(Amount in ₹ Lakhs unless otherwise stated)

Particulars	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.



Notes forming part of the Standalone financial statements for the year ended 31 March 2026

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

As at 31 March 2026

(Amount in ₹ 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 ₹ 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)	-



Notes forming part of the Standalone financial statements for the year ended 31 March 2026

b) Expected credit loss for trade receivables under simplified approach

As at 31 March 2026

(Amount in ₹ Lakhs unless otherwise stated)

Ageing	Not due	0-90 days past due	91-180 days past due	181-270 days past due	271-360 days past due	More than 360 days past due	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 ₹ Lakhs unless otherwise stated)

Ageing	Not due	0-90 days past due	91-180 days past due	181-270 days past due	271-360 days past due	More than 360 days past due	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 ₹ 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



Notes forming part of the Standalone financial statements for the year ended 31 March 2026

As at 31 March 2025

(Amount in ₹ 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

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 ₹ 26,604 Lakhs including cash and cash equivalent of ₹ 5,174 Lakhs and current investment of ₹ 28,604 Lakhs (31 March 2025 ₹ 22,373 Lakhs including cash and cash equivalent of ₹ 1,885 Lakhs and current investment of ₹ 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 ₹ 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 contractual maturities of financial liabilities as of 31 March 2025:

(Amount in ₹ 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.



Notes forming part of the Standalone financial statements for the year ended 31 March 2026

(i) Risk management

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders, raise debts or issue new shares.

(ii) Dividends

(Amount in ₹ 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 ₹ 12.50 per share (Previous year ₹ 12.50 per share) (On equity share of ₹ 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 ₹ Lakhs unless otherwise stated)

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

a. Contingent liabilities	465	489
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Notes :

As on 31 March 2026, claims against the company not acknowledged as debts in respect of income tax matters amounted to ₹ 402 Lakhs (Previous Year As on 31st March 2025 was ₹ 402 Lakhs) and in respect of goods and service tax matters amounted to ₹ 63 Lakhs (Previous Year As on 31st March 2025 was ₹ 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 ₹ Lakhs unless otherwise stated)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
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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
	<u>44</u>	<u>48</u>



Notes forming part of the Standalone financial statements for the year ended 31 March 2026

2.33 Earnings per share

(Amount in ₹ Lakhs unless otherwise stated)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
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



Notes forming part of the Standalone financial statements for the year ended 31 March 2026

- 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.

Transactions with related parties

(Amount in ₹ 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 subsidiary		
- 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



Notes forming part of the Standalone financial statements for the year ended 31 March 2026

(Amount in ₹ Lakhs unless otherwise stated)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
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	-



Notes forming part of the Standalone financial statements for the year ended 31 March 2026

(Amount in ₹ Lakhs unless otherwise stated)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
o. Investment in Subsidiary (addition during the year)		
- Nucleus Software Netherlands B.V., Netherlands	30	-
- Less: Provision for diminution in value of investment	(30)	-
	<u>-</u>	<u>-</u>

Outstanding balances As at year end

(Amount in ₹ 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	-
	<u>398</u>	<u>506</u>
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
	<u>584</u>	<u>381</u>
c. Expenses Payable to Subsidiaries		
- Nucleus Software Inc., USA	5	-
- Nucleus Software Australia Pty Ltd., Australia	33	-
	<u>38</u>	<u>-</u>
d. Advance from customers / Advance billings		
- Nucleus Software Solutions Pte Ltd, Singapore	-	2
- Nucleus Software Inc., USA	2	-
	<u>2</u>	<u>2</u>
e. Income accrued but not due		
- Nucleus Software Solutions Pte Ltd, Singapore	-	71
	<u>-</u>	<u>71</u>
f. Loan to subsidiary		
- Nucleus Software Limited, India	352	422
	<u>352</u>	<u>422</u>
g. Loss allowance for loan to subsidiary		
- Nucleus Software Limited, India	272	382
	<u>272</u>	<u>382</u>
h. Investments in subsidiary companies (net of provision) (see note 2.3)	1,985	1,985
	<u>1,985</u>	<u>1,985</u>
i. Remuneration to Non Executive Directors	121	172
- Commission payable	<u>121</u>	<u>172</u>

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.



Notes forming part of the Standalone financial statements for the year ended 31 March 2026

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 ₹ 5,578 Lakhs (Previous year ended 31 March 2025 ₹ 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:

a (i) For the year ended 31 March 2026

(Amount in ₹ 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



Notes forming part of the Standalone financial statements for the year ended 31 March 2026

a (ii) For the year ended 31 March 2025

(Amount in ₹ 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 ₹ Lakhs unless otherwise stated)

Description	India	Far East	South East Asia	Europe	Middle East	Africa	Australia	Others	Total
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No customer individually accounted for more than 10% of the total revenue.	-	-	-	-	-	-	-	-	-
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For the year ended 31 March 2025

Customer individually accounted for more than 10% of the total revenue.	-	-	-	-	-	-	-	-	-
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Notes forming part of the Standalone financial statements for the year ended 31 March 2026

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

a. As at 31 March 2026

(Amount in ₹ 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 ₹ 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 ₹ 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



Notes forming part of the Standalone financial statements for the year ended 31 March 2026

a(ii) For the year ended 31 March 2025

(Amount in ₹ 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*

(i) For the year ended 31 March 2026

(Amount in ₹ 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 ₹ 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 ₹ 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.



Notes forming part of the Standalone financial statements for the year ended 31 March 2026

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 ₹ 1,590 Lakhs and increase in compensated absences liability by ₹ 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 liability pertaining to employee benefits.

Defined contribution plans

An amount of ₹ 2464 Lakhs for the year ended 31 March 2026 (for the Year ended 31 March 2025 ₹ 2289 Lakhs), has been recognized as an expense in respect of the Company's contribution towards Provident Fund, ₹ 0.03 Lakhs for the Year ended 31 March 2026 (for the Year ended 31 March 2025 ₹ 0.09 Lakhs) has been recognised as an expense in respect of Employee State Insurance Fund and ₹ 548 Lakhs for the Year ended 31 March 2026 (for the Year ended 31 March 2025 ₹ 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 ₹ 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 ₹ 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	<u>9,189</u>	<u>7,107</u>



Notes forming part of the Standalone financial statements for the year ended 31 March 2026

(Amount in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2026	As at 31 March 2025
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 ₹ Lakhs unless otherwise stated)

Particulars	Year ended 31 March 2026	Year ended 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 ₹ Lakhs unless otherwise stated)

Particulars	Year ended 31 March 2026	Year ended 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

Particulars	As at 31 March 2026	As at 31 March 2025
g. Economic assumptions :		
Discount rate	7.15%	6.70%
Salary escalation rate	10.00%	10.00%



Notes forming part of the Standalone financial statements for the year ended 31 March 2026

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 (%)	Ages - Withdrawal Rate (%)
21-50 years - 11%	21-50 years - 11%
51-57 years - 8%	51-57 years - 8%

j. Category of asset

Insurer Managed Funds	6,459	5,429
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The company does not invest directly in any property occupied by the company nor in financial security issued by the company.

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.



Notes forming part of the Standalone financial statements for the year ended 31 March 2026

(Amount in ₹ 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 ₹ 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	369	277
- Contribution paid to Nucleus Software Foundation during the year March 2026 / March 2025		
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



Notes forming part of the Standalone financial statements for the year ended 31 March 2026

2.41 The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filling of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2026 and 31 March 2025 have been made in the financials statements based on information received and available with the Company.

(Amount in ₹ Lakhs unless otherwise stated)

Name of the entity in the	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

- 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.
- 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
Sd/-
PRATEET MITTAL
Partner
Membership number : 402631

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

Sd/-
VISHNU R DUSAD
Managing Director
DIN : 00008412

Sd/-
ASHOK KUMAR BHURA
Chief Financial Officer

Sd/-
PARAG BHISE
CEO & Whole-time Director
DIN : 08719754

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

Place : Gurugram
Date : 21 May 2026

Place : Noida
Date : 21 May 2026



Independent Auditors Report

To the Members of Nucleus Software Exports Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Nucleus Software Exports Limited** ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2026, Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as the "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2026, of consolidated profit and other comprehensive

income, consolidated changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Consolidated financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained and on consideration of audit reports of other auditors referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, and based on consideration of reports of other auditors on separate financial statements of components audited by them, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

S. No.	The Key Audit Matter	How the matter was addressed in our audit
1.	For the year ended March 31, 2026, revenue amounting to ₹ 87,603 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	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.



S. No.	The Key Audit Matter	How the matter was addressed in our audit
	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.	- 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: - inspected key terms, including transaction price, deliverables, performance obligations, timetable, and milestones, set out in the contract. - inquired of the relevant project managers about key aspects and the progress of the contracts, including the estimated total contract costs, key project risks, amendments, contingencies, and billing schedules. - 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 Consolidated Financial Statements and Auditor's Report thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include 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 consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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.

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.



Independent Auditors' Report

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of their respective Companies and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of their respective Companies, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate their respective Companies or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors/ Management of the companies included in the Group are responsible for overseeing the financial reporting process of their respective Companies.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material

misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Group comprising of the Holding Company and subsidiary incorporated in India has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and Board of Directors.
- Conclude on the appropriateness of the management's use of the going-concern basis of accounting and, based on the audit evidence obtained, whether material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or any of the companies forming part of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



- Obtain sufficient and appropriate audit evidence regarding the consolidated financial statements within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) and (b) of the section titled "Other Matters", in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- a) We did not audit the financial information of one subsidiary, whose financial information reflects total assets of ₹ 3,393 Lakhs as at March 31, 2026, total revenue of ₹ 10,612 Lakhs, net profit after tax of ₹ 554 Lakhs and net cash outflow of ₹ 76 Lakhs for the year ended on that date, as considered in the consolidated financial statement. The subsidiary is located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their country and which have been audited by other auditor under generally accepted auditing

standards applicable in their country. The Holding Company's management has converted the financial information of such subsidiary located outside India from accounting principles generally accepted in their country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiary located outside India is based on the reports of other auditor and the conversion adjustments prepared by the management of the Holding Company and audited by us.

- b) The Financial Statements includes the unaudited financial information of Six subsidiaries, whose financial information reflects total assets of ₹ 2,263 Lakhs as at March 31, 2026, and total revenue of ₹ 3,508 Lakh, total net profit after tax of ₹ 268 Lakhs and net cash outflows of ₹ 335 Lakh for the year ended on that date, as considered in the consolidated financial statements. This unaudited financial information have been furnished to us by the Board of Directors.

Our opinion on the Financial Statements, in so far as it related to the amounts and disclosures included in respect of these subsidiaries, is based solely on such financial information. In our opinion and according to the information and explanation given by the management, these financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor and the financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. With respect to the matters specified in Para 3(xxii) and 4 of the Companies (Auditor's Report) Order, 2020 ("the Order"/"CARO"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the company and its subsidiaries included in the consolidated financial statements of the Group, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the



Independent Auditors' Report

purposes of our audit of the consolidated financial statements;

- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and reports of other auditors;
- (c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2026 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiaries incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 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 consolidated financial statements of the Group's companies which are incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Group's internal financial controls with reference to consolidated financial statements
- (g) In our opinion, according to information and explanations given to us, the remuneration paid by the Holding Company and subsidiary company which are the companies incorporated in India to its Directors during the current year is within the limits prescribed under Sec 197 of the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules,

2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other Matters' paragraph:

- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note No. 2.33 to the consolidated financial statements.
- ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiary, incorporated in India during the year ended March 31, 2026.
- iv. (a) The respective managements of the Holding Company and its subsidiary which are companies incorporated in India, whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, as disclosed in note 2.44 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that such Intermediaries shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The respective managements of the Holding Company and its subsidiary, which are companies incorporated in India whose financial statements have been audited under the Act have represented to us that, to the



- best of their knowledge and belief, as disclosed in note 2.44 to the consolidated financial statements no funds have been received by the Group from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that Group shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, 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. The subsidiary company incorporated in India has neither declared nor paid any dividend during the year.
- vi. Based on our examination which included test checks, the Holding company, its subsidiaries incorporated in India have used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been enabled and operated throughout the year for all relevant transactions recorded in the accounting software. Further, during the course of our audit, we and auditor of the aforementioned subsidiary did not come across any instance of audit trail feature being tampered with.
- Audit trail has been preserved by the Holding company and subsidiaries as per the statutory requirements for record retention in accordance with the requirements of Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
- For ASA & Associates LLP**
Chartered Accountants
Firm Registration No: 009571N/N500006
- Prateet Mittal**
Partner
Membership No. 402631
UDIN: 26402631OZFSEC3652
- Place: Gurugram
Date: May 21, 2026



Independent Auditors' Report

Annexure A to the Independent Auditors' Report of even date on the consolidated financial statements of the Nucleus Software Exports Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the Consolidated Financial Statements of The Nucleus Software Exports Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2026, we have audited the internal financial controls over Financial Reporting of the Holding Company, and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), which are companies incorporated in India, as of that date.

Management's responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary company which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on, the internal control over Financial Reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note of Audit of Internal Controls over Financial Reporting issued by the ICAI. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls over financial reporting with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on internal financial controls over financial reporting ("Guidance Note") issued by the ICAI and the standards on auditing, issued by ICAI and deemed to be prescribed under Section 143 (10) of the Companies Act 2013, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those standards and the guidance note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over Financial Reporting was

established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over Financial Reporting with reference to Consolidated Financial Statements and their operating effectiveness.

Our audit of internal financial controls system over Financial Reporting with reference to Consolidated Financial Statements included obtaining an understanding of internal financial controls over Financial Reporting with reference to Consolidated Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal controls system over Financial Reporting with reference to Consolidated Financial Statements of the Group.

Meaning of Internal financial controls with reference to Consolidated Financial Statements

A Company's internal financial control over Financial Reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over Financial Reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and disposition of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipt and expenditures of the company are being made only in accordance with authorizations of management and Directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the consolidated Financial Statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting with reference to Consolidated Financial Statements**

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

Opinion

In our opinion, the Holding Company, and its Subsidiary Company, which are companies incorporated in India

have, in all material respects, an adequate internal financial controls system with reference to consolidated financial statements and such internal financial controls over financial reporting were operating effectively as at March 31, 2026, based on the internal financial control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal control over Financial Reporting issued by the Institute of Chartered Accountants of India.

For ASA & Associates LLP

Chartered Accountants

Firm Registration No: 009571N/N500006

Prateet Mittal

Partner

Membership No. 402631

UDIN: 26402631OZFSEC3652

Place: Gurugram

Date: May 21, 2026



Consolidated Balance Sheet as at 31 March 2026

(Amount in ₹ 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)	6,058	4,033
Capital work in progress	2.1(b)	6	22
Other intangible assets	2.1(a)	293	130
Intangible assets under development	2.1(c)	2	3
Right of use assets	2.2	1,315	670
Investment property	2.3	1,241	1,271
Financial assets			
Investments	2.4	35,275	40,362
Loans	2.5	1	8
Other financial assets	2.6	22,284	12,555
Income tax asset (net)	2.7	1,158	875
Other non-current assets	2.8	57	930
Total non-current assets		67,690	60,859
Current Assets			
Financial assets			
Investments	2.9	29,103	23,706
Trade receivables	2.10	12,112	13,741
Cash and cash equivalents	2.11	8,001	5,046
Other bank balances	2.12	4,310	7,221
Loans	2.13	8	34
Other financial assets	2.14	246	196
Other current assets	2.15	5,143	4,492
Total current Assets		58,923	54,436
Total assets		126,613	115,295
EQUITY & LIABILITIES			
EQUITY			
Equity share capital	2.16	2,633	2,633
Other equity	2.17	88,112	78,789
Total equity attributable to equity holders of the company		90,745	81,422
Non- controlling interest		-	-
Total Equity		90,745	81,422
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Lease liabilities	2.2	491	88
Other financial liabilities	2.18	30	-
Other non-current liabilities	2.19	12	-
Provisions	2.20	5,836	4,031
Deferred tax liabilities (net)	2.21	1,275	1,499
Total non-current liabilities		7,644	5,618
Current liabilities			
Financial liabilities			
Lease liabilities	2.2	364	112
Trade payables	2.22	-	-
(i) Total outstanding dues of micro enterprises and small enterprises		-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		1,821	1,290
Other financial liabilities	2.23	7,466	5,212
Provisions	2.24	718	556
Current tax liabilities (net)	2.25	113	925
Other current liabilities	2.26	17,742	20,160
Total current liabilities		28,224	28,255
TOTAL EQUITY AND LIABILITIES		126,613	115,295
See accompanying notes forming part of the consolidated financial statements	1 & 2		

As per our report of even date attached

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

Sd/-

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

Sd/-

VISHNU R DUSAD

Managing Director

DIN : 00008412

Sd/-

ASHOK KUMAR BHURA

Chief Financial Officer

Place : Noida
Date : 21 May 2026

Sd/-

PARAG BHISE

CEO & Whole-time Director

DIN : 08719754

Sd/-

POONAM BHASIN

VP (Secretarial) & Company Secretary

Membership number : 10865



Consolidated Statement of Profit & Loss for the year ended 31 March 2026

(Amount in ₹ Lakhs unless otherwise stated)

Particulars	Note	For the year ended 31 March 2026	For the year ended 31 March 2025
1. REVENUE FROM OPERATIONS	2.27	87,603	83,225
2. OTHER INCOME	2.28	6,416	6,626
3. TOTAL INCOME (1+2)		94,019	89,851
4. EXPENSES			
a. Employee benefits expense	2.29	58,941	53,464
b. Operating and other expenses	2.30	16,105	12,926
c. Finance cost	2.31	141	75
d. Depreciation, amortisation and impairment expenses	2.1(a) and 2.2	1,649	1,481
TOTAL EXPENSES		76,836	67,946
5. PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX (3-4)		17,183	21,905
6. EXCEPTIONAL ITEMS	2.40		
Impact of New Labour Codes		2,195	-
7. PROFIT BEFORE TAX (5-6)		14,988	21,905
8. TAX EXPENSE			
a. Current tax expense		3,655	4,763
b. Deferred tax credit /charge	2.21	(341)	842
NET TAX EXPENSE		3,314	5,605
9. PROFIT FOR THE YEAR (7-8)		11,674	16,300
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 Income, net		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) Exchange difference on translation of foreign operations		347	127
b) 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		940	(356)
11. TOTAL COMPREHENSIVE INCOME (9+10)		12,614	15,944
Profit attributable to			
Owners of the Company		11,674	16,300
Non- controlling interest		-	-
		11,674	16,300
12 Total comprehensive income attributable to			
Owners of the Company		12,614	15,944
Non- controlling interest		-	-
		12,614	15,944
13. EARNINGS PER EQUITY SHARE	2.35		
Equity shares of ₹ 10 each			
a. Basic (₹)		44.35	61.40
b. Diluted (₹)		44.35	61.40
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 consolidated financial statements

