



NUCLEUS SOFTWARE EXPORTS LTD.

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June 06, 2023

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

Subject: Transcript of the Investor Earning Call of the Company

In pursuant to above mentioned subject, we are hereby enclosing the Transcript of the Earning conference Call of the for the Quarter and Year Ended March 31,2023 held on May 29,2023.

This is for your information and records.

Thanking You.

Yours Sincerely

FOR NUCLEUS SOFTWARE EXPORTS LIMITED

**Poonam Bhasin
Company Secretary**

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Nucleus Software Q4 FY22 and 23 Conference call

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Moderator

Good day, ladies and gentlemen. I'm Pelsia, the moderator of this call. Thank you for standing by and welcome to Nucleus Software quarterly earnings conference call. For the duration of presentation, all participants' lines will be in listen-only mode. We will have a question-and-answer session after the presentation. I would now like to hand over the conference to Swati Ahuja. Over to you, Swati.

Swati Ahuja

Thanks, Pelsia. Good afternoon, everyone. This is Swati from Investor Relations team at Nucleus Software. A very warm welcome to all of you for this Nucleus Software earnings conference call for the quarter and year ended March 31, 2023. For discussion, we are here from the management team Mr. Vishnu R Dusad, our Managing Director, Mr. Parag Bhise, CEO and Executive Director, Mr. Anurag Mantri, CFO and Executive Director, Dr. Ritika Dusad Executive, Director and Chief Innovative Officer, Mr. Brijesh Khandelwal, Vice President, Mr. Ashish Khanna, Chief of Staff and Head of Marketing, and Mr. Tapan Jayaswal, Financial Controller.

As you all are aware, Nucleus Software does not provide any specific revenue earning guidance. Anything which is said during this call, which may reflect our outlook for the future, or which may be construed as a forward-looking statement must be reviewed in conjunction with the risks that the company faces. An audio and transcript of this call will be shortly available on the investor section of our website, www.nucleussoftware.com. With this, we are now ready to begin with the opening comments on the performance of the company. And post that we would be available for question-and-answer session. With this, I now pass it over to Vishnu sir. Over to you sir.

Vishnu R Dusad

Thanks Swati, and a very warm welcome to all of you for joining us this very important conference call. I'm delighted to let you know about a very exciting year that we've had. And this has been possible because we have 200 plus customers across 50 countries and we are taking collective wisdom coming from them, and 10,000 years of domain expertise within Nucleus Software to pour into building the products that we have. We are learning how to roll out our products in the market smoother and faster. For delivering this thought leadership in this space were over the three decades, in addition to the customer centricity, we are known for. Tech users have been possible, essentially because of this long-term focus that we've had and we do hope that you will continue to appreciate this strong focus on long term and corporate governance that we have had. With those words, I would now like to pass on to Parag.

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Thank you, so much Vishnu. This is Parag here. Good afternoon, everyone, and I welcome you to this investor call for Q4 year ending FY23. As regards this quarter, it has gone as per our expectations, both in terms of financial as well as in terms of attrition. An area that we have been talking about and monitoring very closely. Also, as we have been updating a few more of our AMC contract revisions have closed in this quarter, and that is reflecting in our financial. This of course has been possible due to the untiring efforts of our team and leaders who have been focused on it. I do wish to reiterate that there is a one-time impact in that because some of our contracts did get closer, closer to the end of the quarter and the year. So, please keep that in mind. We continue to work on various improvements that include improvements on engineering side, improvements on Project management's side, so that we are able to conclude more and more implementations in shorter times going forward. That's about it for me, like, right now.

Swati Ahuja

Tapan sir, we request you to put some light on financial number now.

Tapan Jayaswal

Hello, good afternoon. Swati, am I audible?

Swati Ahuja

Yes, you are audible. Please go ahead.

