

**NUCLEUS SOFTWARE EXPORTS LTD.**

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August 09, 2024

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

**SUB: 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 Company for the Quarter ended June 30, 2024 held on August 05, 2024.

This is for your information and records.

Thanking You

Yours Sincerely

**FOR NUCLEUS SOFTWARE EXPORTS LIMITED****(Poonam Bhasin)**  
**Company Secretary****Registered Office**

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**Nucleus Software**

**Q1 FY25 Earnings Conference Call**

Event Date / Time: 05/08/2024, 15:00 Hrs

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## **Moderator**

Good day, ladies and gentlemen. I'm Pelcia, 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 the listen only mode. We will have a question-and-answer session after the presentation. I would now hand over the call to Swati Ahuja. Over to you, Swati.

## **Swati Ahuja**

Thanks, Pelcia. Good afternoon, everyone. This is Swati from Investor relations team at Nucleus Software. A very warm welcome to all of you for Nucleus Software earning conference call for the quarter ended on June 30, 2024. For discussion, we have here from the management team Mr. Vishnu R Dusad, our Managing Director; Mr. Parag Bhise, CEO and Executive Director; Mr. Anurag Mantri, COO and Executive Director; Mr. Surya Kanodia, Chief Financial Officer; Mr. Ashwani Arora, Senior Vice President; Mr. Ashish Khanna, Marketing Head; Mr. Mukesh Bangia, Vice President; Mr. Abhishek Pallav, Vice President; Mr. Pradeep Malik, Vice President; Ms. Swati Patwardhan, Chief Human Resources Officer 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 risk that the company faces. An audio and transcript of this call will be shortly available on the Investors section of our website, [www.nucleosoftware.com](http://www.nucleosoftware.com). With this, we are now ready to begin with the opening comments on the performance of the company. Post that, we would be available for question and answer session. With this, I will now pass over to Vishnu R Dusad. Over to you sir.

## **Vishnu R Dusad**

Thanks Swati and wish you all a very warm welcome to this conference call. As you would have noticed, we have had a fall in our top line as well as bottom line. I would like to highlight to you that we do not give excessive weightage to quarterly or for that matter, yearly numbers. We are focused on building a long-term enterprise and hence, we would allow such things to happen to ensure that our customers get the services, is retained and the best talent is further attracted. It was in this spirit only that we had in the year 2021-2022, we had allowed our bottom line to hit a low of 7%, and then we have bounced back. And in a similar situation, we are confident that we'll bounce back on the financial numbers also in coming quarters. With those words, a warm welcome to all of you and over to Parag.

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## **Parag Bhise**

Thank you Vishnu sir, and welcoming everyone to this investor call for Q1. Apart from what Vishnu sir said, I wanted to specifically talk about a very significant long term strategic initiative that we have undertaken. This is called Hoshin Kanri, based on Toyota Production System Principles. This is to bring in continuous and long term improvements in all areas of our work for the ultimate objective of significantly enhancing our end customer experience. So this has been going on for some time now. We are investing heavily into this initiative, and we will share more updates going forward in this very significant initiative. Thank you.

## **Swati Ahuja**

Thank you Parag sir. Now I request Tapan sir to put some light on the financial numbers.

## **Tapan Jayaswal**

Thanks Swati. Good afternoon, everyone. Key highlights from financials are consolidated revenue for the quarter is at Rs. 195.4 crore against Rs. 210.3 crore QoQ and Rs. 206.8 crore YoY. Overall revenue in foreign currency, including India Rupee revenue is US\$ 23.4 million for the quarter, against US\$ 25.3 million QoQ and US\$ 25.3 million YoY. Product revenue for the quarter is at Rs. 168 crore, against Rs. 179.4 crore QoQ and Rs. 182.6 crores YoY. Revenue from projects and services for the quarter is at Rs. 27.4 crore, against Rs. 30.9 crore QoQ, and Rs. 24.2 crore YoY.