1 & 2

As per our report of even date attached

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

Sd/-

PRATEET MITTAL

Partner

Membership number : 402631

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

Sd/-

VISHNU R DUSAD

Managing Director

DIN : 00008412

Sd/-

ASHOK KUMAR BHURA

Chief Financial Officer

Sd/-

PARAG BHISE

CEO & Whole-time Director

DIN : 08719754

Sd/-

POONAM BHASIN

VP (Secretarial) & Company Secretary

Membership number : 10865

Place : Gurugram
Date : 21 May 2026

Place : Noida
Date : 21 May 2026



Consolidated Statement of Changes in Equity for the year ended 31 March 2026

A. Equity share Capital

(Amount in ₹ Lakhs unless otherwise stated)

Balance as of 1 April 2025	Changes in equity share capital during the year	Balance as on 31 March 2026
2,633	-	2,633
Balance as of 1 April 2024	Changes in equity share capital during the year	Balance as on 31 March 2025
2,677	(44)	2,633

B. Other Equity

(Amount in ₹ Lakhs unless otherwise stated)

Particulars	Reserves and Surplus			Items of Other Comprehensive Income (OCI)				Total
	Capital reserve	Capital redemption reserve	Retained earnings	Other components of equity	Hedging reserve	Foreign currency translation reserve	Equity instrument through other comprehensive income	
Balance as of 1 April 2025	89	606	76,979	(290)	5	427	973	78,789
Profit for the year	-	-	11,674	-	-	-	-	11,674
Final dividend on equity shares	-	-	(3,291)	-	-	-	-	(3,291)
Effective gain/ (loss) on hedging instruments (net of tax)	-	-	-	-	(87)	-	-	(87)
Exchange difference on translation of foreign operations	-	-	-	-	-	347	-	347
Equity Instruments through Other Comprehensive Income	-	-	-	-	-	-	467	467
Remeasurement of the defined benefit plans, (net of tax)	-	-	-	213	-	-	-	213
Attributable to owners of the company	89	606	85,362	(77)	(82)	774	1,440	88,112
Balance as on 31 March 2026	89	606	85,362	(77)	(82)	774	1,440	88,112



Consolidated Statement of Changes in Equity for the year ended 31 March 2026

(Amount in ₹ Lakhs unless otherwise stated)

Particulars	Reserves and Surplus			Items of Other Comprehensive Income (OCI)				Total
	Capital reserve	Capital redemption reserve	Retained earnings	Other components of equity	Hedging reserve	Foreign currency translation reserve	Equity instrument through other comprehensive income	
Balance as of 1 April 2024	89	561	72,947	-	4	300	1,166	75,067
Profit for the year	-	-	16,300	-	-	-	-	16,300
Final dividend on equity shares	-	-	(3,347)	-	-	-	-	(3,347)
Buyback of equity shares	-	45	(7,235)	-	-	-	-	(7,190)
Tax on buyback of equity shares	-	-	(1,686)	-	-	-	-	(1,686)
Effective gain/(loss) on hedging instruments (net of tax)	-	-	-	-	1	-	-	1
Exchange difference on translation of foreign operations	-	-	-	-	-	127	-	127
Equity Instruments through Other Comprehensive Income	-	-	-	-	-	-	(193)	(193)
Remeasurement of the defined benefit plans, (net of tax)	-	-	(290)	-	-	-	-	(290)
Attributable to owners of the company	89	606	76,689	-	5	427	973	78,789
Balance as on 31 March 2025	89	606	76,689	-	5	427	973	78,789

See accompanying notes forming part of the consolidated financial statements

1 & 2

As per our report of even date attached

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

Sd/-
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

Sd/-
VISHNU R DUSAD
Managing Director
DIN : 00008412

Sd/-
ASHOK KUMAR BHURA
Chief Financial Officer

Place : Noida
Date : 21 May 2026

Sd/-
PARAG BHISE
CEO & Whole-time Director
DIN : 08719754

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



Consolidated Cash Flow Statement for the year ended 31 March 2026

(Amount in ₹ Lakhs unless otherwise stated)

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
A. Cash flow from operating activities		
Net profit before tax	14,988	21,905
Adjustment for:		
Depreciation, amortisation and impairment expenses	1,649	1,481
Unrealised exchange (gain) / loss on translation of foreign currency accounts (net)	(410)	30
Dividend received from non-current investment	-	(44)
Interest income on financial assets- carried at amortised cost	(2,936)	(2,514)
MTM (gain) on investments	(2,713)	(3,800)
Net (gain)/loss on sale of investments	-	(122)
Profit on sale of property, plant and equipment (net)	(31)	-
Unwinding of interest on security deposit	2	-
Interest expense on lease liability	64	32
Interest others	13	-
Bad debts and allowance / provision for doubtful trade receivables / advances / other current assets	5	(160)
Withholding tax charged off	497	467
Discounting of staff loan and security deposit	(16)	(25)
Operating profit before working capital changes	11,112	17,250
Adjustment for (increase) / decrease in operating assets		
Trade receivables	1,818	3,331
Loans	33	42
Other assets	(1,007)	(12)
Adjustment for increase / (decrease) in operating liabilities		
Trade payables	550	(356)
Provisions and other liabilities	2,633	(1,222)
	15,139	19,033
 Net Income taxes paid	 (3,393)	 (3,939)
Net cash from operating activities (A)	11,746	15,094



Consolidated Cash Flow Statement for the year ended 31 March 2026

(Amount in ₹ Lakhs unless otherwise stated)

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
B. Cash flow from investing activities		
Acquisition of property, plant and equipment and intangible assets under development	(2,837)	(1,522)
Proceeds from sale of property, plant and equipment	17	-
Net (purchase)/sale of mutual funds, tax free bonds and preference shares	3,564	5,675
Bank deposits, FDR's (net) not considered as cash and cash equivalents (placed) / matured	(6,255)	(6,523)
Interest received on fixed deposits, tax free bonds	248	248
Dividend received from investments	-	44
Net cash (used in) investing activities (B)	(5,263)	(2,078)
C. Cash flow from financing activities		
Principal repayment of lease liabilities	(295)	(280)
Interest paid on lease liabilities	(64)	(32)
Buyback of equity shares including tax thereon (see note 2.16)	-	(8,921)
Interim dividend / Final dividend paid	(3,291)	(3,347)
Proceeds from employee stock option exercised	-	-
Net cash (used in) in financing activities (C)	(3,650)	(12,580)
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	2,833	436
Opening cash and cash equivalents	5,046	4,580
Exchange difference on translation of foreign currency bank accounts	122	30
Closing cash and cash equivalents [see note 2.11]	8,001	5,046
(i) Figures in brackets indicate cash outflow.		
See accompanying notes forming part of the consolidated financial statements	1 & 2	

As per our report of even date attached

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

Sd/-

PRATEET MITTAL

Partner

Membership number : 402631

For and on behalf of the Board of Directors

NUCLEUS SOFTWARE EXPORTS LIMITED

CIN : L74899DL1989PLC034594

Sd/-

VISHNU R DUSAD

Managing Director

DIN : 00008412

Sd/-

ASHOK KUMAR BHURA

Chief Financial Officer

Sd/-

PARAG BHISE

CEO & Whole-time Director

DIN : 08719754

Sd/-

POONAM BHASIN

VP (Secretarial) & Company Secretary

Membership number : 10865

Place : Gurugram
Date : 21 May 2026

Place : Noida
Date : 21 May 2026



Notes forming part of the consolidated financial statements for the year ended 31 March 2026

Note 1:

1.1 Reporting Entity

Nucleus Software Exports Limited ('Nucleus' or 'the Company' or "the Holding Company") was incorporated on 9 January 1989 in India as a private limited company. It was subsequently converted into a public limited company on 10 October 1994. The Company made an initial public offer in August 1995. As at 31 March 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, Australia, and Africa. (the Company and its subsidiaries constitute "the Group").

The Group's business consists of software product development and marketing and providing support services mainly for corporate business entities in the banking and financial services sector.

1.2. Material Accounting policies

i. Basis of preparation of financial statements

a) Statement of compliance

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time.

The figures of last quarter ending 31 March 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 consolidated financial statements were approved for issue by the Board of Directors of the Holding Company on 21 May 2026.

b) Functional and Presentation currency

The financial statements are presented in Indian ₹ (INR), which is also the Group's functional currency. All amounts have been rounded-off to the nearest Lakhs unless otherwise indicated. Further, at some places '-' are also put up to values below INR 50,000 to make financials in round off to ₹ in Lakhs.

c) Current and non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- It is expected to be realized in, or is intended for sale or consumption in, the Group normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is expected to be realized within 12 months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include current portion of the non-current financial assets.

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- It is expected to be settled in the Group normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is due to be settled within 12 months after the reporting date; or
- The Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of the non-current financial liabilities.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities (if any) are classified as non-current assets and liabilities.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Group has ascertained its operating



Notes forming part of the consolidated financial statements for the year ended 31 March 2026

cycle, being a period within 12 months for the purpose of classification of assets and liabilities as current and non-current.

d) Basis of measurement

The Consolidated financial statements have been prepared on the historical basis except for the following items:

Items	Measurement Basis
Certain financial assets and liabilities (including derivative instruments)	Fair Value
Net defined benefit(asset)/ liability	Fair value of plan assets less present value of defined benefit obligations

e) Use of estimates and judgements

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual result may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgments

Information about judgments made in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Leases classification : Note 2.2
- Estimates of expected contract costs to be incurred to complete contracts- Note 2.15
- Consolidation: whether the Group has de facto control over an investee.- Note 1.2 (ii)

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a significant adjustment in the subsequent period financial statements is included in the following notes:

- Estimation of deferred tax asset and liabilities - Note 2.21
- Estimated useful life of property, plant and equipment and Intangible assets - Note 1.2 (v) and (vi)
- Investment property Note 2.3
- Estimation of defined benefit obligations-- Note 2.40
- Impairment of trade receivables- Note 2.10
- Impairment of Unbilled revenue and Income accrued but not due- Note 2.15
- Impairment loss on preference shares carried at amortised cost-Note 2.9

f) Measurement of fair values

The Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a treasury team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

The treasury team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly i.e. as prices) or indirectly (i.e. derived from prices).



Notes forming part of the consolidated financial statements for the year ended 31 March 2026

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

ii. Basis of Consolidation

a) Business combinations

As per Ind AS 101, at the date of transition, the Group has elected not to restate business combination that occurred before the date of transition.

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the group; and
- fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognizes any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the

- consideration transferred;
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill and tested for impairment annually. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate.

b) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from



Notes forming part of the consolidated financial statements for the year ended 31 March 2026

the date on which control commences until the date on which control ceases.

c) Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

d) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the

subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in profit or loss.

e) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

iii. Revenue Recognition

The Group earns revenue primarily from software product development and providing support services mainly for corporate business entities in the banking and financial services sector. The Company applied Ind AS 115.

Company is recognizing Revenue upon transfer of control of promised products or services ('performance obligations') to customers in an amount that reflects the consideration the Company has received or expects to receive in exchange for these products or services (Transaction price). A contract is accounted when it is legally enforceable. Revenue is measured based on the transaction price as per the contract with a customer net of variable consideration like, volume discounts, service level credits, price concessions and incentives, if any. Further, when there is uncertainty as to collectability, revenue recognition is postponed until such uncertainty is resolved. To recognize revenues, the following five step approach is applied:

(1) Identify the contract with a customer,

(2) Identify the performance obligations in the contract,

(3) Determine the transaction price.

(4) Allocate the transaction price to the performance obligations in the contract,

(5) Recognize revenues when a performance obligation is satisfied.

- Revenue from fixed price contracts and sale of license and related customisation and implementation is recognised in accordance with the percentage completion method calculated based on output method which is measured based on satisfaction of milestones defined by the company for successful completion of performance obligations mentioned in the contract with customer. Output method is used to align the revenue recognised in line with the work performed for the customer. Provision for estimated losses, if any, on uncompleted contracts are recorded in the year in which such losses become certain based on the current estimates. The contract cost used in computing the revenues include cost of fulfilling warranty obligations, if any.

- Revenue from sale of licenses, where no customisation is required, is recognised upon delivery of these licenses which constitute transfer of all risks and rewards. Revenue from licenses where the customer obtains a "right to use" the licenses is recognized at the time the license is made available to the customer.

Revenue from time and material contracts is recognised as the services are rendered.

Revenue from annual technical service contracts is recognised after identification of performance obligations in AMC contracts and revenue is recognized on a pro rata basis over the period in which such services are rendered

The solutions offered by the Group may include supply of third-party equipment or software. In such cases, revenue for supply of such third-party products are recorded at gross basis as the Group is acting as the principal.

Any reimbursement of expenses as term of contract i.e. reimbursements of out-of-pocket expenses, Ticket, Hotel Expenses, etc. are recognized as revenue if incurred in



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relation to performance obligation under the contract.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as Service income accrued but not due. (only act of invoicing is pending in accordance with terms of the contract).

Advances from customers/ Advance billing and Deferred revenue ("contract liability") is recognised when there is billing in excess of revenues.

Contracts are subject to modification to account for changes in contract specification and requirements. The Group reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation a cumulative adjustment is accounted for.

Rental income from investment property is recognised as part of revenue from operations in profit or loss on a straight-line basis over the term of the lease

Unbilled revenue is recognised when there is excess of revenue earned over billings on contracts. Unbilled revenue is classified as other financial asset (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms

iv. Other income

Profit on sale of investments is determined as the difference between the sales price and the carrying value of the investment upon disposal of investments.

Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset ; or

- the amortised cost of the financial liability

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

v. Property, Plant and equipment

Property, Plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any. Cost of an item of property, plant and equipment includes its purchase price, any directly attributable expenditure on making the asset ready for its intended use. Property, plant and equipment under construction and cost of assets not ready to use before the year end, are disclosed as capital work-in-progress.

Depreciation on property, Plant and equipment, except leasehold land and leasehold improvements, is provided on the straight-line method based on useful lives of respective assets as estimated by the management taking into account nature of the asset, the estimated usage of the asset and the operating conditions of the asset. Leasehold land is amortised over the period of lease. The leasehold improvements are amortised over the remaining period of lease or the useful lives of assets, whichever is shorter. Depreciation is charged on a pro-rata basis for assets purchased / sold during the year.

The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective item of property, plant and equipment when it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Subsequent expenditure is capitalized only if it is probable that the future economic benefits

Notes forming part of the consolidated financial statements for the year ended 31 March 2026

associated with the expenditure will flow to the Group.

The management's estimates of the useful lives of the various property, plant and equipment are as follows:

Asset category	Management estimate of useful life (in years)	Useful life as per Schedule II (in years)
Tangible asset		
Building*	30	30
Plant and machinery (including office equipment)*	5	15
Computers- end user devices such laptops, desktops etc.	3	3
Computers- servers and networking equipment*	4	6
Vehicles*	5	10
Furniture and fixtures*	5	10
Temporary wooden structures (included in Building)	3	3

*Based on technical evaluation, the useful lives as given above represent the period over which the management believes to use these assets; hence these lives are different from the useful lives prescribed under Part C of schedule II of the Companies Act, 2013.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

vi. Investment Property

Investment property is a property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Property under construction or development for future use as an investment property is classified as investment property under construction.

Depreciation on investment property, except leasehold land, is provided on the straight-line method based on useful lives of respective

assets as estimated by the management taking into account nature of the asset, the estimated usage of the asset and the operating conditions of the asset. Leasehold land is amortised over the period of lease.

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

Category of investment property	Estimated useful life (in years)
Building	30
Temporary structure *	10

* Based on technical evaluation, the useful lives as given above represent the period over which the management believes to use these assets; hence these lives are different from the useful lives prescribed under Part C of schedule II of the Companies Act, 2013.

Any gain or loss on disposal of an investment property is recognized in the statement of profit or loss.

The fair value of investment property is disclosed in the notes. Fair value is determined by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

vii. Intangible assets

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the tax authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates.

Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

The management's estimates of the useful lives of the software are 3-5 years.

For measurement of goodwill that arises on a business combination (see Note 1.2 (ii) (a))



Notes forming part of the consolidated financial statements for the year ended 31 March 2026

Subsequent measurement is at cost less any accumulated impairment losses.

Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method and is included in depreciation and amortisation in Statement of Profit and Loss.

The estimated useful lives are as follows:

Software	3-5 years
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Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

viii Financial instruments

a) Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provision of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

b) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- Fair value through other comprehensive income (FVOCI)-equity investment; or
- Fair value through profit and loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business

model whose objective is to hold assets to collect contractual cash flows; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely for payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI-equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivatives financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirement to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business

Notes forming part of the consolidated financial statements for the year ended 31 March 2026

- are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable

additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss. However, see Note 1.2(viii)(e) for derivatives designated as hedging instruments.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses



Notes forming part of the consolidated financial statements for the year ended 31 March 2026

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

c) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

d) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable

right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

e) Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates.

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in OCI and accumulated in the other equity under 'effective portion of cash flow hedges'. The effective portion of changes in the fair value of the derivative that is recognized in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in profit or loss.

The Group designates only the change in fair

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value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedging relationships. The change in fair value of the forward element of forward exchange contracts ('forward points') is separately accounted for as a cost of hedging and recognised separately within equity.

The amount accumulated in other equity is reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

If a hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in other equity remains there until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in other equity are immediately reclassified to profit or loss.

ix. Impairment

a) Impairment of financial instruments

The Group recognises loss allowances for expected credit losses on:

- financial assets measured at amortised cost;

At each reporting date, the Group assesses whether financial assets are carried at amortised cost. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The Group measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- debt securities that are determined to

have low credit risk at the reporting date; and

- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic



Notes forming part of the consolidated financial statements for the year ended 31 March 2026

prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

b) Impairment of non-financial assets

The Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

x. Provisions (other than for employee benefits)

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions

are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost. Expected future operating losses are not provided for Onerous contracts.

A contract is considered to be onerous when the expected economic benefits to be derived by the Group from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Group recognises any impairment loss on the assets associated with that contract.

xi. Foreign Currency

a) Foreign currency transactions

Transactions in foreign currencies are translated into INR, the functional currency of the Group at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Foreign currency denominated monetary assets and liabilities are retranslated at the exchange rate prevailing on the balance sheet date and exchange gain and losses arising on settlement and restatement are recognised in the statement of profit and loss. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

Assets and liabilities of subsidiaries with functional currency other than the functional currency of the Holding Company have been translated using exchange rates prevailing on the balance sheet date. Statement of profit and loss of such entities has been translated using weighted average exchange rates. Translation adjustments have been reported as foreign currency translation reserve in the statement of changes in equity.

Exchange differences are recognised in profit or loss, except exchange differences arising from the translation of the following items which are recognised in OCI:

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- qualifying cash flow hedges to the extent that the hedges are effective.

b) Foreign operations

The assets and liabilities of foreign operations (subsidiaries, branches) are translated into INR, the functional currency of the Group, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into INR at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount of exchange differences related to that foreign operation recognised in OCI is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is re-allocated to NCI.

xii. Earnings per share

Basic earnings per share is computed using the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year-end, except where the results would be anti-dilutive.

xiii. Taxation

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

a) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

b) Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognized in respect of carried forward tax losses and tax credits. Deferred tax is not recognized for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Group recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized. Deferred tax assets – unrecognized or recognized, are reviewed at each reporting date and are recognized/reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realized.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.