Tapan Jayaswal

Highlights from financials are our Consolidated revenue for the quarter is at Rs. 206.2 crore against Rs. 169.3 crore QoQ and Rs. 153 crore YoY. For the Year it is Rs. 634.5 crore against Rs. 497.2 crore for the previous year. Overall Revenue in foreign currency including India Rupee revenue is US\$ 25.2 million for the quarter, against US\$ 21.0 million QoQ and US\$ 20.6 million YoY. For the Year it is US\$ 79.1 Million, against US\$ 67.1 Million for the previous year. Product revenue for the quarter is at Rs. 179.6 crore, against Rs. 143.0 crore QoQ and Rs. 129.6 crore YoY. For the Year it is Rs. 536.9 crore, against Rs. 411.7 crore for the previous year. Revenue from projects and services for the quarter is at Rs. 26.6 crore, against Rs. 26.3 crore QoQ, and Rs. 23.4 crore YoY. For the Year it is Rs. 97.5 crore, against Rs. 85.5 crore for the previous year

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Cost of delivery including cost of product development for the quarter is 51.9% of revenue, against 59.9% of revenue QoQ and 71.2% of revenue YoY. In absolute terms this is Rs. 106.9 crore against Rs. 101.4 crore QoQ and Rs. 108.9 crore YoY. For the Year, it is Rs. 405.3 crore (63.9% of revenue) against 386.7 crore (77.8% of revenue) for the previous year. Marketing & sales expense for the quarter is 2.2% of revenue, against 4.2% of revenue QoQ and 3.5% YoY. In absolute terms this is Rs. 4.6 crore against Rs. 7 crore QoQ and Rs. 5.4 crore YoY. For the year, it is at Rs. 21.5 crore (3.4% of revenue) against Rs. 20.2 crore (4.1% of revenue) for the previous year. G&A expense for the quarter is 5.9% of revenue, against 7.8% of revenue QoQ and 9.2% YoY. In absolute terms this is Rs. 12.2 crore against Rs. 13.3 crore QoQ and Rs. 14 crore YoY. For the year, they are at Rs. 52 crore (8.2% of revenue) against Rs. 54.1 crore (10.9% of revenue) for the previous year.

EBITDA for the quarter is at Rs. 82.5 crore (40% of Revenue), against Rs. 47.6 crore (28.1% of Revenue), QoQ and Rs. 24.7 crore (16.2% of Revenue) YoY. For the Year, EBITDA is at Rs. 155.8 crore, (24.6% of revenue), against Rs. 36.2 crore, (7.3% of revenue) in the previous year. Other income from investments and deposits is at Rs. 9.1 crore against Rs. 8.2 crore QoQ, and Rs. 5.7 crore YoY. Total other Income for the quarter is Rs. 9.7 crore against Rs. 9.3 crore QoQ and Rs. 6.3 crore YoY. For the year, other income from investments and deposits is at Rs. 28.1 crore against Rs. 29.9 crore for the previous year. Total other Income for the year is Rs. 34 crore against Rs. 34.7 crore for the previous year.

Total taxes are at Rs. 20.9 crores (23.6% of PBT), against Rs. 13.7 crores (26.3% of PBT) QoQ and Rs. 7.7 crores (29.7% of PBT) YoY. For the Year, Taxes are Rs. 43.3 crore (25.3% of PBT) against Rs. 14.6 crore (26.3% of PBT) in the previous year. Net profit is at Rs.67.6 crore for the quarter, 32.8% of revenue, against Rs. 38.3 crore for the quarter, 22.6% of revenue QoQ and Rs. 18.3 crore, 12% of the total revenue YoY. For the Year it is at Rs. 127.8 crore, 20.1% of total revenue, against Rs. 40.9 crore, 8.2% of total revenue in the previous year. Other Comprehensive Income is at Rs. 2.8 crore for the quarter, against Rs. Rs. 3.5 crore QoQ, and Rs. (5.7) crore YoY. For the year it is at Rs. 8 crore against Rs. (10.8) crore, in the previous year. Total Comprehensive Income which includes Net Profit and other comprehensive Income is at Rs.70.4 crore for the quarter, against Rs. 41.8 crore QoQ and Rs. 12.6 crore YoY. For the year it is at Rs. 135.8 crore, against Rs. 30.1 crore in the previous year. EPS for the quarter is at Rs. 25.27 as against Rs 14.32 in the previous quarter and Rs. 6.67 in March 31' 2022 quarter. For the year it is at Rs. 47.73 against Rs. 14.28 in the previous year.

In terms of foreign currency hedges, on March 31, 2023 we had USD 3.25 million dollars of forward contracts at an average rate of 83.26. There is a mark-to-market gain of Rs. 17 lakhs which is taken to hedging reserve in the balance sheet. Revenue contribution from the top 5 clients for the quarter is 34%, against 35.8% in the previous quarter.