Moving on to the Expenses, cost of delivery, including cost of product development, for the quarter is 75.5% of revenue, against 63.5% of revenue QoQ and 60.5% of revenue YoY. In absolute terms this is Rs. 147.5 crore against Rs. 133.5 crore QoQ and Rs. 125.1 crore YoY. Marketing & sales expenses for the quarter is 2.2% of revenue, against 3.3% of revenue QoQ and 3.4% YoY. In absolute terms this is Rs. 4.2 crore against Rs. 6.9 crore QoQ and Rs. 7 crore YoY. G&A expenses for the quarter is 7.6% of revenue, against 5.7% of revenue QoQ and 6% YoY. In absolute terms this is Rs. 14.9 crore against Rs. 11.9 crore QoQ and Rs. 12.4 crore YoY. EBITDA for the quarter is at Rs. 28.8 crore (14.7% of Revenue), against Rs 58 crore (27.6% of Revenue), QoQ and Rs. 62.3 crore (30.1% of Revenue) YoY. The Other income from investments and deposit is at Rs. 14.8 crore against INR 14 crore QoQ, and Rs. 11.3 crore YoY. Total other Income for the quarter is Rs. 15.1 crore against Rs. 14.2 crore QoQ and Rs. 12.8 crore YoY. Total taxes are at Rs. 9.7 crores (24.3% of PBT), against Rs. 16.3 crores (23.8% of PBT) QoQ and Rs. 18 crores (25.1% of PBT) YoY. Net profit is at Rs. 30.2 crore for the quarter, 15.5% of revenue, against Rs. 52.1 crore for the quarter, 24.8% of revenue QoQ and Rs. 53.6 crore, 25.9% of the total revenue YoY. Other Comprehensive Income is at Rs. 1 crore for the quarter, against Rs. (6) crore QoQ, and Rs. 3 crore YoY. Total comprehensive income, which includes net profit and other comprehensive income, is at Rs. 31.2 crore for the quarter against Rs. 46.1 crore QoQ and Rs. 56.6 crore YoY. EPS for the quarter is at Rs. 11.28 as against Rs. 19.48 in the previous quarter and Rs. 20

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YoY. In terms of foreign currency hedges, on June 30, 2024 we had USD 3.0 million dollars of forward contracts at an average rate of 83.82. There is a mark-to-market gain of Rs. 0.04 crore which is taken to hedging reserve in the balance sheet. Revenue contribution from the top five clients for the quarter is 28.8% against 27.5% in the previous quarter. The Order book position is Rs. 813.4 crore, including Rs. 752.2 crore of product business and Rs. 61.2 crore of project and services business. On March 31, 2024 the order book position was Rs. 780 crore including Rs. 707.7 crore of products business and Rs. 72.3 crore of projects and services business. Total Cash and cash equivalents as on June 30, 2024 are Rs. 920.8 crore against Rs. 808 crore as on March 31<sup>st</sup>, 2024. This includes balances in current accounts of Rs. 42 crore, various schemes of mutual funds Rs. 653 crore, fixed deposits of Rs. 191.3 crore, investments in tax free bonds of Rs. 34.5 crore. With regard to receivables, we are at Rs. 175.4 crore against Rs. 166.2 crore previous quarter. During the quarter, there is a gross addition of fixed assets of Rs. 3.02 crores, consisting primarily of Rs. 2.6 crores on computer & servers, Rs. 0.3 crore on Furniture and Fixtures, Rs. 0.1 crore on Office Equipments and Rs. 0.02 crore on Software. Over to Swati.

### **Swati Ahuja**

Thank you, sir. Now Pelcia, I request to start the question and answer session.

### **Moderator**

Thank you, ma'am. If you wish to ask a question please press \* and 1 on the telephone keypad and wait for your name to be announced. If you wish to cancel your request please press \* and 1 again. We will wait for a moment til the question queue assembles. If you wish to ask a question please press\* and 1 on the telephone keypad. The first question comes from Samar Singh from TPF. Please go ahead.