Notes forming part of the consolidated financial statements for the year ended 31 March 2026

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be real.

Minimum Alternative Tax ('MAT') expense under the provisions of the Income-tax Act, 1961 is recognised as an asset when it is probable that future economic benefit associated with it in the form of adjustment of future income tax liability, will flow to the Group and the asset can be measured reliably. MAT credit entitlement is set off to the extent allowed in the year in which the Group becomes liable to pay income taxes at the enacted tax rates. MAT credit entitlement is reviewed at each reporting date and is written down to reflect the amount that is reasonably certain to be set off in future years against the future income tax liability. MAT Credit Entitlement has been presented as Deferred Tax in Balance Sheet.

xiv. Employee benefits

a. India

Employee benefit includes provident fund, gratuity and compensated absences.

Defined contribution plans

The Group's contribution to provident fund is considered as defined contribution plans and is charged as an expense as they fall due based on the amount of contribution required to be made.

Defined benefit plans

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each year end. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions

to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized in OCI. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

The retirement benefit obligation recognized in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost, as reduced by the fair value of scheme assets.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the year in which the employee renders the related service. The cost of such compensated absences is accounted as under:

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the year in which the



Notes forming part of the consolidated financial statements for the year ended 31 March 2026

employee renders the related service are recognized as a liability at the present value of the defined benefit obligation as at the Balance Sheet date.

b. Singapore

The respective subsidiary's contribution to central provident fund is deposited with the appropriate authorities and charged to the Consolidated Statement of Profit and Loss. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

c. United States of America/ Netherlands/ Japan/Australia/Africa

The respective subsidiary's social security contributions are charged to the Consolidated Statement of Profit and Loss.

Employee stock option based compensation

The grant date fair value of equity settled share-based payment awards granted to employees is recognized as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date.

For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

xv. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future

operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

xvi. Research and development

Revenue expenditure pertaining to research is charged to the Consolidated Statement of Profit and Loss. Development costs of products are also charged to the Consolidated Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalized. The amount capitalized comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Property, Plant and equipment utilized for research and development are capitalized and depreciated in accordance with the policies stated for property plant and equipment.

xvii. Leases

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Group as a lessee

The Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract and



Notes forming part of the consolidated financial statements for the year ended 31 March 2026

allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any measurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the standalone statement of profit and loss.

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses incremental borrowing rate. For leases with reasonably similar characteristics, the Group, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the

carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Group has elected not to apply the requirements of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

Group as a lessor

At the inception of the lease the Group classifies each of its leases as either an operating lease or a finance lease. The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Group is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Group applies Ind AS 115 Revenue from contracts with customers to allocate the consideration in the contract.

xviii. Recent 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 Group 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.



Notes forming part of the consolidated financial statements for the year ended 31 March 2026

The Group 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 on classification of liabilities with covenants.

The Group 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.

The Group 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 12 – Income Taxes (International Tax Reform – Pillar Two Model Rules)

The Group 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.



Notes forming part of the consolidated financial statements for the year ended 31 March 2026

2.1(a) Property, plant and equipment

(Amount in ₹ 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	34	-	-	34	-	-	-	-	34	34
	(34)	-	-	(34)	-	-	-	-	(34)	(34)
Leasehold improvements	14	-	-	14	14	-	-	14	-	-
	(14)	-	-	(14)	(14)	-	-	(14)	-	-
Buildings	2,513	1,103	-	3,616	816	112	-	928	2,688	1,697
	(2,423)	(90)	-	(2,513)	(709)	(107)	-	(816)	(1,697)	(1,713)
Plant and equipment	1,024	176	7	1,193	734	112	6	840	353	290
	(969)	(56)	(1)	(1,024)	(614)	(121)	(1)	(734)	(290)	(356)
Computer equipment	5,714	1,887	546	7,055	3,899	884	545	4,238	2,817	1,815
	(4,370)	(1,354)	(10)	(5,714)	(3,137)	(772)	(10)	(3,899)	(1,815)	(1,233)
Vehicles	195	-	23	172	147	19	16	150	22	48
	(268)	-	(73)	(195)	(189)	(30)	(72)	(147)	(48)	(79)
Furniture and fixtures	376	36	-	412	226	42	-	268	144	150
	(261)	(115)	-	(376)	(201)	(24)	1	(226)	(150)	(60)
	9,870	3,202	576	12,496	5,837	1,169	567	6,439	6,058	4,033
	(8,339)	(1,615)	(84)	(9,870)	(4,864)	(1,054)	(83)	(5,837)	(4,033)	(3,475)
Intangible assets										
Software	2,262	276	-	2,538	2,132	113	-	2,245	293	130
	(2,164)	(98)	-	(2,262)	(2,024)	(108)	-	(2,132)	(130)	(140)
Total	12,132	3,478	576	15,034	7,969	1,282	567	8,684	6,351	4,163
Previous year	(10,503)	(1,713)	(84)	(12,132)	(6,888)	(1,162)	(83)	(7,969)	(4,163)	(3,615)

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.



Notes forming part of the consolidated financial statements for the year ended 31 March 2026

2.1(b) Capital work in progress

(Amount in ₹ 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
	(9)	(22)	(9)	(22)

Note:

(Amount in ₹ Lakhs unless otherwise stated)

Capital work in progress	Amount in capital work in progress				
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Projects in progress	6	-	-	-	6
Total	6	-	-	-	6
	(22)				(22)

2.1(c) Intangible assets under development

(Amount in ₹ Lakhs unless otherwise stated)

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

Note:

(Amount in ₹ Lakhs unless otherwise stated)

Intangible assets under development	Amount in capital work in progress				
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Projects in progress	-	2	-	-	2
	(3)	-			(3)

Note:

- (i) Figures in bracket pertain to the positions as of 31 March 2025.
- (i) Includes the effect of translation in respect of assets held by foreign subsidiaries



Notes forming part of the consolidated financial statements for the year ended 31 March 2026

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 ₹ 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	131	491	48	670	381	498	58	937
Additions	610	-	367	977	-	-	21	21
Amortisation	260	8	64	332	250	8	31	289
Translation Difference	-	-	-	-	-	1	-	1
Closing balance	481	483	351	1,315	131	491	48	670

The aggregate depreciation expense on right of use assets is included under depreciation and amortization expense in the consolidated statement of Profit and Loss Account.

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

(Amount in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2026	As at 31 March 2025
Current lease liabilities	364	112
Non-current lease liabilities	491	88
Total	855	200

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

(Amount in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2026	As at 31 March 2025
Opening Balance	200	459
Additions	950	21
Finance cost accrued during the period	64	32
Payment of lease liabilities	(359)	(312)
Rent concession	-	-
Translation Difference	-	-
Closing balance	855	200

The table below provides details regarding the contractual maturities of lease liabilities on undiscounted basis:

(Amount in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2026	As at 31 March 2025
Not later than 1 year	427	125
Later than 1 year but not later than 5 years	532	95
More than 5 year	-	-
Total	959	220

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Rental expense recorded for short-term leases was ₹ 307 Lakhs for the year ended 31 March 2026. (previous year ended 31 March 2025 ₹ 260 Lakhs)



Notes forming part of the consolidated financial statements for the year ended 31 March 2026

2.3 Investment Property

(Amount in ₹ Lakhs unless otherwise stated)

PARTICULARS	GROSS CARRYING AMOUNT				ACCUMULATED DEPRECIATION					NET CARRYING AMOUNT	
	As at 1 April 2025	Additions	Deductions/ adjustments (Note (i) & (ii))	As at 31 March 2026	As at 1 April 2025	Transfer from Property, plant and equipment	Depreciation for the year	Deductions/ adjustments (Note (i) & (ii))	As at 31 March 2026	As at 31 March 2026	As at 31 March 2025
Tangible assets											
Leasehold Land	1,118	-	-	1,118	114	-	13	-	126	991	1,004
	(1,118)	-	-	(1,118)	(102)	-	(13)	1	(114)	(1,004)	(1,017)
Buildings	410	-	-	410	143	-	17	-	160	250	267
	(410)	-	-	(410)	(127)	-	(17)	1	(143)	(267)	(283)
Total	1,528	-	-	1,528	257	-	30	-	286	1,241	1,271
Previous year	(1,528)	-	-	(1,528)	(229)	-	(30)	2	(257)	(1,271)	(1,300)

Note : The title deeds of all the immovable properties are held in the name of Company.

Measurement of fair values

(Amount in ₹ Lakhs unless otherwise stated)

Particulars	Leasehold Land	Building	Total
At 31 March 2026	5,920	346	6,266
At 31 March 2025	5,639	376	6,015

There is no impairment as the fair value is greater than the net carrying amount of Investment property as at 31 March 2026.

(i) Fair Value Hierarchy

The fair value of investment property has been determined by external, independent registered property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

The fair value measurement for all of the investment property has been categorised as a Level 3 fair value based on the inputs to the valuation technique used. There is no impairment as the fair value is greater than the carrying amount of the Investment Property.

(ii) Valuation Techniques

The method of valuation adopted, in the subject instance is Land and Building method under Cost Approach. In this approach value of the land is arrived by taking a survey of the micro market for transactions of similar land parcels in the vicinity.

Whereas, value of the building is arrived by analyzing the cost of construction for similar structures. Necessary discounting is considered on building to account for loss in economic value due to depreciation.

The value of land and building so arrived is summed to obtain value of the property.

(iii) Amount recognised in the Statement of Profit and Loss :

Revenue from operation amounting to ₹ 69 Lakhs (Previous year ₹ 1.45 Lakhs) is on account of rental income from investment property during the year ended 31 March 2026 (see note 2.27).

Notes :

(i) Figures in bracket pertains to previous year ended 31 March, 2025.

(ii) As permitted by Ind AS 101, the Company has elected to continue with the carrying values under previous GAAP as deemed cost for all the items of property, plant and equipment and Intangible assets.



Notes forming part of the consolidated financial statements for the year ended 31 March 2026

2.4 A. NON-CURRENT INVESTMENTS (at cost)

(Amount in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2026	As at 31 March 2025
- Non trade		
Investment in equity instruments (quoted)		
<i>Equity shares at FVOCI</i>		
2,900,000 (2,900,000 as of 31 March 2025) equity shares of ₹ 10 each, fully paid up, in Ujjivan Small Finance Bank Limited*	1,465	998
Investment in bonds (quoted)		
<i>Bonds securities at Amortised cost</i>		
a. 7.39% Housing and Urban Development Corporation Limited (HUDCO) Tax Free Bonds 2031	142	142
b. 7.39% Housing and Urban Development Corporation Limited (HUDCO) Tax free bonds 2031	131	131
c. 7.28% Indian Railway Finance Corporation Limited Tax free bonds 2030	47	47
d. 7.35% Indian Railway Finance Corporation Limited Tax Free Bonds 2031	122	122
e. 7.49% Indian Renewable Energy Development Agency Limited (IREDA) Tax Free Bonds 2031	121	121
f. 7.35% National Bank for Agriculture and Rural Development (NABARD) Tax Free Bonds 2031	201	201
g. 8.50% National Highways Authority of India (NHAI) Tax Free Bonds 2029	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)		
<i>Mutual funds at Fair value through profit or loss (FVTPL)</i>		
a. Aditya Birla Sun Life Floating Rate Fund - Growth- Direct	1,532	1,434
b. Axis Banking and PSU Debt Fund - Growth-Direct	1,877	1,774
c. DSP Banking & PSU Debt Fund - Growth- Direct	752	720
d. HDFC Corporate Bond Fund - Growth-Direct	1,299	1,239
e. ICICI Prudential Corporate Bond Fund - Growth-Direct	1,760	1,657
f. ICICI Prudential Gilt Fund - Direct Plan- Growth	3,324	3,221
g. Kotak Bond Short Term Fund - Growth- Direct	1,516	1,427
h. Nippon India Floating Rate Fund - Growth- Direct	3,969	3,722
i. SBI Corporate Bond Fund - Growth- Direct	514	486
j. SBI Magnum Gilt Fund- Direct Plan- Growth	3,275	3,217
k. Tata Short Term Bond Fund - Growth- Direct	3,112	2,946
	22,930	21,843



Notes forming part of the consolidated financial statements for the year ended 31 March 2026

(Amount in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2026	As at 31 March 2025
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	35,275	40,362
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	22,930	21,843
Aggregate amount of impairment in value of quoted investments	-	-

B. Equity shares designated as at fair value through other comprehensive income

As at 1 April 2016, the Company designated the investments shown below as equity shares at FVOCI because these equity shares represent investments that company intends to hold for long- term for strategic purpose

(Amount in ₹ Lakhs unless otherwise stated)

Particulars	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

*11.60 Equity share against 1 share of Ujjivan Financial Services Limited towards Amalgamation of Ujjivan Financial Services Limited with Ujjivan Small Finance Bank Ltd on record date of May 03 2024.

No strategic investments were disposed off during the year ended 31 March 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.



Notes forming part of the consolidated financial statements for the year ended 31 March 2026

(Amount in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2026	As at 31 March 2025
2.5 LONG-TERM LOANS		
Loans and advances to employees		
Loans Receivables considered good - Unsecured	1	8
	<u>1</u>	<u>8</u>

(Amount in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2026	As at 31 March 2025
2.6 OTHER NON-CURRENT FINANCIAL ASSETS		
(Unsecured considered good unless otherwise stated)		
a. Security deposits	244	138
b. Long-term deposits	22,040	12,417
	<u>22,284</u>	<u>12,555</u>

[Long term deposits include ₹ 6 Lakhs (31 March 2025 ₹ 6 Lakhs) which are under lien]

(Amount in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2026	As at 31 March 2025
2.7 INCOME TAX ASSETS (NET)		
Balances with government authorities		
a. Advance tax (net of provisions)	1,158	875
	<u>1,158</u>	<u>875</u>

(Amount in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2026	As at 31 March 2025
2.8 OTHER NON CURRENT ASSETS		
(Unsecured, considered good)		
a Capital advances	3	804
b Employee advances	37	37
Less: Provision for doubtful employee advances	(37)	(37)
	<u>-</u>	<u>-</u>
c. Prepaid expenses	54	126
	<u>57</u>	<u>930</u>



Notes forming part of the consolidated financial statements for the year ended 31 March 2026

2.9 Current investments - Non trade (At the lower of cost and fair value)

(Amount in ₹ Lakhs unless otherwise stated)

Particulars	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 Liquid Fund- Direct Plan- Growth	500	-
d. 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
g. HSBC Liquid Fund - Direct Plan - Growth	151	-
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. Kotak Liquid Fund - Direct Plan - Growth	499	489
l. Nippon India Arbitrage Fund - Direct Plan - Growth	1,782	1,670
m. SBI Arbitrage Opportunities Fund-Direct Plan-Growth	3,500	3,278
n. Tata Arbitrage Fund- Direct Plan - Growth	426	398
o. Tata Treasury Advantage Fund - Direct Plan - Growth	-	342
p. UTI Arbitrage Fund - Direct Plan - Growth	720	674
q. UTI Money Market Fund - Direct Plan - Growth	1,941	1,818
	24,836	23,653
Investment in bonds (quoted)		
<i>Bonds securities at amortised cost</i>		
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 mutual funds (quoted)		
<i>Target maturity Funds at Amortised cost</i>		
a. HDFC Nifty G-Sec Dec 2026 Index Fund -Direct Plan-Growth	3,198	-
	3,198	-
Investment in Preference Shares (quoted)		
17.38% IL&FS Financial Services Ltd. (Preference. Shares - 2021)	100	100
Less: Expected Credit Loss on investment	(100)	(100)
	-	-
16.46% Infrastructure Leasing & Financial Services Ltd. (Preference Shares - 2022)	501	501
Less: Expected Credit Loss on investment	(501)	(501)
	-	-
Aggregate amount of investments	29,103	23,706
Aggregate amount of quoted investments	4,267	52
Aggregate market value of quoted investments	4,267	53
Aggregate amount of unquoted investments	24,836	23,653
Aggregate amount of impairment in value of quoted investments	601	601



Notes forming part of the consolidated financial statements for the year ended 31 March 2026

(Amount in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2026	As at 31 March 2025
2.10 CURRENT TRADE RECEIVABLES		
a. Considered good - Unsecured	10,481	12,443
Credit impaired	17	9
	<u>10,498</u>	<u>12,452</u>
Less: Allowances for doubtful trade receivables/ credit impaired	(17)	(9)
	<u>10,481</u>	<u>12,443</u>
b. Trade receivables -Unbilled		
Considered good - Unsecured	1,631	1,298
Credit impaired	64	69
	<u>1,695</u>	<u>1,367</u>
Less: Allowances for doubtful trade receivables unbilled / credit impaired	(64)	(69)
	<u>1,631</u>	<u>1,298</u>
	<u>12,112</u>	<u>13,741</u>

(Amount in ₹ Lakhs unless otherwise stated)

Sl. No.	Outstanding for following periods from due date of payment	As at 31 March 2026					Total
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i)	Undisputed Trade receivables – considered good	10,098	383	-	-	-	10,481
(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		-	-	-	-	-
		10,113	383	2	-	-	10,498
	Less: Provision for doubtful trade receivables						(17)
	TRADE RECEIVABLES						10,481
	TRADE RECEIVABLES-Unbilled						1,631
							<u>12,112</u>



Notes forming part of the consolidated financial statements for the year ended 31 March 2026

(Amount in ₹ Lakhs unless otherwise stated)

Sl. No.	Outstanding for following periods from due date of payment	As at 31 March 2025					
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed Trade receivables – considered good	12,443	-	-	-	-	12,443
(ii)	Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii)	Undisputed Trade Receivables – credit impaired	-	2	7	-	-	9
(iv)	Disputed Trade Receivables– considered good	-	-	-	-	-	-
(v)	Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi)	Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
		12,443	2	7	-	-	12,452
	Less: Provision for doubtful trade receivables						(9)
	TRADE RECEIVABLES						12,443
	TRADE RECEIVABLES-Unbilled						1,298
							13,741

(Amount in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2026	As at 31 March 2025
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2.11 CASH AND CASH EQUIVALENTS

A. Cash and cash equivalents

a.	Cash on hand 0.45 Lakhs (previous year ₹ 0.44 Lakhs)	-	-
b.	Remittance in transit	331	4
c.	Balances with scheduled banks:		
	- in current accounts	93	82
	- in EEFC accounts	1,002	565
	- in Escrow accounts	30	30
d.	Balance with non scheduled banks in current accounts:		
	- Citibank, United Kingdom	11	3
	- Citibank, U.A.E	42	37
	- Citibank, Singapore	1,648	1,403
	- PNC Bank, USA	7	34
	- Citibank, USA	410	350
	- Bank of Tokyo Mitsubishi, Japan	13	10
	- Citibank, Japan	537	815
	- Citibank, Australia	481	505



Notes forming part of the consolidated financial statements for the year ended 31 March 2026

(Amount in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2026	As at 31 March 2025
- Nedbank, South Africa	44	38
- Citibank, Netherlands	3	2
e. Balances with scheduled banks in deposit accounts with original maturity of less than 3 months	3,349	1,168
Total - Cash and cash equivalents	8,001	5,046