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The order book position is Rs. 639.7 crore including Rs. 585.8 crore of products business and Rs. 53.9 crore of projects and services business. In Dec 31, 2022 the order book position was Rs. 569.3 crore including Rs. 548.2 crore of products business and Rs. 21.1 crore of projects and services business. Total Cash and cash equivalents as on Mar 31, 2023 are Rs. 595.3 crore against Rs. 533.8 crore as on Dec 31, 2022. This includes balances in current accounts of Rs. 50.5 crore, various schemes of mutual funds Rs. 453.3 crore, fixed deposits of Rs. 26 crore, investments in tax free bonds of Rs. 60.6 crore, Rs. 5 crore in Preference shares. With regard to receivables, we are at Rs. 174.6 crore against Rs. 127 crore previous quarter. During the quarter, there is a gross addition of fixed assets of Rs. 0.40 crore, consisting primarily of Rs. 0.12 crore on Computer and Rs. 0.26 crore on vehicles. Over to Swati.

Swati Ahuja

Thank you, Sir. With this now we are ready to open our question-answer session. I will now hand over to Pelsia. Over to you, Pelsia

Moderator

Thank you, Madam. If you wish to ask a question, please press * and 1 on your telephone keypad and wait for your name to be announced. If you wish to cancel your request, please press * and 1 again. The first question comes from Niteen S Dharmawat from Aurum Capital, please go ahead.

Niteen S Dharmawat

Am I audible?

Moderator

Yes, sir.

Niteen S Dharmawat

Okay, so a couple of questions. One is, you mentioned that attrition is comparatively in a better situation compared to previous quarter. So, what is the attrition level that we have at the end of March quarter compared to the December one?

Anurag Mantri

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So, this is Anurag, thanks for this question. Attrition is definitely much-much controlled. I just wanted to share that as of now our annualized attrition is well below 10%, and the quarterly attrition is one of the lowest in the last 2 years.

Niteen S Dharmawat

Fantastic. Second thing is about the margins. You have mentioned that since some renewals have happened, because of that the margin number has gone to a substantially higher level. While there was already a margin improvement in December quarter, since we do not give any projections, so, just wanted to understand which is more baseline margin, the December, March or neither of these two. If can give some clarity on this.

Anurag Mantri

Apparently that particular input will also not be possible. What we can say that we have worked on some aspects towards pricing that has led us to increase margins in last quarter, this quarter. We'll be just progressing with this momentum.

Niteen S Dharmawat

Fantastic, got it. Third question, and final question is about the order book. So, when we are saying that this is our order book, so, can you elaborate geography wise, I mean to say India and outside India, if you can give some color on this percentage wise split between these two geographies.

Anurag Mantri

Actually, do not give geography wise inputs, but what we can tell that, we are, we have been focusing a lot on India and we are also laying down strongest strategies for international markets that will be my response to you. Geography wise in the past or for the future, we will not be able to share.

Niteen S Dharmawat

Okay, I got it. So, let me pick my question a little bit. Where do we see the growth coming from, from India or outside India, if you can give some idea about that?

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Anurag Mantri

My response will be that we will be solidifying our position further in India. At the same time, we will be going towards a high growing markets in Southeast Asia, Australia and many other places. So, all about going to new markets, spending there and we'll be having equal focus on both these aspects.

Niteen S Dharmawat

Got it. Thank you so much and wishing you the best.

Moderator

Thank you. Next question comes from Rahul Jain from Dolat Capital. Please go ahead.

Rahul Jain

Yes, hello. Is my line audible?

Moderator

Yes, Rahul sir. But there is a background noise.

Rahul Jain

Hello?

Moderator

Yes, Sir. Please go ahead.

Rahul Jain

Yes, sorry for that. Just to understand, you know, a little bit more in terms of this AMC repricing. Last time, you mentioned that there were some pursuits that were pending, if you could share, what is the status on that? And if you go to quantify the absolute value, which has come from a retrospective element within the current revenue, that will be great.

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I can answer your second question immediately. I'm afraid we will not be able to provide the absolute value. And for the first question, I will request you to repeat it because there was a background noise.

Rahul Jain

Yes. So, sir, my first question was that last time you said that there are certain deals which are still pursuing which are in this process of reconsidering it. So, any number of pursuits you still have pending on this aspect?

Anurag Mantri

Okay, so the reference which we gave last time that we are working on few of the deals, many of them have been concluded, but at the same time, it's a continuous process. So, we are still working on few of the deals.

Rahul Jain

Yes, so. So, just to understand this, let's assume you started this process in the beginning of the year, and every customer might have come for that renewal during this year. So, either they were the repriced to the newer price, or they continue to be on old price, or what is the status of people who are who have not moved to the new price?

Anurag Mantri

Well, just wanted to share that all our customers have really appreciated our outlook and the rational. Now, it depends on the customer organization. At few places, it has moved very fast, at few places recessions are still going on. What I can tell that all our customers are able to appreciate business value being delivered to them and our discussions with them. I will not be able to give the break-up of the customer, more or less, outlook and the progress.

Rahul Jain

Right? And what about the one-time component in this revenue?

Anurag Mantri

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Will not be able to share this, I'm afraid.

Rahul Jain

Okay. But is it safe to assume the customer who might have accepted during the quarter would have paid for the Q4 just like it happened in Q3 for three quarters?

Anurag Mantri

It depends on when exactly the contract renewal was due and the effective date of the contract. But yes, wherever it was applicable, that particular revenue was taken into consideration.

Rahul Jain

Right. So, one thing is clear from your answer is that more customer may potentially come into this path, but the, there could be very, deviations from QoQ basis, because some of the retrospective component may not come in the next quarter, but some new client may accept the next quarter also. So that way, there could be near term volatility unless and until we complete this process.

Anurag Mantri

Your understanding is right.

Rahul Jain

Right. Sorry, for asking it again, similar question previous participants was asking on a margin basis, I understand, its a bit tricky, but now, maybe from a longer term perspective, not for immediate quarter or a year, based upon the pricing, because you would have done some Math's around it, when you do the pricing, what is the ideal benchmark profitability for this business? Since you have a certain cost, you know, there is a certain inflation in the cost and there is a certain pricing that you would be building in for your customers, what could be the ideal profitability band for this kind of a business in this new mode?

Anurag Mantri

I'm afraid, we have some, thought process about that. But we will not be able to share any indicative aspect of these inputs with you. Once again, I am afraid.

Rahul Jain

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I mean, yes, I know. Yes, sir.

Vishnu R Dusad

Okay. Let me just add here. You know, product businesses, typically enterprise product businesses, they run on a particular band globally. Our attempt is to move in that direction. How soon will that happen? What would be those bands, etc., that is something that we will not be able to comment on. But our, we have been investing in this enterprise product business, essentially, with the intent of moving to profitability levels.

Rahul Jain

Right. Sir, essentially, what Vishnu ji, you're trying to say is that what amateur software companies do is trade in that 30 to 40% plus kind of a zone, that is where directionally we are moving towards. Is that what you are going to say, right?

Vishnu R Dusad

Yes. Now, by putting those numbers here, again, encouraging us to give you guidance, which, unfortunately, we will not be able to give.

Rahul Jain

Yes, sir, I completely understand your situation. But, you know, the reason we keep on harping on this thing is that, I mean, we've been, you know, you as you might see that a lot of people have been waiting on this moment for very, very long and now it's playing out. People want to really understand the true potential of it. I also understand that you don't want to lead into any speculation, but in whatever way and form if you could slightly simplify the situation, I think it would help all of us out here.

Vishnu R Dusad

Certainly, let me just reiterate our generic statement, which is what is most important that we are trying to build a business which is very strongly value driven and which will deliver long term value to all our stakeholders including customers, shareholders and nucleates. So that is the only, you know generic statement I can give you. I think, you know, we as you said, we've also been waiting for this moment. And yes, we do hope that whatever thing that we have put in place, and we are attempting to put in place, we will be able to achieve that. This generic statement of delivering value to all our stakeholders.

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Rahul Jain

Right and slightly on a different note, If I can ask one question, which is, what I'm seeing on the ground is that there's a lot of new FinTech lenders and lending distribution kind of setup is emerging in Indian market, and there's a lot of credit on UPI, ticking, buzz all over the place. So, do we see that these new flourishing NBFC is also as in prospect or you think, they're too small right now, for us, for them to come into our target market. And there is a lot of small LMS, LOS businesses also that we see who are supporting these companies. So, you see increased competitive landscape so from both these aspects, if you could share your thoughts?

Vishnu R Dusad

Yes, that is an excellent question. I'm going to request Anurag to add to my response. See, our solutions are there for the mega players as well as the startups. And I'm very happy to let you know that some of the startups that we are we have been partnering with for the last five years, they have grown phenomenally and with them, you know, our growth has also taking place. So, that being the case, we will continue to work with, you know, players of all sides. Anurag, you want to add something.