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

(Amount in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2026	As at 31 March 2025
2.12 OTHER BANK BALANCES		
a. Balances with scheduled banks in earmarked accounts:		
- unclaimed dividend accounts	28	28
b. Balances with scheduled banks in deposit accounts with original maturity of more than 3 months :		
- Maturity with in 12 months of the reporting date	4,282	7,193
Total - Other bank balances	4,310	7,221

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

(Amount in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2026	As at 31 March 2025
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2.13 SHORT-TERM LOANS

(Unsecured)

Loans and advances to employees

a. Loans and advances to employees considered good - Unsecured	8	34
	8	34

(Amount in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2026	As at 31 March 2025
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2.14 OTHER CURRENT FINANCIAL ASSETS

(Unsecured considered good unless otherwise stated)

a. Security deposit	153	174
b. Mark-to-market gain on forward contracts	-	6
c. Expenses recoverable from customers	93	16
	246	196



Notes forming part of the consolidated financial statements for the year ended 31 March 2026

(Amount in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2026	As at 31 March 2025
2.15 OTHER CURRENT ASSETS		
(Unsecured)		
a. Income accrued but not due		
Considered good	3,081	2,111
Credit impaired	190	187
	<u>3,271</u>	<u>2,298</u>
Less : Provision for income accrued but not due	(190)	(187)
	<u>3,081</u>	<u>2,111</u>
b. Employee advances	35	34
c. Prepaid expenses (considered good)	1,187	1,564
d. Contract cost	6	1
e. Balances with Government authorities (considered good)		
- GST/ VAT credit receivable	48	62
f. Others		
- Supplier advances		
Considered good	784	714
h. Deferred rent		
g. Deferred payroll	2	6
	<u>5,143</u>	<u>4,492</u>

(Amount in ₹ Lakhs unless otherwise stated)

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



Notes forming part of the consolidated financial statements for the year ended 31 March 2026

Refer notes (i) to (vi) below :-

- (i) **Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year :-**

Particulars	Opening balance	Extinguishment of equity shares during the year	Closing balance
a. For the year ended 31 March, 2026			
- Number of shares	26,325,306	-	26,325,306
- Amount (In ₹)	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 ₹)	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 ₹ 10 each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

- (iii) **Number of shares held by promotor shareholders in the Company :-**

Particulars	As at 31 March 2026			As at 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%



Notes forming part of the consolidated financial statements for the year ended 31 March 2026

(v) Details of forfeited shares

Particulars	As at 31 March 2026		As at 31 March 2025	
	(Number)	(₹)	(Number)	(₹)
Equity shares with voting rights	2,800	15,000	2,800	15,000

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

(vii) EMPLOYEES STOCK OPTION PLAN ("ESOP")

- Employee Stock Option Scheme and SEBI (Share Based Employee Benefits) Regulations, 2014, is effective for regulation of all schemes by the Company for the benefits for its employees dealing in shares, directly or indirectly from October 28, 2014. In accordance with these Guidelines, the excess of the market price of the underlying equity shares as of the date of grant of options over the exercise price of the option, including up-front payments, if any, is to be recognized and amortised on graded vesting basis over the vesting period of the options.
- The Company currently has one ESOP scheme- ESOP Scheme - 2015 (instituted in 2015) which was duly approved by the Board of Directors and Shareholders. The ESOP Scheme 2015 provides for 500,000 options to eligible employees. As per ESOP scheme 2015, equity shares would be transferred to eligible employees on exercise of options through Nucleus Software Employee Welfare Trust. The scheme is administered by the Compensation Committee comprising three members, the majority of whom are independent directors.
- There are no options granted, forfeited and exercised during the year under ESOP Scheme 2015.

(Amount in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2026	As at 31 March 2025
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2.17 OTHER EQUITY

a. Capital reserve	89	89
b. Capital Redemption reserve	606	606
c. Retained Earnings	85,362	76,979
d. Other comprehensive Income	2,055	1,115
Total	88,112	78,789

(Amount in ₹ Lakhs unless otherwise stated)

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
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a. Capital reserve		
Opening balance	89	89
Add: 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



Notes forming part of the consolidated financial statements for the year ended 31 March 2026

(Amount in ₹ Lakhs unless otherwise stated)

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
c. Retained Earnings		
Opening balance	76,979	72,947
Add: Profit for the period	11,674	16,300
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	<u>85,362</u>	<u>76,979</u>
Amalgamation adjustment Deficit Account		
d. Other comprehensive Income		
Equity instrument through other comprehensive income	973	1,166
Add: Income for the year	<u>467</u>	<u>(193)</u>
	1,440	973
Foreign currency translation reserve		
Opening balance	427	300
Add: Addition during the year	347	127
Less: Transferred to surplus in statement of Profit and Loss	-	-
Closing balance	<u>774</u>	<u>427</u>
Remeasurement of the defined benefit plans, net		
Opening balance	(290)	-
Addition / (Deletion)	<u>213</u>	<u>(290)</u>
Closing balance	(77)	(290)
Hedging reserve, net		
Opening balance	5	4
Add / (Less) : Effect of foreign exchange rate variations on hedging instruments outstanding at the end of the period	(87)	1
Closing balance	<u>(82)</u>	<u>5</u>
	<u>2,055</u>	<u>1,115</u>
Closing balance	<u><u>88,112</u></u>	<u><u>78,789</u></u>

(i) Dividend

The Board of Directors on 21 May 2026 have recommended a payment of Final Dividend of ₹ 12.50 per share (on equity share of par value of ₹ 10 each) for the year ended 31 March 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 ₹ 12.50 per share (on equity share of par value of ₹ 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.



Notes forming part of the consolidated financial statements for the year ended 31 March 2026

(ii) Nature and purpose of other reserves

Capital reserve

The Group had transferred forfeited ESOP application money to Capital reserve in accordance with the provision of the Companies Act. The reserve will be utilised in accordance with the provisions of the Companies Act, 2013.

Securities premium reserve

Securities premium is used to record the premium on issue of shares and shall be utilised in accordance with the provisions of the Companies Act, 2013.

Hedging reserve

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

Capital Redemption reserve

This reserve was created on account of a buy back of shares by the Company during the year ended 31 March 2017, during the year ended 31 March 2022 and during the year ended 30 June 2025. A sum equal to the nominal value of the shares so purchased was transferred to capital redemption reserve. The reserve shall be utilised in accordance with the provisions of section 69 of the Companies Act, 2013.

General reserve

The general reserve is a free reserve which is used from time to time to transfer profits from retained earnings for appropriation purposes.

Foreign currency translation reserve

These comprise of all exchange difference arising from translation of financial statements of foreign operations.

Equity instrument through other comprehensive income

The Group has designated its investments in certain equity instruments at fair value through other comprehensive income. These changes are accumulated within the FVOCI equity investments within the equity. The group transfers amounts therefrom to retained earnings when the relevant equity securities are derecognised.

Remeasurement of net defined benefit plans

Remeasurement of net defined benefit plans (asset) comprises actuarial gain and losses and return on plan assets (excluding interest income)

(Amount in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2026	As at 31 March 2025
2.18 OTHER FINANCIAL LIABILITIES-NON CURRENT		
Security Deposit	30	-
	30	-
2.19 OTHER NON-CURRENT LIABILITIES		
Deferred lease income on Security deposit received	12	-
	12	-
2.20 NON CURRENT - PROVISIONS		
Provision for employee benefits		
- Provision for compensated absences	3,103	2,350
- Provision for gratuity	2,730	1,678
Provision for asset retirement obligations	3	3
	5,836	4,031



Notes forming part of the consolidated financial statements for the year ended 31 March 2026

(Amount in ₹ Lakhs unless otherwise stated)

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
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2.21 DEFERRED TAX LIABILITIES (NET)

A. Amounts recognised in profit or loss

Current tax	3,655	4,763
Deferred tax	(341)	842
Net tax expense	3,314	5,605

B. Income tax recognised in other comprehensive income

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(net of tax)	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 ₹ Lakhs unless otherwise stated)

Particulars	Percentage	For the year ended 31 March 2026	Percentage	For the year ended 31 March 2025
Profit before tax		14,988		21,905
Computed tax expense	25.17%	3,773	25.17%	5,513
Effect of exempt non-operating income	-1.81%	(272)	-0.72%	(157)
Effect of non- deductible expenses	-0.57%	(85)	1.10%	242
Taxes on income at different rates	-2.11%	(316)	-0.79%	(174)
Tax effect due to non taxable income for Indian tax purpose	1.65%	247	0.50%	110
Change in tax rate and others	-0.06%	(9)	0.12%	26
Effect of subsidiaries different tax rates	-0.16%	(24)	0.21%	45
Effective tax	22.11%	3,314	25.59%	5,605



Notes forming part of the consolidated financial statements for the year ended 31 March 2026

DEFERRED TAX LIABILITIES (NET)

(Amount in ₹ Lakhs unless otherwise stated)

Particular	Opening As at 1 April 2025	Recognised [(Credited)/ Charge] in profit or loss during the year	Recognised [(Credited)/ Charge] in OCI during the year	Translation exchange difference	As at 31 March 2026
a. 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
b. Deferred tax liabilities					
Property, plant and equipment	17	(139)	-	-	(122)
Forward contracts	(4)	-	27	(3)	26
Investments	(2,446)	(405)	(67)	-	(2,918)
	(2,433)	(544)	(40)	(3)	(3,014)
Net Deferred tax Asset/(Liability)	(1,551)	315	(134)	(3)	(1,367)
a. Deferred tax assets					
Provisions- compensated absences, gratuity and other employee benefits	45	26	-	(15)	86
Accruals and others	7	-	-	-	7
Net Deferred tax Asset/(Liability)	52	26	-	(15)	93
Total Deferred tax Asset/(Liability)	(1,499)	341	(134)	(18)	(1,275)

DEFERRED TAX LIABILITIES (NET)

(Amount in ₹ Lakhs unless otherwise stated)

Particular	Opening As at 1 April 2024	Recognised [(Credited)/ Charge] in profit or loss during the year	Recognised [(Credited)/ Charge] in OCI during the year	Translation exchange difference	As at 31 March 2025
a. Deferred tax assets					
Provisions- compensated absences, gratuity and other employee benefits	590	(32)	110	-	668
Provision for doubtful trade receivables / loans and service income accrued but not due and others	253	(62)	-	-	191
Forward contracts	-	-	-	-	-
MAT credit entitlement	-	-	-	-	-
Trade receivables, security deposit and loans at amortised cost	13	-	-	-	13
Lease liability	8	2	-	-	10
	864	(92)	110	-	882



Notes forming part of the consolidated financial statements for the year ended 31 March 2026

DEFERRED TAX LIABILITIES (NET)

(Amount in ₹ Lakhs unless otherwise stated)

Particular	Opening As at 1 April 2024	Recognised [(Credited)/ Charge] in profit or loss during the year	Recognised [(Credited)/ Charge] in OCI during the year	Translation exchange difference	As at 31 March 2025
b. Deferred tax liabilities					
Property, plant and equipment	60	(43)	-	-	17
Forward contracts	(2)	-	(2)	-	(4)
Investments	(1,769)	(715)	38	-	(2,446)
	(1,711)	(758)	36	-	(2,433)
Net Deferred tax Asset/(Liability)	(847)	(850)	146	-	(1,551)
a. Deferred tax assets					
Provisions- compensated absences, gratuity and other employee benefits	37	8	-	-	45
Accruals and others	7	-	-	-	7
Net Deferred tax Asset/(Liability)	44	8	-	-	52
Total Deferred tax Asset/(Liability)	(803)	(842)	146	-	(1,499)

(Amount in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2026	As at 31 March 2025
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2.22 TRADE PAYABLES

Trade Payables (see note below)

- Total outstanding dues of micro enterprises and small enterprises (see note below)	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	356	67
Accrued expenses	1,465	1,223
	1,821	1,290

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

Outstanding for following period from due date	As at 31 March 2026				
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	271	-	1	-	356
(iii) Disputed dues MSME	-	-	-	-	-
(iv) Disputed dues others	-	-	-	-	-
Total	271	-	1	-	356
Accrued expenses					1,465
Total					1,821



Notes forming part of the consolidated financial statements for the year ended 31 March 2026

Note 1 : Aging for Trade payable outstanding as at 31 March 2025 is as follows:

(Amount in ₹ Lakhs unless otherwise stated)

Outstanding for following period from due date	As at 31 March 2025				
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	28	1	-	-	67
(iii) Disputed dues MSME	-	-	-	-	-
(iv) Disputed dues others	-	-	-	-	-
Total	28	1	-	-	67
Accrued expenses					1,223
Total					1,290

(Amount in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2026	As at 31 March 2025
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2.23 OTHER CURRENT FINANCIAL LIABILITIES

a. Unpaid dividends	28	28
b. Payable for purchase of fixed assets	-	178
c. Mark-to-market gain on forward contracts	109	-
d. Employee payable	7,329	5,006
	7,466	5,212

(Amount in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2026	As at 31 March 2025
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2.24 CURRENT PROVISIONS

Provision for employee benefits		
- Provision for compensated absences	692	534
Provision for asset retirement obligations	26	22
	718	556

(Amount in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2026	As at 31 March 2025
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2.25 CURRENT TAX LIABILITIES (NET)

a. Provision for tax [net of advance tax]	113	925
	113	925



Notes forming part of the consolidated financial statements for the year ended 31 March 2026

(Amount in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2026	As at 31 March 2025
2.26 OTHER CURRENT LIABILITIES		
a. Advance from customers / Advance billings	4,519	6,158
b. Deferred revenue	11,614	12,280
c. Other payables - statutory liabilities	1,609	1,722
	17,742	20,160

(Amount in ₹ Lakhs unless otherwise stated)

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
2.27 REVENUE FROM OPERATIONS		
Software products and services (see note 2.38)		
- Sale of products	74,056	71,379
- Sale of services	13,478	11,845
Other revenue	69	1
	87,603	83,225

The Group primarily caters to customers in Banking and Financial Services sector. While the Group believes that it has offerings, which will have great value proposition for the customers, the impact on future revenue streams could come from:

- the inability of our customers to continue their businesses due to financial resource constraints or their services no-longer being availed by their customers

The Group has considered impact of the above reasons to the extent known and available currently. The Group has also taken steps to assess the cost budgets required to complete its performance obligations in respect of fixed price contracts and incorporated the impact of likely delays / increased cost in meeting its obligations and based on the current estimate, it sees no material impact on the financial statements based on the current understanding.

Remaining performance obligation disclosure and contract balances

The remaining performance obligation disclosure provides the aggregate amount of transaction price yet to be recognised as revenue towards unsatisfied or partially satisfied performance obligations, along with the broad time band for the expected time to recognise those revenues. The Company has applied the practical expedient in Ind AS 115 and accordingly the Company has not disclosed the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognised meets the criteria as per the practical expedients and typically relate to time and material, outcome based and event based contracts.

Unsatisfied (or partially satisfied) performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates, changes in currency rate etc).

The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations as at 31 March 2026, other than those meeting the exclusion criteria is ₹ 7,535 Lakhs, out of which 58% is expected to be recognised as revenue in the next year and the balance thereafter. The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligation as at 31 March 2025, other than those meeting the exclusion criteria is ₹ 9,250 Lakhs, out of which 58% is expected to be recognised as revenue in the next year and the balance thereafter.



Notes forming part of the consolidated financial statements for the year ended 31 March 2026

Changes in contract assets (income accrued but not due) are as follows:

(Amount in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2026	As at 31 March 2025
Balance at the beginning of the year	2,297	2,311
Revenue recognised during the year	39,243	11,690
Invoices raised during the year	(38,599)	(12,356)
Translation exchange difference	(31)	29
Movement of contract assets	361	623
Impairment of a contract asset	-	-
Balance at the end of the year	3,271	2,297

Changes in contract liabilities (unearned and deferred revenue) are as follows:

(Amount in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2026	As at 31 March 2025
Balance at the beginning of the year	18,437	20,565
Revenue recognised during the year	(42,005)	(66,416)
Invoices raised during the year	39,455	63,642
Translation exchange difference	(139)	23
Other movement liability	383	623
Impairment of liability	-	-
Balance at the end of the year	16,131	18,437

(Amount in ₹ Lakhs unless otherwise stated)

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
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2.28 OTHER INCOME

a. Interest income on financial assets- carried at amortised cost :

- Deposits with banks and others	1,776	1,381
- Tax free bonds	178	182
- Target maturity fund	982	951
- others	16	25

b. Interest income on Income tax refund 97 47

c. Dividend income from

- Current, non trade investments	-	-
- Non-current, non trade investment	-	44

d. Net gain / (loss) on investments carried at Fair value through Profit and Loss account 2,713 3,922



Notes forming part of the consolidated financial statements for the year ended 31 March 2026

(Amount in ₹ Lakhs unless otherwise stated)

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
e. Gain / (Loss) on exchange fluctuation	594	57
f. Other non-operating income		
- Net profit on sale of property, plant and equipment	31	-
- Deferred lease income on Security deposit received	3	-
- Miscellaneous income	26	17
	6,416	6,626

(Amount in ₹ Lakhs unless otherwise stated)

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
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2.29 EMPLOYEE BENEFITS EXPENSE

a. Salaries and wages	53,665	48,810
b. Contribution to provident and other funds	3,513	3,152
c. Gratuity expense (see note 2.40)	900	670
d. Staff welfare expenses	863	832
	58,941	53,464

(Amount in ₹ Lakhs unless otherwise stated)

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
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2.30 OPERATING AND OTHER EXPENSES

a. Outsourced technical service expense	1,191	616
b. Cost of software purchased for delivery to clients	17	14
c. Power and fuel	406	383
d. Rent (see note 2.2)	307	260
e. Repair and maintenance		
- Buildings	88	53
- Others	486	468
f. Insurance	85	112
g. Rates and taxes	43	81
h. Travel expenses	2,638	1,804
i. Advertisement, business development and promotion	1,018	561
j. Legal and professional (including Auditors Remuneration - see note 2.34)	1,648	1,643
k. Directors remuneration	251	301
l. Conveyance	120	89



Notes forming part of the consolidated financial statements for the year ended 31 March 2026

(Amount in ₹ Lakhs unless otherwise stated)

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
m. Communication	178	168
n. Training and recruitment	1,133	649
o. Conference, exhibition and seminar	926	727
p. Information technology expenses	4,411	4,124
q. Provision for doubtful trade receivables/advances/other current assets	5	(160)
r. Withholding tax charged off	497	467
s. Commission to channel partners	41	82
t. Expenditure on Corporate Social Responsibility (see note 2.43)	369	277
u. Miscellaneous expenses	247	207
	16,105	12,926
Remuneration to Non Executive Directors		
a. Commission	121	172
b. Sitting fees	130	129
	251	301

(Amount in ₹ Lakhs unless otherwise stated)

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
2.31 FINANCE COST		
a. Bank charges	62	43
b. Unwinding of discount (discounting)-security deposit (received)	2	-
c. Interest expense on lease liability	64	32
d. Interest others	13	-
	141	75



Notes forming part of the consolidated financial statements for the year ended 31 March 2026

2.32 Financial Instruments

a) Financial Instruments by category

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

(Amount in ₹ 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 (2.11)	8,001	-	-	8,001	8,001	-	-	-
Other bank balances (2.12)	4,310	-	-	4,310	4,310	-	-	-
Investments (2.4 and 2.9)								
Equity Instruments	-	-	1,465	1,465	1,465	1,465	-	-
Tax free bonds	3,212	-	-	3,212	3,262	3,262	-	-
Mutual funds	-	47,766	-	47,766	47,766	47,766	-	-
Target maturity funds (TMFs)	11,935	-	-	11,935	12,059	12,059	-	-
Preference shares	-	-	-	-	-	-	-	-
Trade receivables (2.10)	12,112	-	-	12,112	12,112	-	-	-
Loans (2.5 and 2.13)	10	-	-	10	10	-	-	-
Other financial assets (2.6 and 2.14)	22,530	-	-	22,530	22,530	-	-	-
	62,109	47,766	1,465	111,340	111,515	64,552	-	-
Liabilities:								
Trade payables (2.22)	1,821	-	-	1,821	1,821	-	-	-
Lease liabilities	855	-	-	855	855	-	-	-
Other financial liabilities (2.23)	7,387	-	109	7,496	7,496	-	-	-
	10,063	-	109	10,172	10,172	-	-	-



Notes forming part of the consolidated financial statements for the year ended 31 March 2026

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

(Amount in ₹ 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 (2.11)	5,046	-	-	5,046	5,046	-	-	-
Other bank balances (2.12)	7,221	-	-	7,221	7,221	-	-	-
Investments (2.2 and 2.9)								
Equity Instruments	-	-	998	998	998	998	-	-
Tax free bonds	3,333	-	-	3,333	3,352	3,352	-	-
Mutual funds	-	45,496	-	45,496	45,496	45,496	-	-
Target maturity funds (TMFs)	14,240	-	-	14,240	14,536	14,536	-	-
Preference shares	-	-	-	-	-	-	-	-
Trade receivables (2.10)	13,741	-	-	13,741	13,741	-	-	-
Loans (2.5 and 2.13)	42	-	-	42	42	-	-	-
Other financial assets (2.6 and 2.14)	12,744	-	6	12,750	12,750	-	-	-
	56,367	45,496	1,004	102,867	103,182	64,382	-	-
Liabilities:								
Trade payables (2.22)	1,290	-	-	1,290	1,290	-	-	-
Lease liabilities	200	-	-	200	200	-	-	-
Other financial liabilities (2.23)	5,212	-	-	5,212	5,212	-	-	-
	6,702	-	-	6,702	6,702	-	-	-

The carrying amount of current trade receivables, short term loan, current security deposit, trade payables, current financial liabilities, other bank balances and cash and cash equivalent are considered to be same as their fair values, due to their short-term nature.

The fair value of non-current trade receivables, long term loan, non-current security deposit and non-current financial liabilities were calculated based on cashflows discounted using a transition date lending rate as there is no material change in the lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusions of unobservable inputs including counterparty credit risk.



Notes forming part of the consolidated financial statements for the year ended 31 March 2026

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- a) the use of quoted market prices or dealer quotes for similar instruments.
- b) for forward exchange contracts, the fair value is determined using quoted forward exchange rates at the reporting date.
- c) the fair value of remaining financial instruments is determined using discounted cash flows method.

b) Financial risk management

The Group's activities expose it to a variety of financial risks arising from financial instruments

- **Market risk,**
- **Credit risk and**
- **Liquidity risk**

Risk Management Committee (RMC) is responsible for identification and review of risks and mitigation plans. The Committee meets regularly for identification and prioritization of risks. RMC conducts risk survey with the senior and middle level management of the Company to identify risks and rate them appropriately. Top risks are identified and remaining are categorized as other risks. The RMC then places updates to the Board on a regular basis, on key risks facing the Company, along with their mitigation plans.

i) Market risk

a) Currency risk

The Group's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk.. The Group's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers.

The Group operates internationally and a major portion of the business is transacted in several currencies and consequently the Group is exposed to foreign exchange risk through its sales and services and purchases from overseas suppliers in various foreign currencies. The Group holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The exchange rate between the rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Group's operations are adversely affected as the rupee appreciates/ depreciates against these currencies.

The Group's risk management policy is to hedge 30% to 55% of its estimated foreign currency exposure in respect of forecast collection over the following 6 months at any point in time. The group uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date. Such contracts are generally designated as cash flow hedges.

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of their respective cash flows.



Notes forming part of the consolidated financial statements for the year ended 31 March 2026

The year end 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 ₹ in Lakhs	Amount in foreign currency in Lakhs	Amount in ₹ in Lakhs
Receivable				
USD	68	6,489	84	7,170
EUR	1	72	2	179
MYR	2	58	41	798
SGD	0	1	-	-
JPY	3	2	6	3
AED	1	39	1	27
GBP	0	4	0	2
AUD	1	61	18	987
SAR	3	67	3	57
THB	-	-	0	1
VND	10,694	38		
PHP	1	2	1	1
IDR	127	1	8	0
Payable				
USD	3	260	2	209
EUR	0	0	1	48
MYR	-	-	0	1
GBP	0	6	0	5
SGD	4	271	-	-
AED	2	40	0	6
JPY	3	2	3	2
AUD	0	2	0	1
PHP	4	6	2	2
THB	0	0	0	0
IDR	542	3	102	1
SAR	-	-	0	0
VND	651	2	-	-

Cash flow sensitivity of currency risk

For the year ended 31 March 2026 and 31 March 2025, 10% depreciation / appreciation in the exchange rate between the Indian rupee and Foreign currencies, would have affected the Group's total comprehensive income by ₹ 624 Lakhs and ₹ 895 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 year and the current reporting year.



Notes forming part of the consolidated financial statements for the year ended 31 March 2026

b) Price risk

(a) Exposure

The Group's exposure to equity securities and Mutual funds price risk arises from investments held by the Group and classified in the balance sheet either as fair value through OCI or at fair value through profit or loss.

(b) Sensitivity

The sensitivity of profit or loss in respect of investments in mutual funds and equity instruments (other than subsidiaries) at the end of the reporting period for +/- 2% change in price and net asset value is presented below:

(Amount in ₹ Lakhs unless otherwise stated)

Particulars	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	955	910		-
Equity instruments (other than subsidiaries)			29	20
Decrease 2%				
Mutual funds	(955)	(910)		-
Equity instruments (other than subsidiaries)			(29)	(20)

Derivative financial instruments

The Group holds derivative financial instruments such as foreign currency forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank or a financial institution. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace.

The following table gives details in respect of outstanding foreign exchange forward and option contracts:

Forward contracts

Forward contract outstanding	Buy/Sell	As at 31 March 2026	Equivalent amount in ₹ 31 March 2026	As at 31 March 2025	Equivalent amount in ₹ 31 March 2025
In USD (Amount in USD Lakhs)	Sell	25.00	2,371	32.50	2,777

The foreign exchange forward contracts mature within six months. The table below analyzes the derivative financial instruments into relevant maturity groupings based on the remaining period as of the Balance sheet date

(Amount in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2026	Equivalent amount in ₹ 31 March 2026	As at 31 March 2025	Equivalent amount in ₹ 31 March 2025
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

Notes forming part of the consolidated financial statements for the year ended 31 March 2026

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument, including whether the hedging instrument is expected to offset changes in cash flows of hedged items.

The following table provides the reconciliation of cash flow hedge reserve for the year ended 31 March 2026:

(Amount in ₹ Lakhs unless otherwise stated)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Balance at the beginning of the year	5	4
Gain / (Loss) recognised in other comprehensive income during the year	(87)	1
Balance at the end of the year	<u>(82)</u>	<u>5</u>

The company offsets a financial asset and a financial liability when it currently has a legally enforceable right to set off the recognized amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Effects of hedge accounting on financial performance

Cash flow hedge- Foreign exchange risk

(Amount in ₹ Lakhs unless otherwise stated)

Particulars	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 about offsetting of derivative financial assets

(Amount in ₹ Lakhs unless otherwise stated)

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

ii) Credit risk

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information.

In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 30 days past due.

A default on a financial asset is when the counter party fails to make contractual payments within 90 days of when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.



Notes forming part of the consolidated financial statements for the year ended 31 March 2026

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹ 12,112 Lakhs and ₹ 13,742 Lakhs as of 31 March 2026 and 31 March 2025 respectively and unbilled revenue/ income accrued but not due amounting to ₹ 3,081 Lakhs and ₹ 2,111 Lakhs as of 31 March 2026 and 31 March 2025 respectively. Credit risk has always been managed by the Group through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Group uses expected credit loss model to assess the impairment loss or gain. The Group uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenue/ income accrued but not due. The provision matrix takes into account available external and internal credit risk factors such as Group's historical experience for customers. This assessment is not based on any mathematical model but an assessment considering the impact immediately seen in the demand outlook and the financial strength of the customers.

The following table gives details in respect of percentage of revenues generated from top customer and top five customers:

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
	(in %)	(in %)
Revenue from top customer	7.00%	7.59%
Revenue from top five customers	27.26%	26.96%

Credit risk exposure

- a) The lifetime expected credit loss on trade receivable for the year ended 31 March 2026 is ₹ 7 Lakhs and for the year ended 31 March 2025 was ₹ (262) Lakhs.

(Amount in ₹ Lakhs unless otherwise stated)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Balance at the beginning	9	286
Impairment loss recognised/ reversed	7	(262)
Amounts written off	-	(15)
Balance at the end	16	9

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

(Amount in ₹ Lakhs unless otherwise stated)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Balance at the beginning	187	34
Impairment loss recognised/ reversed	3	204
Amounts written off	-	(51)
Balance at the end	190	187

Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in mutual fund units, quoted bonds issued by government.



Notes forming part of the consolidated financial statements for the year ended 31 March 2026

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

As at 31 March 2026

(Amount in ₹ 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	244	0%		244
Loss allowance measured at life-time expected credit loss	Financial assets for which credit risk has increased significantly and not credit -impaired	NA	NA	NA	NA	NA
	Financial assets for which credit risk has increased significantly and credit -impaired	Investment at amortised cost	601	100%	(601)	-

As at 31 March 2025

(Amount in ₹ 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	138	0%	-	138
Loss allowance measured at life-time expected credit loss	Financial assets for which credit risk has increased significantly and not credit -impaired	NA	NA	NA	NA	NA
	Financial assets for which credit risk has increased significantly and credit -impaired	Investment at amortised cost	601	100%	(601)	-



Notes forming part of the consolidated financial statements for the year ended 31 March 2026

b) Expected credit loss for trade receivables under simplified approach

As at 31 March 2026

(Amount in ₹ Lakhs unless otherwise stated)

Ageing	Not due	0-90 days past due	90-180 days past dues	180-270 days past dues	270-360 days past dues	More than 360 days past dues	Total
Gross carrying amount	7,768	2,059	310	37	322	2	10,498
Less : Expected credit losses (Loss allowance provision)			15			2	17
Carrying amount of trade receivables (net of impairment)	7,768	2,059	295	37	322	-	10,481
TRADE RECEIVABLES-Unbilled	-	1,385	112	127	4	3	1,631
							12,112

As at 31 March 2025

(Amount in ₹ Lakhs unless otherwise stated)

Ageing	Not due	0-90 days past due	90-180 days past dues	180-270 days past dues	270-360 days past dues	More than 360 days past dues	Total
Gross carrying amount	8,248	4,165	27	5	-	7	12,452
Less : Expected credit losses (Loss allowance provision)	-	-	-	2	-	7	9
Carrying amount of trade receivables (net of impairment)	8,248	4,165	27	3	-	-	12,443
TRADE RECEIVABLES-Unbilled	-	866	253	99	80	-	1,298
							13,741

c) Expected credit loss for Service income accrued but not due under simplified approach

As at 31 March 2026

(Amount in ₹ 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	2,283	356	271	65	296	3,271
Less : Expected credit losses (Loss allowance provision)					190	190
Carrying amount of trade receivables (net of impairment)	2,283	356	271	65	106	3,081



Notes forming part of the consolidated financial statements for the year ended 31 March 2026

As at 31 March 2025

(Amount in ₹ 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	1,447	188	141	72	450	2,298
Less : Expected credit losses (Loss allowance provision)	-	-	-	-	187	187
Carrying amount of trade receivables (net of impairment)	1,447	188	141	72	263	2,111

iii) Liquidity risk

The Group's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The company has no outstanding bank borrowings. The company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

As of 31 March, 2026 the Group had a working capital of ₹ 30,697 Lakhs including cash and cash equivalent of ₹ 8,001 Lakhs and current investment of ₹ 29,103 Lakhs (31 March 2025 ₹ 26,181 Lakhs Lakhs including cash and cash equivalents of ₹ 5,046 Lakhs and current investments of ₹ 23,706 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 Group has assessed the counterparty credit risk.

The table below provides details regarding the contractual maturities of significant financial liabilities as of 31 March 2026:

(Amount in ₹ Lakhs unless otherwise stated)

Particulars	Less than 1 year	1-2 years	Total
Trade payables	1,821	-	1,821
Lease Liability	364	491	855
Other financial liabilities	7,466	30	7,496

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

(Amount in ₹ Lakhs unless otherwise stated)

Particulars	Less than 1 year	1-2 years	Total
Trade payables	1,290	-	1,290
Lease Liability	112	88	200
Other financial liabilities	5,212	-	5,212

c) Capital Management

The Group's objectives when managing capital are to:

- Safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and
- Maintain an appropriate capital structure

The Board of Directors has the primary responsibility to maintain a strong capital base and reduce the cost of capital through prudent management in deployment of funds and sourcing by leveraging opportunities in domestic and international financial markets so as to maintain investors, creditors & markets' confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Company defines as result from operating activities divided by total shareholders' equity.



Notes forming part of the consolidated financial statements for the year ended 31 March 2026

The Group monitors capital, using a medium term view of three to five years, on the basis of a number of financial ratios generally used by industry and by the rating agencies. The Group is not subject to externally imposed capital requirements.

The Group monitors capital using gearing ratio which is adjusted net debt divided by total equity. Adjusted net debt comprises of long term and short term liabilities less cash and cash equivalent. Equity includes equity share capital and reserves that are managed as capital. The gearing ratio at the end of the reporting periods was as follows:

(i) Risk management

For the purpose of the Group's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, raise debts or issue new shares.

(ii) Dividends

(Amount in ₹ 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 ₹ 12.50 per share (Previous year ₹ 12.50 per share) (On equity share of ₹ 10 each) (see note 2.17 (i))	3,291	3,347
(ii) Dividend not recognised at the end of reporting period (see note 2.17 (i))	3,291	3,291

(Amount in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2026	As at 31 March 2025
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2.33 Contingent liabilities & commitments (to the extent not provided for)

a. Contingent liabilities	465	489
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Notes :

As on 31 March 2026, claims against the company not acknowledged as debts in respect of income tax matters amounted to ₹ 402 Lakhs (Previous Year As on 31st March 2025 was ₹ 402 Lakhs) and in respect of goods and service tax matters amounted to ₹ 63 Lakhs (Previous Year As on 31st March 2025 was ₹ 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	397	437
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- Estimated amount of contracts remaining to be executed on capital account and not provided for in the books of account (net of advances).
- 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.



Notes forming part of the consolidated financial statements for the year ended 31 March 2026

c. Other Commitments

- i The Company is committed to provide financial support to its subsidiary companies, as and when required.
- ii The Group does not have any pending litigations which would impact its financial position.
- ii The Group does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

(Amount in ₹ Lakhs unless otherwise stated)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
2.34 Auditors Remuneration (excluding tax)		
a. As auditors - statutory audit and quarterly audits (refer note below)	71	69
b. For other services	3	5
c. Reimbursement of expenses	4	6
	78	80

Note: Includes payment to other auditors (subsidiary companies) ₹ 32 Lakhs (previous year ended 31 March 2025 ₹ 31 Lakhs)

2.35 Earnings per share

(Amount in ₹ Lakhs unless otherwise stated)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
a. Profit after taxation available to equity shareholders (₹ in Lakhs)	11,674	16,300
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	26,325,306	26,548,701
e. Basic earnings per share (₹)	44.35	61.40
f. Diluted earnings per share (₹)	44.35	61.40

2.36 RELATED PARTY TRANSACTIONS

Key managerial personnel:

- Vishnu R Dusad (Managing Director)
- Ravi Pratap Singh (Whole time Director) (till 25.07.2024)
- Anurag Mantri (Whole time Director 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)



Notes forming part of the consolidated financial statements for the year ended 31 March 2026

- 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
- Mark McCoy (Director, Subsidiary Company)

Others :

- Nucleus Software Foundation (Entity in which relatives of KMPs are trustees) (see note 2.43)
- Praxis Consulting and Information services Pvt Ltd (Entity in which Non Executive Director is interested)

**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.

(Amount in ₹ Lakhs unless otherwise stated)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Transactions with related parties		
a. Salary and other benefits to Key managerial personnel		
Short-term employee benefits	1,091	1,539
Contribution to provident and other funds	41	45
	<u>1,132</u>	<u>1,584</u>
Note : Above employee benefits includes charge taken from subsidiary company Nucleus Software Solutions Pte. Ltd. for services by COO)		
b. Remuneration to other Non Executive Directors		
- Commission	121	172
- Sitting fees	130	129
	<u>251</u>	<u>301</u>
c. Expenditure on Corporate Social Responsibility		
- Nucleus Software Foundation	369	277
	<u>369</u>	<u>277</u>
d. Legal and professional		
-Praxis Consulting and Information services Pvt Ltd	3	5
	<u>3</u>	<u>5</u>
e. Buyback of shares		
- Madhu Dusad (person acting in concert) - no of shares 53,935	-	871
- Karmayogi Holdings Private Limited (person acting in concert) -no of shares 1,58,232	-	2,555
- Vishnu R Dusad (Managing Director) -no of shares 28,167	-	455
	<u>-</u>	<u>3,881</u>
Outstanding balances As at year end		
a. Remuneration to Non Executive Directors		
- Commission payable	121	172
	<u>121</u>	<u>172</u>

Terms and conditions

All transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions and within the ordinary course of business. Outstanding balances at the year end are unsecured and settlement occurs in cash.



Notes forming part of the consolidated financial statements for the year ended 31 March 2026

2.37 Research and development expenditure

Research and development expense recognised in the statement of profit and loss account for the year ended 31 March 2026 ₹ 5,578 Lakhs (Previous year ended 31 March 2025 ₹ 3,329 Lakhs).

2.38 Segment reporting – Basis of preparation

a. Segment accounting policies

The Segment reporting policy complies with the accounting policies adopted for preparation and presentation of financial statements of the Company and is in conformity with Ind AS 108. The segmentation is based on the geographies of Company's customers and internal reporting systems. Based on the "management approach" as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the company's performance and allocates resources based on an analysis of various performance indicators by geographical segments.

b. Composition of reportable segments

The Group operates in seven main geographical segments: India, Far East, South East Asia, Europe, Middle East, Africa and Australia which represent the reportable segments. These segments are based on location of customers of the Company.