Anurag Mantri

Sir, thanks for asking this particular question. What we are doing from our end is we are basically, we are keeping a very close watch as well as we are doing the in-depth market research about this phenomena and these patterns mean in the industry. We have been also doing a wide spectrum business value provision for our customer. So, as Vishnuji has mentioned, the small, but at the same time, ambitiously growing customers, we are providing the required product, platform and infrastructure for them to grow as well as a large customer organization which actually operate, in a much-much different league. The product richness is helping their business growth as well.

The same time, all customers be it a small or big are looking forward to having a very agile to market support for their business strategies. And with all, with many adapters and technology advancements we are able to do, or service their needs. So that will be my response to you.

Rahul Jain

Sure. And the competitive landscape side are you seeing this small emerging LMS, LOS businesses are making some dent. Will every third company that I meet, they say that HDFC, Bajaj are their customer. I don't know how many solutions these companies are using.

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Anurag Mantri

So, what I can say right now here is that as there are, these players are coming up in the market, they are having their own features. We have got enough experiences where our customers have shared with us that they have, they got some inputs from these new players, but at the same time, the comprehensiveness our product platforms is something where they feel, no player around and, had been lot of appreciation. So, there can be a situation where these emerging players, emerging operators, I will say that must be going to different customers and talking to them. The breadth and the width we are supporting for these customers you have just named, so that's a different space in which we are operating, and we plan to operate.

Rahul Jain

Right. Thanks for that color. Sorry for the background disturbance at mine and as they say, it seems it's perfectly aligned. Thank you.

Moderator

Thank you. Next question comes from Pratap Maliwal, from Mount Infra Finance. Please go ahead.

Pratap Maliwal

Hello, can you hear me?

Moderator

Yes, sir.

Pratap Maliwal

Yes, thank you. And thanks for taking my question. And congrats on a good set of numbers. So initially just wanted to work on a general, just generally like last three years, we've seen that after Q4, we've had a dip in revenues in Q1 of the following year for various reasons. So, is there anything that will make this trend happen again in Q1 FY24?

Vishnu R Dusad

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We may not be able to comment again on that. We will, of course, our effort is to build momentum. But we may not be able to say anything about predictive numbers.

Pratap Maliwal

Okay, now, Sir, as we've said that progress on our AMC regression is an ongoing process. So, just wanted to ask generally, that the number of customers that we wanted to convert FY23. Have we successfully converted? Have we successfully met that target? And is there any more in the pipeline that higher or lower number maybe that we want to do for the next year?

Parag Bhise

Yes, I would say more or less we achieved what we wanted to in the previous year. As Anurag has said the effort continues. I also mentioned in the last call that these are significant revisions. These are difficult negotiations; they do take time. So, we are moving steadily towards it.

Pratap Maliwal

Okay, so there are still some customers that maybe, we've been in negotiation with for a couple of quarters, maybe. And we're still expecting a few more to close them going forward.

Parag Bhise

Yes, the effort will continue on this as well.

Pratap Maliwal

Okay, so in this regard, last quarter, you had pointed out that about half of our incremental revenue had come from our retrofitted AMC contracts. So, I'm not asking for any numbers. So, just for in this quarter, has it been maybe the similar number higher or lower something on that line?

Anurag Mantri

I will again, mention that, the same thing that. Practically, there had been a momentum. We are working on building that particular part. It will keep continuing significantly. But with respect to, I'm not too sure whether we have talked about. Half of our revenue last quarter, but certainly we will not be able to give any indication about this split, or the share perspective.

Pratap Maliwal

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Just the Incremental revenue, Sir. In the last call it was pointed out that 50% of the incremental was from retrofitted AMC contract. Just that what was called out last quarter. I'm just asking for a comparison.

Anurag Mantri

So, I will just share, I will just mention that a percentage will be coming out from that.

Pratap Maliwal

Sir, I didn't get you.

Anurag Mantri

What I'm saying is that after this particular AMC revision is a continuous exercise. Some percentage will be, a good percentage will be coming out on the AMC revisions as well. The same time we will be, our and we will be focusing on the newer markets. That will also constitute to our growth.

Pratap Maliwal

Okay. And for just a quick check on the employee headcount that we have and any maybe hiring plans going forward.

Anurag Mantri

So, we basically had, close the year at close 1800 plus associates. This number is quite similar to what we had on 31st of March 2022. We definitely do have hiring plans as always, we have been hiring onboarding young minds and young talents. In addition to that, we will be also onboarding some to basically level our product journey to the next levels.