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

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

Information in respect of reportable segments being geographies

a For the year ended 31 March 2026

Description	(Amount in ₹ Lakhs unless otherwise stated)								
	India	Far East	South East Asia	Europe	Middle East	Africa	Australia	Others	Total
Revenue from operations	51,081	3,131	10,095	3,985	10,023	943	1,949	6,396	87,603
Expenses	23,431	2,593	12,721	2,414	8,663	666	1,415	3,726	55,629
Segment result	27,650	538	(2,626)	1,571	1,360	277	534	2,670	31,974
Unallocated corporate expenditure									23,402
Operating profit before tax									8,572
Other income									6,416
Profit before tax									14,988
Tax Expense									
Net current tax expense									3,655
Net deferred tax credit									(341)
									3,314
Profit for the year									11,674



Notes forming part of the consolidated financial statements for the year ended 31 March 2026

b For the year ended 31 March 2025

(Amount in ₹ Lakhs unless otherwise stated)

Description	India	Far East	South East Asia	Europe	Middle East	Africa	Australia	Others	Total
Revenue from operations	48,000	2,907	9,904	4,941	9,147	823	2,441	5,062	83,225
Expenses	18,766	2,442	11,344	3,190	8,380	212	1,538	3,082	48,954
Segment result	29,234	465	(1,440)	1,751	767	611	903	1,980	34,271
Unallocated corporate expenditure									18,992
Operating profit before tax									15,279
Other income									6,626
Profit before tax									21,905
Tax Expense									
Net current tax expense									4,763
Net deferred tax credit									842
									5,605
Profit for the year									16,300

Revenue from top customers, who are contributing more than 10% of total revenue, are presented segmentwise as follows:

For the year ended 31 March 2026

(Amount in ₹ 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

No customer individually accounted for more than 10% of the total revenue.	-	-	-	-	-	-	-	-	-
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Notes forming part of the consolidated financial statements for the year ended 31 March 2026

Assets and liabilities of reportable primary segment are as follows:

a. As at 31 March 2026

(Amount in ₹ Lakhs unless otherwise stated)

Description	India	Far East	South East Asia	Europe	Middle East	Africa	Australia	Others	Total
Segment assets	8,759	498	2,752	647	2,862	175	50	1,171	16,914
Unallocated corporate assets									109,699
Total assets									126,613
Segment liabilities	13,320	382	5,759	170	4,419	321	507	2,233	27,111
Unallocated corporate liabilities									8,757
Total liabilities									35,868
Capital employed									90,745

b. As at 31 March 2025

(Amount in ₹ Lakhs unless otherwise stated)

Description	India	Far East	South East Asia	Europe	Middle East	Africa	Australia	Others	Total
Segment assets	7,789	542	3,515	355	2,183	378	980	2,209	17,951
Unallocated corporate assets									97,344
Total assets									115,295
Segment liabilities	14,193	350	4,305	373	4,796	295	1,418	1,770	27,500
Unallocated corporate liabilities									6,373
Total liabilities									33,873
Capital employed									81,422

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

a. For the year ended 31 March 2026

(Amount in ₹ Lakhs unless otherwise stated)

Description	India	Far East	South East Asia	Europe	Middle East	Africa	Australia	Others	Total
Capital expenditure	4,312	7	11	-	-	-	-	-	4,330
Total capital expenditure									4,330
Depreciation and amortisation expenditure	1,577	57	15	-	-	-	-	-	1,649
Total depreciation									1,649
Segment non-cash expense other than depreciation	(19)	141	218	-	69	56	-	37	502
Total non cash expenditure other than depreciation	(19)	141	218	-	69	56	-	37	502



Notes forming part of the consolidated financial statements for the year ended 31 March 2026

b. For the year ended 31 March 2025

(Amount in ₹ Lakhs unless otherwise stated)									
Description	India	Far East	South East Asia	Europe	Middle East	Africa	Australia	Others	Total
Capital expenditure	1,673	1	20	-	-	-	-	-	1,694
Total capital expenditure									1,694
Depreciation and amortisation expenditure	1,415	52	14	-	-	-	-	-	1,481
Total depreciation									1,481
Segment non-cash expense other than depreciation	150	115	173	-	52	(183)	-	0	307
Total non cash expenditure other than depreciation	150	115	173	-	52	(183)	-	0	307

Information in respect of secondary segment

Information for business segments

(Amount in ₹ Lakhs unless otherwise stated)			
Description	Products	Software projects and services	Total

a. For the year ended 31 March 2026

Revenue	74,056	13,547	87,603
Carrying amount of segment assets	14,299	2,615	16,914

b. For the year ended 31 March 2025

Revenue	71,379	11,846	83,225
Carrying amount of segment assets	15,396	2,555	17,951

Note : The carrying amount of segment assets has been allocated proportionately in ratio of revenue in the related secondary segment.

2.39 Disaggregation of revenue

The table below presents disaggregated revenues from contracts with customers by geography and products and services. The Company believe that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

(A) Revenues by geography*

a (i) For the year ended 31 March 2026

(Amount in ₹ Lakhs unless otherwise stated)									
Description	India	Far East	South East Asia	Europe	Middle East	Africa	Australia	Others	Total
Revenue from operations	51,081	3,131	10,095	3,985	10,023	943	1,949	6,396	87,603



Notes forming part of the consolidated financial statements for the year ended 31 March 2026

(ii) For the year ended 31 March 2025

Description	(Amount in ₹ Lakhs unless otherwise stated)								
	India	Far East	South East Asia	Europe	Middle East	Africa	Australia	Others	Total
Revenue from operations	48,000	2,907	9,904	4,941	9,147	823	2,441	5,062	83,225

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

(B) Revenues in products and services *

Description	(Amount in ₹ Lakhs unless otherwise stated)		
	Products	Other services	Total
a. For the year ended 31 March 2026			
Revenue	74,056	13,547	87,603
b. For the year ended 31 March 2025			
Revenue	71,379	11,846	83,225

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

2.40 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 ₹ 1,590 Lakhs and increase in compensated absences liability by ₹ 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 liability pertaining to employee benefits.

Defined contribution plans

An amount of ₹ 2,752 Lakhs for the year ended 31 March, 2026 (Year ended 31 March, 2025 ₹ 2,511 Lakhs), have been recognized as an expense in respect of Group's contribution towards Provident Fund and ₹ 0.03 Lakhs (Year ended 31 March, 2025 ₹ 0.09 Lakhs) has been recognised as an expense in respect of Employee State Insurance Fund & ₹ 548 Lakhs year ended 31 March 2026 (Year ended 31 March 2025 ₹ 477 Lakhs) has been recognized as an expense in respect of National Pension scheme and has been shown under Employee Benefits expense in the Consolidated statement of Profit and Loss.

Defined benefit plans

The Gratuity scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days basic salary payable for each completed year of service or part thereof in excess of 6 months subject to a maximum limit of ₹ 20 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.



Notes forming part of the consolidated financial statements for the year ended 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 ₹ 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
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 ₹ Lakhs unless otherwise stated)		
Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Current service cost	728	596
Interest cost	150	74
Net gratuity cost	878	670



Notes forming part of the consolidated financial statements for the year ended 31 March 2026

f. Remeasurements income recognised in other comprehensive income:

(Amount in ₹ Lakhs unless otherwise stated)

Particulars	Year ended 31 March 2026	Year ended 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**

Particulars	As at 31 March 2026	As at 31 March 2025
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g. **Economic assumptions :**

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 (%)	Ages - Withdrawal Rate (%)
21-50 years - 11%	21-50 years - 11%
51-57 years - 8%	51-57 years - 8%

j. **Category of asset**

Insurer Managed Funds	6,459	5,429
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The Group does not invest directly in any property occupied by the Group nor in financial security issued by the Group.



Notes forming part of the consolidated financial statements for the year ended 31 March 2026

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)

2.41 FUNCTION WISE CLASSIFICATION OF STATEMENT OF PROFIT AND LOSS

The Group has provided following function wise results of operations on a voluntary basis. The Management has presented below function wise results because it also monitor its performance and it believe that this information is relevant to understanding Group financial performance.

(Amount in ₹ Lakhs unless otherwise stated)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Income from software product and services	87,603	83,225
Software development expenses *	62,285	56,870
Gross Profit	25,318	26,355
Selling and marketing expenses	6,193	3,613
General and administration expenses	6,709	5,982
Operating profit before depreciation	12,416	16,760
Depreciation and amortisation expense	1,649	1,481
Operating profit after depreciation	10,767	15,279
Other income	6,416	6,626
Profit before exceptional Items and tax	17,183	21,905
Exceptional Items	2,195	-
Profit before tax	14,988	21,905
Tax expense:		
Net current tax expense	3,655	4,763
Net deferred tax credit	(341)	842
	3,314	5,605
Profit for the year	11,674	16,300

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



Notes forming part of the consolidated financial statements for the year ended 31 March 2026

2.42 Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

(Amount in ₹ Lakhs unless otherwise stated)

Name of the entity in the	Net assets, i.e., total assets minus total liabilities		Share in profit or loss	
	Amount in ₹ Lakhs	As % of consolidated net assets	Amount in ₹ Lakhs	As % of consolidated profit or loss
Holding Company				
Nucleus Software Exports Limited	87,466	96%	11,831	101%
Domestic Subsidiary				
1. Nucleus Software Ltd.	1,289	1%	4	0%
Foreign Subsidiaries				
1. Nucleus Software Inc., USA	452	0%	31	0%
2. Nucleus Software Australia Pty. Limited	443	0%	51	0%
3. Nucleus Software Netherlands B.V.	3	0%	(16)	0%
4. Nucleus Software Japan K.K	816	1%	203	2%
5. Nucleus Software Solutions Pte. Ltd, Singapore	1,880	2%	554	5%
6. Nucleus Software South Africa Pty. Ltd.	44	0%	0	0%
7. Nucleus Software Vietnam Company Limited*	-	0%	-	0%
Adjustment arising out of consolidation	(1,648)	-2%	(984)	-8%
Nucleus Software Exports Limited (Consolidated)	90,745		11,674	

(Amount in ₹ Lakhs unless otherwise stated)

Name of the entity in the	Share in Other comprehensive Income (net of taxes)		Share in Total comprehensive Income	
	Amount in ₹ Lakhs	As % of consolidated other comprehensive Income	Amount in ₹ Lakhs	As % of consolidated Total comprehensive Income
Holding Company				
Nucleus Software Exports Limited	593	63%	12,424	98%
Domestic Subsidiary				
1. Nucleus Software Ltd.	-	-	4	-
Foreign Subsidiaries				
1. Nucleus Software Inc., USA	-	-	31	0%
2. Nucleus Software Australia Pty. Limited	-	-	51	0%
3. Nucleus Software Netherlands B.V.	-	-	(16)	0%
4. Nucleus Software Japan K.K	-	-	203	2%
5. Nucleus Software Solutions Pte. Ltd, Singapore	-	-	554	4%
6. Nucleus Software South Africa Pty. Ltd.	-	-	0	0%
7. Nucleus Software Vietnam Company Limited*	-	-	-	0%
Adjustment arising out of consolidation (FCTR)	347	37%	(637)	-5%
Nucleus Software Exports Limited (Consolidated)	940		12,614	

Note : *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.



Notes forming part of the consolidated financial statements for the year ended 31 March 2026

2.43 EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY*

(Amount in ₹ Lakhs unless otherwise stated)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
a. Gross amount required to be spent by Group 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	369	277
d. Shortfall at the end of the year	-	-
e. Total of previous year short fall	-	-
f. Reason for shortfall	NA.	NA.
g. Nature of CSR contribution	(Education, Health and Medical care, Community at large and Environment)	
h. Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard.		
- Contribution paid to Nucleus Software Foundation	369	277

*The above expenditure on corporate social responsibility is related to the holding company.

2.44 Additional Regulatory Requirements

- No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of its subsidiaries incorporated in India to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Holding Company or any such subsidiaries (Ultimate Beneficiaries). The Company or any such subsidiary has not received any fund from any party(s) (Funding Party) with the understanding that the Company or any such subsidiary shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- 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

Sd/-

PRATEET MITTAL

Partner

Membership number : 402631

For and on behalf of the Board of Directors

NUCLEUS SOFTWARE EXPORTS LIMITED

CIN : L74899DL1989PLC034594

Sd/-

VISHNU R DUSAD

Managing Director

DIN : 00008412

Sd/-

ASHOK KUMAR BHURA

Chief Financial Officer

Sd/-

PARAG BHISE

CEO & Whole-time Director

DIN : 08719754

Sd/-

POONAM BHASIN

VP (Secretarial) & Company Secretary

Membership number : 10865

Place : Gurugram

Date : 21 May 2026

Place : Noida

Date : 21 May 2026

FORM AOC -1

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

Statement containing salient features of the financial statement of subsidiaries

Part A : Subsidiaries

1	Name of the subsidiary	NUCLEUS SOFTWARE AUSTRALIA PTY LTD
2	Reporting period for the subsidiary :	1 April, 2025 to 31 March, 2026
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year :	AUD = INR 65.04

		AUD	INR
4	Share capital	1,00,000	65,04,000
5	Reserves & surplus	5,81,228	3,78,03,069
6	Total assets	12,41,447	8,07,43,713
7	Total Liabilities	5,60,219	3,64,36,644
8	Investments	-	-
9	Turnover	12,00,342	7,80,70,244
10	Profit/(Loss) before taxation	1,01,656	66,11,706
11	Provision for taxation	29,751	19,35,005
12	Profit/(Loss) after taxation	71,905	46,76,701
13	Proposed Dividend	-	-
14	% of shareholding	100%	100%

1	Name of the subsidiary	NUCLEUS SOFTWARE NETHERLANDS B.V.
2	Reporting period for the subsidiary :	1 April, 2025 to 31 March, 2026
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year :	Euro = INR 109.00

		Euro	INR
4	Share capital	7,80,000	8,50,20,000
5	Reserves & surplus	(7,77,304)	(8,47,26,136)
6	Total assets	3,608	3,93,272
7	Total Liabilities	912	99,408
8	Investments	-	-
9	Turnover	-	-
10	Profit/(Loss) before taxation	(15,632)	(17,03,888)
11	Provision for taxation	-	-
12	Profit/(Loss) after taxation	(15,632)	(17,03,888)
13	Proposed Dividend	-	-
14	% of shareholding	100%	100%



- 1 Name of the subsidiary NUCLEUS SOFTWARE INC.
- 2 Reporting period for the subsidiary : 1 April, 2025 to 31 March, 2026
- 3 Reporting currency and Exchange rate as on the last date of the relevant Financial year : USD = INR 94.83

	USD	INR
4 Share capital	3,50,000	3,31,90,500
5 Reserves & surplus	1,26,186	1,19,66,218
6 Total assets	5,69,551	5,40,10,521
7 Total Liabilities	93,365	88,53,803
8 Investments	-	-
9 Turnover	4,57,169	4,33,53,336
10 Profit/(Loss) before taxation	32,057	30,39,965
11 Provision for taxation	1,586	1,50,400
12 Profit/(Loss) after taxation	30,471	28,89,565
13 Proposed Dividend	-	-
14 % of shareholding	100%	100%

- 1 Name of the subsidiary NUCLEUS SOFTWARE SOLUTIONS PTE LTD
- 2 Reporting period for the subsidiary : 1 April, 2025 to 31 March, 2026
- 3 Reporting currency and Exchange rate as on the last date of the relevant Financial year : SGD = INR 73.57

	SGD	INR
4 Share capital	6,25,000	4,59,81,250
5 Reserves & surplus	19,30,362	14,20,16,732
6 Total assets	46,11,439	33,92,63,567
7 Total Liabilities	20,56,077	15,12,65,585
8 Investments	-	-
9 Turnover	1,53,50,540	1,12,93,39,228
10 Profit/(Loss) before taxation	10,19,543	7,50,07,779
11 Provision for taxation	2,75,580	2,02,74,421
12 Profit/(Loss) after taxation	7,43,963	5,47,33,358
13 Proposed Dividend	-	-
14 % of shareholding	100%	100%

- 1 Name of the subsidiary NUCLEUS SOFTWARE JAPAN KABUSHIKI KAISHA
- 2 Reporting period for the subsidiary : 1 April, 2025 to 31 March, 2026
- 3 Reporting currency and Exchange rate as on the last date of the relevant Financial year : JPY = INR 0.5944

	JPY	INR
4 Share capital	1,00,00,000	59,44,000
5 Reserves & surplus	12,72,65,595	7,56,46,670
6 Total assets	16,68,14,995	9,91,54,833
7 Total Liabilities	2,95,49,400	1,75,64,163
8 Investments	-	-
9 Turnover	40,38,83,469	24,00,68,334
10 Profit/(Loss) before taxation	5,22,73,744	3,10,71,513
11 Provision for taxation	1,74,11,286	1,03,49,268
12 Profit/(Loss) after taxation	3,48,62,458	2,07,22,245
13 Proposed Dividend	-	-
14 % of shareholding	100%	100%



1	Name of the subsidiary	NUCLEUS SOFTWARE SOUTH AFRICA PTY. LTD.
2	Reporting period for the subsidiary :	1 April, 2025 to 31 March, 2026
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year :	ZAR = INR 5.52

	ZAR	INR
4	Share capital	612,000
5	Reserves & surplus	3,378,240
6	Total assets	182,194
7	Total Liabilities	794,194
8	Investments	4,383,951
9	Turnover	-
10	Profit/(Loss) before taxation	-
11	Provision for taxation	-
12	Profit/(Loss) after taxation	(8,532)
13	Proposed Dividend	(47,097)
14	% of shareholding	-
		100%

1	Name of the subsidiary	NUCLEUS SOFTWARE LIMITED
2	Reporting period for the subsidiary :	1 April, 2025 to 31 March, 2026
3	Reporting currency of the subsidiary :	INR

	INR
4 Share capital	150,000,000
5 Reserves & surplus	(21,100,075)
6 Total assets	176,612,449
7 Total Liabilities	47,712,524
8 Investments	49,933,818
9 Turnover	6,909,384
10 Profit/(Loss) before taxation	375,896
11 Provision for taxation	-
12 Profit/(Loss) after taxation	375,896
13 Proposed Dividend	-
14 % of shareholding	100%

Note : The Company incorporated a wholly-owned subsidiary, Nucleus Software Vietnam Company Limited, in the Socialist Republic of Vietnam on February 05, 2026. As at 31 March 2026, the Company did not infuse any share capital into the subsidiary. The Company infused USD 1,00,000 equivalent to VND 261,68,00,000 on 06 May 2026 in the Charter Capital of Vietnam subsidiary.

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

Sd/-
VISHNU R DUSAD
Managing Director
 DIN : 00008412

Sd/-
ASHOK KUMAR BHURA
Chief Financial Officer

Sd/-
PARAG BHISE
CEO & Whole-time Director
 DIN : 08719754

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

Place : Noida
 Date : 21 May 2026

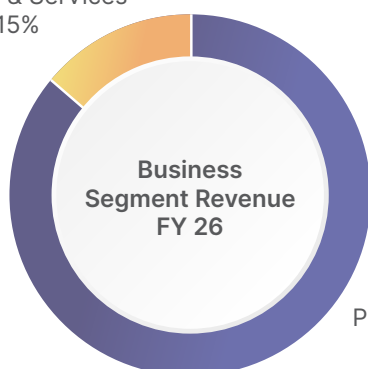


Consolidated Segment Information of Nucleus Software Group

(₹ in crore)

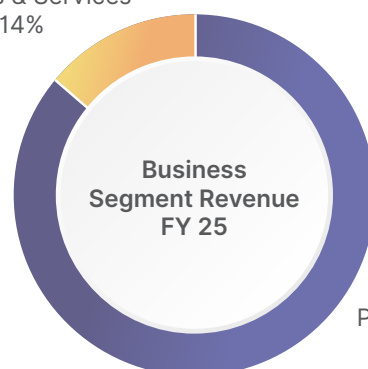
REVENUE BY	2026	% of Revenue	2025	% of Revenue
GEOGRAPHICAL SEGMENTS				
India	510.81	58.31	480.00	57.67
Far East	31.31	3.57	29.07	3.49
South East Asia	100.95	11.52	99.04	11.90
Europe/ U.K.	39.85	4.55	49.41	5.94
Middle East	100.23	11.44	91.47	10.99
Africa	9.43	1.08	8.23	0.99
Australia	19.49	2.22	24.41	2.93
Rest of the World	63.96	7.31	50.62	6.08
TOTAL	876.03	100.00	832.25	100.0
CURRENCY SEGMENT				
Indian Rupee	510.81	58.31	480.00	57.68
US \$	250.24	28.57	228.93	27.51
Japanese Yen	20.00	2.28	15.08	1.81
Singapore \$	49.11	5.61	40.03	4.81
Malaysian Ringgit	14.15	1.62	13.08	1.57
Euro	5.94	0.68	13.35	1.60
British Pound	-	-	8.37	1.01
Australian \$	19.48	2.22	24.41	2.93
Arab Emirates Dirham	3.23	0.37	7.55	0.91
Vietnamese Dong	1.52	0.17	-	-
Saudi Riyal	1.55	0.17	-	-
Others	-	-	1.45	0.17
TOTAL	876.03	100.00	832.25	100.00
Products	740.56	84.53	713.79	85.77
Own	739.47	84.41	712.37	85.60
Traded	1.09	0.12	1.42	0.17
Projects & Services	135.47	15.47	118.46	14.23
TOTAL	876.03	100.00	832.25	100.00

Projects & Services
15%



Products
85%

Projects & Services
14%



Products
86%



Ratio Analysis

Consolidated Performance for Financial Year

Particulars	2026	2025	2024	2023	2022
Ratios- Financial Performance					
Export Revenue/ Revenue (%)	41.69	42.32	47.02	47.94	56.66
Domestic Revenue/ Revenue (%)	58.31	57.68	52.98	52.06	43.34
Total Operating Expenses/ Revenue (%)	88.33	79.86	73.45	75.45	92.71
Operating Profit/ Revenue (%)	11.67	20.14	26.55	24.55	7.29
Depreciation/ Revenue (%)	1.88	1.78	1.76	2.95	3.09
Other Income/ Revenue (%)	7.32	7.96	6.16	5.37	6.97
Tax/ Revenue (%)	3.78	6.73	7.77	6.82	2.94
Effective Tax Rate - Tax/ PBT (%)	22.11	25.59	25.10	25.30	26.30
PAT from Ordinary Activities/ Revenue(%)	6.00	11.62	17.02	14.77	1.26
PAT from Ordinary Activities/Net Worth(%)	5.79	11.88	18.10	15.35	1.27
Ratios - Balance Sheet					
Debt-Equity Ratio (Times)	-	-	-	-	-
Debtors Turnover (Days)	50	60	73	100	61
Asset Turnover Ratio (Times)	0.69	0.72	0.74	0.73	0.67
Current Ratio (Times)	2.09	1.93	2.07	2.07	2.09
Cash and Equivalents/Shareholders' funds (%)	45.64	44.18	51.65	45.43	69.27
Cash and Equivalents/ Revenue (%)	47.27	43.22	48.59	43.73	68.77
Depreciation/Gross Carrying Amount(%)	10.97	12.21	13.85	20.83	17.48
Technology Investment/ Revenue (%)	2.47	1.74	1.30	0.29	4.40
Ratios - Growth (YoY)					
Growth in Total Revenue (%)	5.26	0.70	30.26	27.61	(3.18)
Growth in Export Revenue (%)	3.68	(9.35)	27.76	7.98	(11.52)
Operating Expenses Growth (%)	16.43	9.50	26.80	3.85	19.60
Operating Profit Growth (%)	(39.02)	(23.63)	40.90	329.95	(71.73)
PAT Growth (%)	(28.38)	(14.93)	49.94	212.40	(65.32)
EPS Growth (%)	(27.77)	(14.21)	49.94	234.24	(64.84)
Per- Share Data (Period End)					
Earning Per Share from Ordinary Activities (₹)	14.45	38.17	62.95	35.01	2.33
Earning Per Share (Including Other Income) (₹)	44.35	61.40	71.56	47.73	14.28
Cash Earning Per Share from Ordinary Activities (₹)	38.02	45.86	53.02	42.00	8.08
Cash Earning Per Share (Including Other Income)(₹)	50.61	66.98	77.00	54.73	21.02
Book Value Per Share (₹)	344.71	309.29	290.38	228.09	184.35
Price/Earning (Times)	16.30	13.07	16.56	13.39	29.01
Price/ Cash Earning (Times)	14.28	11.98	15.39	11.68	19.71
Price/Book Value (Times)	2.10	2.62	4.08	2.80	2.25
Dividend Per Share (₹)	12.50	12.50	12.50	10.00	7.00
Dividend (%)	125	125	125	100	70
Dividend Payout (In ₹ Crore)	32.91	33.47	26.77	18.74	17.42

Note: 1. While calculating the consolidated figures of group, inter group transactions have been ignored.
2. Previous year figures have been regrouped/ reclassified wherever necessary.
3. Cash and Equivalents includes cash, bank balances and current investments.



Notice of the Annual General Meeting

Notice is hereby given that the Thirty Seventh Annual General Meeting (AGM) of the Members of Nucleus Software Exports Limited will be held on Monday, July 27, 2026, at 10.00 a.m. through Video Conferencing/ Other Audio-Visual Means ("VC") to transact the following business:

Ordinary Business:

1. Adoption of Financial Statements

To receive, consider and adopt:

- a) The audited financial statements of the Company for the financial year ended March 31, 2026, including audited Balance Sheet and Profit and Loss account as on March 31, 2026, along with Cash Flow Statement on that date together with the reports of the Board of Directors and Auditors thereon and
- b) The audited consolidated financial statements of the Company together with the reports of the Auditors thereon for the financial year ended March 31, 2026.

2. Declaration of Dividend

To declare a final dividend of ₹ 12.50 per Equity Share for the financial year ended March 31, 2026.

3. To re-appoint Mr. Parag Bhise (DIN: 08719754), as Director of the Company who retires by rotation and being eligible offers himself for re-appointment.

Special Business:

4. To consider and approve the Re-appointment of Mr. Vishnu R Dusad (DIN: 00008412), as a Managing Director of the Company, if thought fit, to pass the following resolution as a Special Resolution, with or without modification(s):

"RESOLVED THAT in accordance with the provisions of Sections 196, 197, 198, 203 and other applicable provisions if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification or re-enactment thereof) read with Schedule V of the Companies Act, 2013, and pursuant to the recommendation of the Nomination and Remuneration/Compensation Committee and the Board of Directors of the Company, approval of the Members be and is hereby accorded for the re-appointment of Mr. Vishnu R Dusad (DIN: 00008412) as

Managing Director of the Company for a further period of five years i.e. from January 1, 2027 till December 31, 2031, notwithstanding that he will attain the age of 70 years during the tenure of his re-appointment.

RESOLVED FURTHER THAT the Board of Directors of the Company with the recommendation of the Nomination & Remuneration /Compensation Committee be and are hereby authorized to alter and vary or modify the different components of the terms and conditions of his re-appointment, as it may deem fit, during the tenure of his re-appointment

RESOLVED FURTHER THAT In the event of inadequacy or absence of profits in any financial year, Mr. Vishnu R Dusad shall be entitled to receive remuneration along with perquisites/benefits as mentioned in the explanatory statement, by way of minimum remuneration for a period of three years commencing from January 01, 2027 to December 31, 2029

RESOLVED FURTHER THAT the Board of Directors of the Company are hereby authorized or further delegate such authority as may be required to take such steps as may be necessary for obtaining approvals, statutory or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and sign and execute all applications, documents and writings that may be required, on behalf of the Company and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid Resolution."

The above re-appointment of Mr. Vishnu R Dusad as Managing Director of the Company is recommended by the Board of Directors.

**By Order of the Board of Directors
For Nucleus Software Exports Limited**

Sd/-

Poonam Bhasin

Company Secretary
(Membership No.: A10865)

Place: Noida
Date: May 21, 2026

Registered Office:
33-35, Thyagraj Nagar,
New Delhi 110 003
CIN: L74899DL1989PLC034594

**Notes:**

1. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ('the Act'), which sets out details relating to Special Business (being considered unavoidable by the Board of Directors) at the meeting, is attached with this Notice of AGM.
2. All documents referred to in the accompanying Notice and the Explanatory Statement are available on the website of the Company for inspection by the Members up to the date of AGM.
3. Pursuant to the General Circular No. 3/2025 dated September 22, 2025, issued by the Ministry of Corporate Affairs (MCA) and the Circulars issued from time to time by SEBI (hereinafter collectively referred to as "the Circulars"), companies are allowed to hold AGM through VC, without the physical presence of members at a common venue. Hence, in compliance with the Circulars, the AGM of the Company is being held through VC.
4. A member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. Since the AGM is being held through VC, the facility for the appointment of proxies by the members will not be available
5. The register of directors and key managerial personnel (KMP) and their shareholding, maintained under Section 170 of the Act, and the register of contracts or arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee from the date of circulation of this Notice up to the date of AGM, i.e. July 27, 2026. Members seeking to inspect such documents can send an email to investorrelations@nucleussoftware.com
6. Members whose shareholding is in demat mode are requested to notify any change in address or bank account details to their respective depository participant(s) (DP). Members whose shareholding is in physical mode are requested to opt for the Electronic Clearing System (ECS) mode to receive dividend on time in line with the SEBI Circulars from time to time. We urge members to utilize the ECS for receiving dividends. Please refer to point no. 12 for the process to be followed for updating bank account details.
7. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM through VC. Corporate members intending to authorize their representatives to participate and vote at the meeting are requested to upload a certified copy of the Board resolution / authorization letter on the VC portal / e-voting portal or write an email to einward.ris@kfintech.com.
8. Participation of members through VC will be reckoned for the purpose of quorum for the AGM as per section 103 of the Companies Act, 2013 ("the Act").
9. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the **cut-off date** i.e. July 20, 2026 only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM.
10. Any person holding shares in physical mode or a person, who acquires shares and becomes a member of the Company after the Notice is sent and holding shares as on the cut-off date, i.e. **July 20, 2026**, may obtain the login ID and password by sending a request to einward.ris@kfintech.com. However, if he / she is already registered with NSDL for remote e-voting, then he / she can use his / her existing user ID and password for casting the vote.
11. Members may note that the Board, at its meeting held on May 21, 2026, has recommended a final dividend of ₹ 12.50 per equity share for the financial year ended March 31, 2026. The record date for the purpose of final dividend is July 10, 2026. The final dividend, once approved by the members in the ensuing AGM, will be paid on or before 30 days from the date of declaration, through various modes. To avoid delay in receiving dividend, members are requested to update their KYC with their depositories (where shares are held in dematerialized mode) and with the Company's Registrar and Transfer Agent (RTA) (where shares are held in physical mode) to receive the dividend directly into their bank account.
12. We urge members to support our commitment to environmental protection by choosing to receive the Company's communication through email. Members holding shares in demat mode, who have not registered their email addresses are requested to register their email addresses with their respective DP, and members holding shares in physical mode are requested to update their email addresses with the Company's RTA, KFin Technologies Limited at einward.ris@kfintech.com, to receive copies of the Integrated Annual Report 2025-26 in electronic mode. Members may follow the process detailed below for registration of email ID to obtain the report and update of bank account details for the receipt of dividend.



AGM Notice

Type of Member	Process to be followed	
PHYSICAL	For availing the following investor services, send a written request in the prescribed forms to the RTA of the Company, KFin Technologies Limited either by email to einward.ris@kfintech.com or by post to KFin Technologies Limited, Unit: Nucleus Software Exports Limited, Selenium Tower B, Plot 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad-500032	
	Form for availing investor services to register PAN, email address, bank details and other KYC details or changes / update thereof for securities held in physical mode	Form No. ISR-1
	Update of signature of securities holder	Form No. ISR-2
	For nomination as provided in the Rules 19 (1) of Companies (Share capital and debenture) Rules, 2014	Form No. SH-13
	Cancellation of nomination by the holder(s) (along with ISR-3) / Change of Nominee	Form No. SH-14
	Declaration to opt out nomination	Form No. ISR-3
	Form for requesting issue of Duplicate Certificate and other service requests for shares / debentures / bonds, etc., held in physical mode	Form No. ISR 4
DEMAT	The forms for updating the above details are available at https://www.nucleussoftware.com	
	Please contact your DP and register your email address and bank account details in your demat account, as per the process advised by your DP.	

Appeal to Shareholders

• Updation of PAN Bank Mandate and Contact Details

Shareholders are requested to update their email ids, PAN and Bank Mandate with the Company to ensure faster communication and credit of amounts. Regular reminders are also sent to shareholders in this regard. SEBI through its circulars issued from time to time, has informed that it is mandatory for holders of securities in physical mode to update their PAN, bank mandate, nomination, or opt out of nomination to ensure

timely responses on their grievances/ requests and receipt of dividend. Registration of email IDs will ensure faster communication. Pursuant to SEBI Master Circular No. SEBI/ HO/38/13/ (4)2026-MIRSD-POD/I/4298/2026 dated 06 February 2026, the Company has already sent intimations to those Members whose shares are in physical mode for updation of PAN, KYC and Nomination details requesting them to update the details.

• Unclaimed Dividend/Shares

The Company regularly sends reminders to shareholders for timely claiming of unclaimed dividends and shares and has uploaded the details of unpaid and unclaimed dividends on its website at <https://investor.nucleussoftware.com/>. In accordance with the IEPF Rules, shares pertaining to dividends remaining unclaimed for seven consecutive years or more are transferred to the IEPF after due notice to the concerned shareholders. Details of such transfers are available on the Company's website at <https://investor.nucleussoftware.com/>.

• Conversion of Securities into Dematerialised form

Shareholders are encouraged to hold their shares in dematerialised form for enhanced safety, faster settlements and ease of portfolio management. In line with SEBI vide Circular SEBI/ HO/MIRSD/MIRSD_RTAMB/P/ CIR/2022/8 dated 25 January 2022 read with the amended circulars and issued guidelines for Issuance of Securities in dematerialised form in case of investor service request. Shareholders are requested to convert their physical holdings into dematerialised form to facilitate seamless transactions and efficient processing of service requests.

- All the Members, who hold shares in physical mode and whose folios are not updated with any of the KYC details [viz., (i) PAN (ii) Choice of Nomination (iii) Contact Details (iv) Mobile Number (v) Bank Account Details and (vi) Signature], shall be eligible to get dividend only in electronic mode. Accordingly, payment of final dividend, subject to approval at the AGM, shall be paid to physical holders only after the above details are updated in their folios. Members are requested to complete their KYC by writing to the Company's RTA, KFin Technologies Limited, at einward.ris@kfintech.com.
- Members who are holding shares in more than one folio are requested to intimate to the Company the detail of all folio numbers for consolidation into a single folio.
- Members who have not yet encashed their dividend warrant(s) pertaining to the final dividend for the financial year 2020-21 onwards for the Company, are



- requested to lodge their claims, It may be noted that the unclaimed Final Dividend for the financial year 2018-19 declared by the Company on July 08, 2019, could be claimed by the Members on or before July 6, 2026. In case the Members don't claim then with a view to comply with the requirements of the said IEPF Rules, it will be Transferred to Investor Education and Protection Fund on or before the due date i.e. August 6, 2026.
16. Members are requested to note that dividends that are not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will be transferred to the Investor Education and Protection Fund (IEPF). Shares on which dividend remains unclaimed for seven consecutive years shall be transferred to the IEPF as per Section 124 of the Act, read with applicable IEPF rules
 17. Details in respect of the Directors seeking appointment/re- appointment at the Annual General Meeting as required under the provisions of Secretarial Standards-2 issued by the Institute of Company Secretaries of India and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
 18. In compliance with the Circulars, the Integrated Annual Report for FY 2025-26, the Notice of the 37th AGM, and instructions for e-voting are being sent through electronic mode to those members whose email addresses are registered with the Company/depository participant(s) (DP). A letter providing the web-link for accessing the Integrated Annual report, including the exact path, will be sent to those members who have not registered their email address with the Company. Members may note that the Notice and Integrated Annual Report 2025-26 will also be available on the Company's website www.nucleussoftware.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively.
 19. Since the AGM will be held through VC in accordance with the Circulars, the route map, proxy form and attendance slip are not attached to this Notice
 20. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC but shall not be entitled to cast their vote again.
 21. In case of joint Members attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
 22. The facility for voting during the AGM will also be made available. Members present in the AGM through VC and who have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through the e-voting system during the AGM.
 23. Members are requested to address all correspondence, including dividend-related matters, to RTA, KFin Technologies Limited, Unit: Nucleus Software Export Limited, Selenium Tower B, Plot 31-32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad 500032.
 24. In terms of Section 72 of the Companies Act, 2013 and related rules thereunder, a Member of the Company may nominate a person on whom the Shares held by him/ her shall vest in the event of his/her death. Member(s) desirous of availing this facility may submit nomination in the prescribed Form to the Company/ RTA in case shares are held in Physical form and to their respective depository participant, if held in electronic form. Therefore, those Members, whose email address is not registered with the Company or with their respective Depository Participant/s, and who wish to receive the Notice of the AGM and the integrated Annual Report and all other communication sent by the Company, from time to time, can get their email address registered with the RTA.
 25. The Board of Directors has appointed M/s Pravesh Kumar & Associates (Membership No. A60671) (CP No. 27218), Practicing Company Secretaries, as the scrutinizer ("Scrutinizer") for conducting the e-voting process in a fair and transparent manner.
 26. The Scrutinizer shall, immediately after the conclusion of e-voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours from the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairperson or a person authorised by him/her in writing, who shall countersign the same.
 27. The results of remote e-voting and voting during AGM on the resolutions shall be aggregated and declared on or after the AGM of the Company. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the AGM.
 28. In terms of Regulation 40(1) of SEBI Listing Regulations, as amended from time to time, transfer, transmission and transposition of securities shall be effected only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialization, Members are advised to dematerialize the shares held by them in physical form. Members can contact the Company or KFinTech, for assistance in this regard.
 29. **Instructions For Members for Attending the AGM through VC are as under:**
PROCEDURE FOR REMOTE E-VOTING
 - (i) In compliance with the provisions of Section 108 of the Companies Act, 2013, read with rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and as per Regulation 44 of the SEBI Listing Obligations and Disclosure



AGM Notice

Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the Company is providing e-voting facility through KFin Technologies Limited ('KFinTech') on all resolutions set forth in this AGM Notice, to Members holding shares as on Monday, July 20, 2026, being the cut-off date fixed for determine eligible members to participate in the remote e-voting process. The instructions for e-Voting are given herein below.