Pratap Maliwal

Our plan of onboarding 400 freshers, has that been completed or is that still undergoing? Any other targets maybe?

Anurag Mantri

That particular target has been met. We have on boarded a number.

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Pratap Maliwal

Okay. And we plan to continue this momentum going ahead also hiring freshers?

Anurag Mantri

That's right.

Pratap Maliwal

Okay, Sir. Thank you for taking my questions and congrats on a good set of numbers again.

Moderator

Thank you. Next question comes from Anuj Sharma from M3 Investment Private Limited. Please go ahead.

Anuj Sharma

Yes, thank you and congratulations to Vishnuji and team for good numbers. I think finally the product is deserving what's its due. Few questions in this in this process, have we lost any customers who have not wanted to get into the new pricing regime?

Parag Bhise

No, we have not lost any customer because of the negotiations.

Anuj Sharma

That's great.

Vishnu R Dusad

The reason I would like to believe is the fact that our earlier prices as I have used the sales were ultra-deep discounted prices.

Anuj Sharma

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Right. Second is, you know, now that if going forward, there will be inflation, does the pricing would automatically take into account any changes of inflation? Or will it be self-adjustment? Or again, you know, if let's suppose we are set for the next few years after that, again, we'll have to go back for or, you know, this time we have built in something which will automatically kick in with inflation. Just some insight into the adjustment of pricing.

Vishnu R Dusad

Yes, thanks for raising this inflation related question. I just wanted to clarify that inflation was just one small component of this repricing. It was essentially, the repricing was all about the value that we deliver. So, you may just want to keep that in the back of your mind.

Anuj Sharma

Yes, no, I agree. It's a culmination of multiple factors, including inflation. My question was going forward, under what circumstances, like suppose the pricing was INR 80, it moved to 100, just an example. Under what circumstances the same client would give us 95, and under what circumstances he would give 110, assuming it is repriced from 100, from 80 to 100. So, under what circumstances can it increase and it can decrease? That sensitivity, factors of sensitivity will be helpful.

Vishnu R Dusad

Yes, certainly. You know, while we can talk about price moving from 80 to 100, or 80 to 105 or 80 to 95, I would want to highlight the fact that these are B2B businesses and the value delivered to the customer is, can be very, very different. So, it is directly dependent on the value delivered.

Anuj Sharma

Okay. So last point and harping on this, under what circumstances could, if the volumes of loan generated are lower, then could the pricing be lower next year, if that were one of the factors?

Brajesh Khandelwal

So, this is so fine into the pricing calculations, I don't think we will be able to respond to that final level. But yes, I can only share that the pricing do take care of whatever are the relevant dimensions suitable for B2B business. That has been all factored in and that's the reason why we have been able to close the negotiations successfully with our customers.

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Anuj Sharma

All right. All the best, and congratulations again. Thank you.

Moderator

Thank you. Next question comes from Vaibhav Badjatya from Honesty and Integrity Investments. Please go ahead.

Vaibhav Badjatya

Oh, yes, thanks for the opportunity. So, just a clarification on the AMC revenue itself. I don't want any numbers or any guidance or anything like that. But, you know, in earlier quarters, you said that, because some of the contracts were under negotiation, we did not even recognize the revenue on a normal run rate basis, which was based on the old contract. And then whenever the contract closed, we recognize the whole revenue at the new rate. That was the earlier communication. Now, because the financial year has ended completely, are there any customers for which we have not recognized any amount of revenue because of this full or part financial year?

Parag Bhise

No, I don't think so. Because we said we targeted a set of customers. For them, we did not consciously recognize revenue, and we more or less closed all of them. So, what we don't, did not target last year, for them the normal cycle continued. So, I don't think there will be any, if your question is that there is a spillover from last financial year to this year? I don't think so.

Vaibhav Badjatya

Got it, understand that. That's quite helpful. And secondly, you highlighted this one-time revenue which is, which is fine, I understand that. But apart from this, are there any kind of one-time project executions or implementation or something that has been done during the quarter or it's all one-time was just related to this AMC thing only.

Parag Bhise

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Yes, when, the reference to one-time was related to AMC revisions because of the retrospective effect. The implementations and all those are like continuing the way, they are expected to continue on project completion or various milestones. So that's a normal cycle.

Vaibhav Badjatya

Okay, got it. And lastly, on the order book, so this is the order book also it has, it has gone up decently as compared to the last quarter. So, again, I just don't want to get numbers or something. But would it be mostly due to the AMC repricing impact? Mostly, I don't want to know again the break-up or something. But just the major component moving the order book

Parag Bhise

It's a combination. AMC repricing is a significant part but yes, there are orders otherwise also that have come in.

Vaibhav Badjatya

Oh, Got it. That's it from my side. Thanks. Thanks a lot, and congratulations and I think, I really appreciate the long-term focus and the focus on the corporate governance and honesty this company has.

Parag Bhise

Thank you. Thanks a lot.

Vaibhav Badjatya

That's it for my side.

Moderator

Thank you, next question comes from Shaik Mohammad an individual investor. Please go ahead.

Shaik Mohammad

Thank you for the opportunity and congratulations to the management for the excellent set of numbers I have actually same number but with a twisted question like we have 200 clients from

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the 50 countries. So, how many clients we have renewed the new contract, new pricing contract and how many are left?

Parag Bhise

Now, sorry Shaik, specific numbers we cannot give.

Shaik Mohammad

Okay. Another, actually I mean the order book number. Can you just share me the order, current and last quarter, from last quarter order book value and current quarter order book value. Order book value of Q3 and Q4.

Parag Bhise

Tapan, would you respond to that?

Shaik Mohammad:

No issue. I will go through the recording. Thank you.

Moderator

Thank you. Next question comes from Devarsh Vakil from HDFC Securities. Please go ahead.

Devarsh Vakil

So, congratulations on a great set of numbers. Our products are mainly in to this corporate banking, retail banking, and cash management systems. If I remember correctly, we were, we had some initiatives like offline digital cash solution and there are any initiatives to go through such new product lines in the near future or are we investing in some of the products right now? Hello, am I audible?

Moderator

Yes.

Devarsh Vakil

Hello, yes.

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Parag Bhise

As of now, the investments will continue in the product line that we have of course, there are extensions to that are being planned for instance. We in the new product line on the lending side, Islamic banking is something which we plan to take up now. There are a good number of customers that we have in Middle East so that is one but not drastically beyond what we have been doing. But yes, extensions will continue.

Devarsh Vakil

Okay, thank you.

Moderator

Thank you. Next question comes from Manish from Mano group. Please go ahead.

Manish

Sir, is there any guidance for FY24? I'm sorry, I joined the call a little late.

Parag Bhise

Now, I think historically we've been saying, the policy of the company is not issue any guidance of any sort.

Manish

Okay. But otherwise, how's the outlook looking like for FY24 and beyond for the overall business?

Parag Bhise

Yes. I don't know when you joined, but as, as my colleague conveyed earlier, the momentum we expect to continue. Though, again, since I don't know when you joined...

Manish

I joined around 3.30, after 3.30.

Parag Bhise

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So, I'll repeat in any case that we did mention in the initial comment that there is retrospective effect in this quarter and financial, this quarter's revenue. That has to be kept in mind.

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Manish

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Okay. I mean, the traction from all the geographies are good?

Parag Bhise

Yes, we are getting good traction in the geographies that we are operating for sure.

Manish

India accounts for about 60% of the holistic pie, right? India, and then followed by Southeast Asia.

Parag Bhise

That's correct.

Manish

Thanks.

Moderator

Thank you. Next question comes from Devish Jawan, an individual investor please go ahead.

Devish Jawan

Hi, Vishnu. Sir, congratulations on a great set of numbers. My question is, can you provide an update on Finnone Neos' market share in India and a follow up is, are there any new products that you plan to launch soon apart from loan lifecycle management?

Vishnu R Dusad

We are moving into, you know some of, whole lot of our customers from Finnone to Finnone Neos. It will be difficult for us to give answer the question about, Noe specific numbers and talking about products, we are as of now continuing to focus on this product line, the existing product line and we just want to make sure that all customers are able to derive maximum value out of it.

Devish Jawan

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Okay, Sir. Can you please share the composite Finnone and Finnone Neo's market share in India? That data is available with you?

Vishnu R Dusad

Okay, we have, you know, our products collectively support, help originate service, and collect legal assets worth more than 40 Lakh Crores.

Devish Jawan

Okay, Sir. Thanks, that's all from my side.

Moderator

Thank you. Next question comes from Imran contractor from Quantum Investments. Please go ahead.