- (ii) As per the SEBI circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on "e-Voting facility provided by Listed Companies", and as part of increasing the efficiency of the voting process, e-voting process has been enabled to all individual Members holding securities in demat mode to vote through their demat account maintained with depositories / websites of depositories / depository participants.
- (iii) Individual demat account holders would be able to cast their vote without registering again with the e-Voting service providers (ESPs) thereby not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-Voting process. Members are advised to update their mobile number and e-mail ID with their DPs to access e-Voting facility.
- (iv) The Remote e-Voting period commences on Wednesday, July 22, 2026 (9:00 a.m. IST) and ends on Sunday, July 26, 2026 (5:00 p.m. IST). During this period, Member holding shares either in physical form or in dematerialized form, as on Monday, July 20, 2026, i.e. **cut-off date**, may cast their vote electronically, the Voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.
- (v) Any person holding shares in physical form and non-individual Members, may obtain the login ID and password by sending a request at evoting@Kfintech.com. However, if he / she / it is already registered with KFinTech for remote e-Voting then he /she /it can use his / her /its existing User ID and password for casting the vote.
- (vi) In compliance with the provisions of Sections 108 and 110 of the Act read with the Rules as amended and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended from time to time, the Company is providing facility to the Members to exercise voting through electronic voting system ("remote e-voting") on the e-voting platform provided by KFin. The Members may cast their votes remotely, using remote e-voting only on the dates mentioned hereunder. The instructions for remote e-voting forms part of this Notice.

- (vii) Facility to exercise vote through remote e-voting will be available during the following period:

Commencement of Remote e-voting	End of Remote e-voting
Wednesday, July 22, 2026	Sunday, July 26, 2026

- (viii) The remote e-voting module shall be disabled by KFin for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently or cast the vote again.
- (ix) During the above period, Members of the Company holding shares either in physical form or in dematerialised form, as on Monday, July 20, 2026, i.e., **cut-off date**, may cast their vote by remote e-voting.
- (x) The process and manner for remote e-voting is as under:
 - a. In compliance with the provisions of Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the Listing Regulations read with SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December, 2020 relating to 'e-voting Facility Provided by Listed Entities' ("SEBI e-voting Circular") the Members are provided with the facility to cast their vote electronically, through the remote e-voting services provided by KFin, on the resolutions set forth in this Notice. The instructions for remote e-voting are given herein below.
 - b. E-voting process has been enabled for all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process.
 - c. Individual demat account holders would be able to cast their vote without having to register again with the E-voting Service Provider ("ESP") thereby not only facilitating seamless authentication but also ease and convenience of participating in e-voting process. Members are advised to update their mobile number and e-mail ID with their DPs to access e-voting facility.
 - d. The process and manner of remote e-voting is explained below:
 - i. Access to Depositories e-voting system in case of individual Members holding shares in demat mode.
 - ii. Access to KFin e-voting system in case of Members holding shares in physical and non-individual Members in demat mode.



I. Access to Depositories e-voting system in case of individual Members holding shares in demat mode.

Type of Member	Login Method
Individual Members holding securities in demat mode with NSDL	- For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on the company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Existing Internet-based Demat Account Statement ("IDeAS") facility Users: - Visit the e-services website of NSDL https://eservices.nsdl.com either on a personal computer or on a mobile. - On the e-services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. Thereafter enter the existing user id and password. - After successful authentication, Members will be able to see e-voting services under 'Value Added Services'. Please click on "Access to e-voting" under e-voting services, after which the e-voting page will be displayed. - Click on company name i.e. 'Nucleus Software Exports Limited' or ESP i.e. KFin. - Members will be re-directed to KFin's website for casting their vote during the remote e-voting period. Those not registered under IDeAS: - Visit https://eservices.nsdl.com for registering. - Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp - Visit the e-voting website of NSDL https://www.evoting.nsdl.com - Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder / Member' section. A new screen will open. - Members will have to enter their User ID (i.e. the sixteen digit demat account number held with NSDL), password / OTP and a verification code as shown on the screen. - After successful authentication, Members will be redirected to NSDL Depository site wherein they can see e-voting page. - Click on company name i.e., Nucleus Software Exports Limited or ESP name i.e., KFin after which the Member will be redirected to ESP website for casting their vote during the remote e-voting period. - Members can also download the NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. NSDL Mobile App is available on    



AGM Notice

Type of Member	Login Method
Individual Members holding securities in demat mode with CDSL	Existing user who have opted for Electronic Access To Securities Information (“Easi/ Easiest”) facility: - Visit https://web.cdslindia.com/myeasitoken/Home/Login or www.cdslindia.com - Click on New System Myeasi. - Login to Myeasi option under quick login. - Login with the registered user ID and password. - Members will be able to view the e-voting Menu. - The Menu will have links of KFin e-voting portal and will be redirected to the e-voting page of KFin to cast their vote without any further authentication. User not registered for Easi/ Easiest - Visit: https://web.cdslindia.com/myeasitoken/Home/EasiRegistration or https://web.cdslindia.com/myeasitoken/Home/EasiestRegistration for registering. - Proceed to complete registration using the DP ID, Client ID (BO ID), etc. - After successful registration, please follow the steps given in point no. 1 above to cast your vote. Alternatively, by directly accessing the e-voting website of CDSL - Visit: www.cdslindia.com - Provide demat account number and PAN. - System will authenticate user by sending OTP on registered mobile and email as recorded in the demat Account. - After successful authentication, please enter the e-voting module of CDSL. Click on the e-voting link available against the name of the Company, viz. ‘Nucleus Software Exports Limited’ or select KFin. - Members will be re-directed to the e-voting page of KFin to cast their vote without any further authentication.
Individual Members login through their demat accounts / website of DPs	- Members can also login using the login credentials of their demat account through their DPs registered with the Depositories for e-voting facility. - Once logged-in, Members will be able to view e-voting option. - Upon clicking on e-voting option, Members will be redirected to the NSDL / CDSL website after successful authentication, wherein they will be able to view the e-voting feature. - Click on options available against name of the Company, viz. ‘Nucleus Software Exports Limited’ or ‘KFin’. - Members will be redirected to e-voting website of KFin for casting their vote during the remote e-voting period without any further authentication.

Important note: Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites.

Helpdesk for Individual Members holding securities in demat mode for any technical issues related to login through Depository i.e., NSDL and CDSL.

Login type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 102 0990 and 1800 22 4430
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-62343625, 022-62343626, 022-62343259

II. Access to KFin e-voting system in case of members holding shares in physical and non-individual members in demat mode.

Members whose e-mail IDs are registered with the Company / DPs, will receive an e-mail from KFin which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:

- Launch internet browser by typing the URL: <https://emeetings.kfintech.com>



- ii. Enter the login credentials (i.e., User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) 9871, followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFin for e-voting, you can use your existing User ID and password for casting the vote.
- iii. After entering these details appropriately, click on "LOGIN".
- iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, e-mail ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- v. You need to login again with the new credentials.
- vi. On successful login, the system will prompt you to select the "EVEN" i.e., 'Nucleus Software Exports Limited' and click on "Submit".
- vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/ AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option "ABSTAIN". If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
- viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/ demat accounts.
- ix. In case you do not desire to cast your vote, it will be treated as abstained.
- x. You may then cast your vote by selecting an appropriate option and click on "Submit".
- xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the resolution.

General Guidelines for Members:

1. **Speaker Registration:** The Members who wish to speak during the meeting may register themselves as speakers for the AGM to express their views. They can visit <https://emeetings.kfintech.com> and login through the user id and password provided in the mail received from Kfintech. On successful login, select 'Speaker Registration' which will be opened from **July 21, 2026 to July 23, 2026**. Members shall be provided a 'queue number' before the meeting. The Company reserves the right to restrict the speakers at the AGM to only those Members who have registered themselves, depending on the availability of time for the AGM.
2. **Post your Question:** The Members who wish to post their questions prior to the meeting can do the same by visiting <https://emeetings.kfintech.com>. Please login through the user id and password provided in the mail received from Kfintech. On successful login, select 'Post Your Question' option which will be opened from **July 21, 2026 to July 23, 2026**.
3. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.kfintech.com> (Kfintech Website) or contact Mr. Suresh Babu, (Unit: Nucleus Software Exports Limited) of KFin Technologies Limited, Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500032 or at einward.ris@kfintech.com or evoting@kfintech.com or phone no. 040 - 6716 2222 or call toll free No. 1800-309-4001 for any further clarifications.

**By Order of the Board of Directors
For Nucleus Software Exports Limited**

Sd/-

Poonam Bhasin

Company Secretary

(Membership No.: A10865)

Place: Noida

Date: May 21, 2026

Registered Office:

33-35, Thyagraj Nagar,

New Delhi 110 003

CIN: L74899DL1989PLC034594



AGM Notice

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4:

Mr. Vishnu R Dusad was appointed as a Managing Director of the Company, by the members of the Company at the AGM held on July 23, 2021, to hold office for five consecutive years for a term up to December 31, 2026. Accordingly, his term of appointment as a Managing Director will end on December 31, 2026.

The Board of Directors on the recommendation of the Nomination and Remuneration/Compensation committee, at the meeting held on May 20, 2026, and subject to the approval of members, approved the re-appointment of Mr. Vishnu R Dusad as a Managing Director of the Company for the period i.e. January 1, 2027, till December 31, 2031, at the terms and conditions including his remuneration as below:

1. Salary: ₹ 5,00,000- p.m.
2. Special Allowance: ₹ 2,00,000 p.m.
3. **Perquisites**
 - Housing: Furnished accommodation to be provided by the Company, and if the Company's accommodation is not provided, the Managing Director shall be entitled to the House Rent Allowance subject to the ceiling of 60% of the salary. The expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued as per the Income Tax Rules, 1962.
 - Leave Travel Concession: For self and family every year incurred in accordance with the Rules of the Company.
 - Refreshment allowance/reimbursement: As per the rules of the Company.
 - Employee benefits: Benefit Plans as maintained by the Company including Provision of Company Cars with Driver, Communication facilities at office and/or residence for official purposes, Personal accident insurance/ Group life insurance, contribution to retirement benefits such as Provident fund, Pension fund, Gratuity, etc.
 - Leave with full pay and allowances shall be allowed per the Rules of the Company.
 - Provision for fuel and driver/ salary allowance: As per the rules of the Company.

Commission: Such remuneration by way of commission in addition to the salary, perquisites and allowances payable, calculated with reference to the net profits of the Company in a particular financial year as may be determined by the Board of Directors of the Company at the end of each financial year subject to the overall ceilings stipulated in Sec 196 and 197 of the Companies Act, 2013.

All the above-mentioned components of the Compensation shall be paid, in accordance with the Company's normal payroll practices and subject to withholding tax and shall always be subject to the overall ceiling laid down in Section 196 and 197 and other applicable provisions of the Companies Act, 2013.

Minimum Remuneration: In the event of absence or inadequacy of profits in any financial year during the tenure of his directorship, the Company will pay such remuneration, which comprising salary, perquisites and other benefits, as approved by the Board of Directors as minimum remuneration to the Managing director notwithstanding that such remuneration may exceed the limits prescribed under Section 197(1)(i) and in the Table in Schedule V, Part II, Section II (A) to the Act in any financial year(s) in which such inadequacy or loss arises.

The additional information as required under Schedule V of the Act is given below:

I. General Information:

1) Nature of Industry:

The Company, inter alia, provides software product company that provides lending and transaction banking products to global financial leaders.

2) Date or expected date of commencement of commercial production:

The Company was incorporated on January 09, 1989 and started the operations in the year 1989.

3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:

Not Applicable.

4) Financial performance based on given indicators – as per audited financial results for the year ended March 31, 2026:

Particulars	₹ in crores
Gross Turnover & Income	805.97
Net Profit as per Statement of Profit & Loss (After Tax)	124.24
Computation of Net Profit in accordance with Section 198 of the Companies Act, 2013	134.16
Net Worth	874.66

5) Foreign investments or collaborators, if any:

Not Applicable

II. Information about the appointee:

1) Background details: Refer Annexure to the Explanatory Statement of this Notice.

2) Past remuneration: Refer Annexure to the Explanatory Statement of this Notice.



- 3) **Recognition or awards:** Refer Annexure to the Explanatory Statement of this Notice.
- 4) **Job Profile and his suitability:** Refer Annexure to the Explanatory Statement of this Notice.
- 5) **Remuneration proposed:** As stated above.
- 6) **Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):** Considering the Company's scale, Mr. Vishnu R Dusad and profile of a co-founder of Nucleus Software, the proposed remuneration is aligned with industry benchmarks and comparable senior leadership positions in peer organizations.
- 7) **Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel or other director, if any:** Besides the remuneration proposed to be paid to him, Mr. Vishnu R Dusad does not have any other pecuniary relationship with the Company or the managerial personnel or other Director.

III. Other Information

- 1) **Reasons of loss or inadequate profits:** Not applicable, as the Company has posted net profit after tax of ₹ 124.24 crores during the year ended March 31, 2026.
- 2) **Steps taken or proposed to be taken for improvement:** Not applicable as the Company has adequate profits.
- 3) **Expected increase in productivity and profits in measurable terms:** Not applicable as the Company has adequate profits.

IV. Disclosures:

All the information and disclosures with respect to the remuneration of all the Directors were provided in the Corporate Governance Report forming part of the Integrated Annual Report for F.Y. 2025-26 under the Heading "**Compensation paid/payable to the Directors for the period April 2025 to March 2026**" as per the requirement of Section II of Part II of Schedule V of the Act. Considering that the re-appointment of Mr. Parag Bhise as the Whole Time Director & CEO is effective from April 01, 2026, the information and disclosures of the revised remuneration of Mr. Parag Bhise will be provided in the Corporate Governance Report forming part of the Integrated Annual Report for F.Y. 2026-27 onwards, as applicable.

The Company has received the following from Mr. Vishnu R Dusad:

- i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 ("the Appointment Rules");
- ii) Intimation in Form DIR-8 in terms of the Appointment Rules to the effect that he is not

disqualified under sub-section (2) of Section 164 of the Act;

- iii) Declaration pursuant to BSE Circular No. LIST/COMP/14/2018-19 dated June 20, 2018, and NSE Circular No. NSE/ CML/2018/24 dated June 20, 2018, that he has not been debarred from holding office of a director by virtue of any order passed by SEBI or any other such authority.

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations and the Companies Act, 2013, as amended, the Company proposes to continue Mr. Vishnu R Dusad, as Managing Director after he attains the age of 70 years.

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

Considering his extensive industry knowledge, distinguished experience, and invaluable contribution to the Company's sustained growth and success, the Board believes that his continued leadership will greatly benefit the organization.

Hence, approval of the members is sought for the re-appointment of Mr. Vishnu R Dusad as Managing Director of the Company and continuing his tenure as Managing Directors even after attaining the age of 70 years.

Pursuant to the provisions of Sections 196, 197, 198, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act 2013, the Board recommends the re-appointment of Mr. Vishnu R Dusad, as a Managing Director of the Company, to the Members for their approval.

None of the Directors, Key Managerial Personnel of the Company or their relatives, except Dr. Ritika Dusad, Whole Time Director, are in any way concerned or interested in the Special Resolution set out at item No. 4 of the Notice.

**By Order of the Board of Directors
For Nucleus Software Exports Limited**

**Sd/-
Poonam Bhasin
Company Secretary
(Membership No.: A10865)**

**Place: Noida
Date: May 21, 2026**

**Registered Office:
33-35, Thyagraj Nagar,
New Delhi 110 003
CIN: L74899DL1989PLC034594**



AGM Notice

Details of Directors seeking appointment/re-appointment at the Annual General Meeting as per SS-2 and Schedule V of the Companies Act, 2013

Particulars	Mr. Vishnu R Dusad	Mr. Parag Bhise
Age	69 Years	60 Years
Qualifications	Bachelor's Degree in Technology from the Indian Institute of Technology (IIT), Delhi	Master's degree in computer applications from BIT Mesra and MBA from the Management Development Institute – Gurgaon
Experience	As mentioned in profile in Corporate Governance Report	As mentioned in profile in Corporate Governance Report
Terms and Conditions of Appointment	As per Letter of Appointment	As per Letter of Appointment
Details of Remuneration Sought To be Paid	As per Letter of Appointment	As per Letter of Appointment
Date of first appointment On the Board	Jan 01, 1989	March 16, 2020
The Remuneration Last Drawn	Details provided in Annexure H to the Board's Report	Details provided in Annexure H to the Board's Report
Number of shares held in the Company	15,75,325	28,959
Directorship held in other Companies	- Nucleus Software Limited - Karmayogi Holdings Pvt. Ltd. - Indian Software Product Industry Round Table Foundation - Nucleus Software Solutions Pte. Ltd. - Nucleus Software Inc. - Nucleus Software Kabushiki Kaisha - Nucleus Software Netherlands B.V. - Nucleus Software Australia Pty Limited - Nucleus Software South Africa (Pty) Ltd - Nucleus Software Vietnam Company Ltd.	- Nucleus Software Limited - Nucleus Software Kabushiki Kaisha
Inter-se relations between the Board members/ relationship with other Directors, Manager and other Key Managerial Personnel of the company.	Dr. Ritika Dusad, Executive Director (Daughter)	NA
Number of Meetings of the Board attended during the Year	12	12
Memberships/Chairmanships of committees of other companies (includes only Audit Committee and Stakeholders/Investor Grievance Committee	NA	NA
Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:	NA	NA



"स्थिर मूलं, दृढं भवष्यत्"

Strong Roots. Enduring Futures.

More than a thousand years ago, the creators of the Kailasa Temple imagined something beyond their own lifetime.

Carved from a single rock, not assembled stone by stone, the temple stands as a remarkable expression of vision, discipline, and enduring craftsmanship. Generations have passed, empires have risen and fallen, yet its foundations continue to inspire. Its story offers a timeless lesson: endurance is not created by resisting change, but by building on foundations strong enough to sustain it.

At Nucleus Software, this belief has guided our journey for four decades. From our beginnings in India to serving financial institutions across the world, we have built our organisation on enduring principles - trust, governance, innovation, customer commitment, and disciplined execution. These foundations have enabled us to evolve continuously while remaining steadfast in our purpose.

Today, as banking enters a new era shaped by Artificial Intelligence, intelligent automation, and digital ecosystems, we see the future not as a departure from our foundations, but as an extension of them.

The technologies may change.

The opportunities may expand.

The pace may accelerate.

But the principles that endure remain the same.

Like the creators of Kailasa, we believe that what is built with vision, integrity, and purpose has the power to outlast generations.

As we look ahead, we remain committed to building institutions, platforms, and possibilities that stand the test of time.



To explore the extraordinary story behind the Kailasa Temple and the vision that inspired this year's Annual Report theme, we invite you to scan the QR code and watch the documentary. Its timeless lessons on craftsmanship, perseverance, and enduring legacy continue to resonate even today.

Enduring Foundations. Accelerated Futures.