Imran contractor

Hello, sir, very good results. I would just like to know what do we plan to do with the excess cash which we or how much is it excess?

Vishnu R Dusad

The board has declared a 100% dividend and I'm sure they will also decide about what to do with the balance of it.

Imran contractor

Okay then, thank you.

Moderator

Thank you, we have a follow-up question from Pratap Maliwal, from Mount Infra Finance. Please go ahead.

Pratap Maliwal

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Hi, and thanks again for the opportunity. I just wanted to ask that in terms of geographic segments, so Southeast Asia, the revenues have increased full year basis but our losses are also increasing. So, what's challenges would we facing now that the personal cost on the immigration related issues of the past quarter would have reduced? And what could be the path to profitability here?

Pratap Maliwal

Hello, can you hear me?

Moderator

Yes, sir.

Anurag Mantri

Yes. They had predominantly hit us in Far East Asia, and Southeast Asia, Japan and Singapore and nearby countries. At that point of time, I mentioned that we are working on the pipeline clearing the projects, delivering them as per the plans. And this will lead to, these two, geographies coming into profits. I'm happy to share that we have achieved that in Far East Asia. Japan is back on a particular track. Southeast Asia also have increased the revenue. But at the same time cost has gone in proportion. We are also expecting a relatively higher increase in the revenue in quarters to come and similar to far east, southeast Asia will also be in black, financial year.

Pratap Maliwal

Okay, and just if I understood it correctly, that in the FY23, we had the benefit of some retrospective effects in terms of one-time revenues, but since we've kind of converted all the customers or more or less all the customer we had to, so going forward such a retrospective one-time benefit of multiple quarters of revenues coming in, we won't be expecting that. Is that correct understanding?

Anurag Mantri

See, in the beginning of the call, and during the call, we mentioned that it's a complex process. There's a good number of customers. Contracts have been rediscussed with them re-baselined. But at the same time, that will be continuing for few of our customers. So, it will be definitely expecting some upsurge. It's a conscious process for some more time.

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Pratap Maliwal

Okay, Sir. Thank you.

Moderator

Thank you. We have a follow up question from Vaibhav Badjatya, from Honesty and Integrity Investments. Please go ahead.

Vaibhav Badjatya

Yes, thanks for the follow up. So, in terms, of I mean, I just want to make sure that I heard it right what last time you said that is, that whatever customers we targeted to move to the new AMC pricing, we concluded those contracts and by 31st of March, and all of them are converted to the new pricing. Right?

Anurag Mantri

Yes, we have the customers with whom we have started these discussions we have actually concluded the discussion with them and re-baselined the pricing. But, as I mentioned that, it's a rolling over process, while we have concluded it for most customers, we are still having discussions with few other customers which is going on.

Vaibhav Badjatya

Yes, understand. Just to revert the customers to whom we have asked for the revised pricing, any customer has come to us as concluding said no, that no I will not give you an revise pricing and that's why you have to continue at old contract and we have settled with that at old contract, is that happen?

Anurag Mantri

Not a single case has been observed like that. Opining with the customer, it has been for a shorter time, but none of the situations arose.

Vaibhav Badjatya

Okay, got it. And in terms of the, you know, targeted customer, again, I don't want to know the name of the customers or the number of customers anything, just a qualitative comment, what

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are the criteria's for you to select that these were the targeted customers? Is it like based on your profitability metrics that these customers are the lowest on profit metrics and that's why they should be targeted or it was by the size of the customer or any other criteria that you use that these are the customers with whom we have to go and get them to the new pricing first.

Anurag Mantri

Yes, the question already had the answer in it. So, we have a very comprehensive, you can say method to identify the parameters. Basis on that we select the customers and we start discussing with them. It has got quite a few parameters. I will not be able to share what those parameters are. it's a comprehensive one. That I can share.

Vaibhav Badjatya

Okay. That's it from my side. Thank you.

Moderator

Thank you. That will be the last question for the day. Now I hand over the floor to Swati for the final remarks.

Swati Ahuja

Thank you. Now, we would like to thank all the investors for joining us today for this call. And I now pass it over to Vishnu sir for his closing remarks. Over to you Sir.

Vishnu R Dusad

Once again, I would like to take this opportunity to thank all of you for your keen interest in Nucleus Software and we'd like to reiterate our commitment to build a company which could continue to add value to all our stakeholders. Thank you so much.

Moderator

Thank you. That concludes our conference for today. Thank you for your participating. You may all disconnect now.

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