### **Samar Singh**

Yes. Good afternoon. Thank you for the opportunity. Just a question on our growth prospects going forward in the domestic market. You mentioned before that in one year our accounts of 60-70% of all retail loans that are given out by Indian finance companies. So I was just wondering, would you say that we are more or less saturated as far as concerned in the domestic market? Or still customers that we could possibly convert to our product?

### **Parag Bhise**

Thank you for your question. This is Parag here. No, there's no indication or belief that the market is saturated. In fact, as we have been maintaining, we are getting good traction both from domestic market as well as from outside markets. So there's absolutely no saturation. We don't believe that.

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### **Samar Singh**

So I'm just trying to understand like when we are thinking of top line growth in the future, would that come from selling more FinnOne Neo domestically, selling more of our other products, FinnAxia domestically? Or would it come from selling FinnOne Neo to other geographies?

### **Parag Bhise**

So I think we mentioned in the past I think, thanks to COVID the product really started moving more in the domestic market. So last couple of years, we have been focusing more on India. But then as we said in the past, the focus is now more and more on international markets beginning with, including both whether where we are operating already and we are also looking at developing a couple of developed markets getting into. Some we are already into like Australia and Japan and one or two developed markets. So yes, focus will be more international, but domestic also traction is good even today.

### **Samar Singh**

I think you had mentioned I think Australia we have been around for a while, and we've got a couple of large, well 2nd tier banks that are on FinnOne Neo. But the revenues and profitability in Australia doesn't seem to be as consistent as we see in the domestic business. Can you just talk more about why that's the case?

### **Parag Bhise**

So that's correct. The new implementations have to be added and there are a few prospects with whom we are working, and it could convert in due course. But yes, so far the implementations that we are doing in this second tier customer that you mentioned got over. We are in a BAU mode there. So that's why you don't see a growth, so much of growth in that market right now.

### **Samar Singh**

So, but the implementations that we're doing there are not like in India, we sort of move to more of a trying to make it more of a recurring revenue model. Is that a similar model we are going to try and implement outside of India as well? Or is that more of a onetime sort of implementation revenue model?

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**Parag Bhise**

Okay we have actually both models now, pricing models now on level. If that is your question, we go for a CapEx model also. We go for a recurring subscription model also. Especially with the product being available now on cloud, a lot of our customers, smaller ones, prefer to go for a subscription model. So we have both options available.

**Samar Singh**

Are you talking about domestically or are you talking about in the other markets as well.

**Parag Bhise**

As well. Other markets as well.

**Samar Singh**

Okay. I'll come back in a queue. Thank you.

**Moderator**

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

**Rahul Jain**

Hope I am audible. Hello?

**Moderator**

Yes sir.

**Rahul Jain**

Thanks. Just trying to figure out, the revenue performance, any important reason that

**Parag Bhise**

Sorry, your voice is not clear. You need to adjust your microphone.

**Rahul Jain**

Hello. Is it any better?

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Yes.

**Rahul Jain**

Yes. So what I was trying to understand is that any specific reason we could attribute that the revenue performance has been pretty stagnant for some time. I can understand this kind of a business can be very volatile on a quarterly basis. But it seems like new revenue momentum is kind of stagnant for some time, at least from the data that we see. Of course, there were earlier more data in terms of new client win and all, which were giving us some bit of an input there. So I would appreciate if you could share in terms of how has been our new growth momentum in both India and emerging market, or any other flavor that you could add on that.

**Parag Bhise**

Certainly. I'm very happy to let you all know that our conversations with prospective customers are going, I would say, reasonably strong manner and there is sustained interest. Some of the conversations are taking longer than what we have been hoping but having said that, we continue to talk to customers in at least 8 countries about rolling out FinnOne Neo or FinnAxia products for adding value to their businesses. And simultaneously, our pipeline is also building reasonably well.

**Rahul Jain**

Right. Also in your media interview, you spoke about two elements. One was about that the repricing is still due in 20% of your customer base. By what time you think this should go through? And has any of it happened in this quarter also?

**Parag Bhise**

So as we had mentioned in the media interview, nothing has happened in this particular quarter on that front. And the balance 20% we are talking to them both in terms of either they upgrading to FinnOne Neo platform or continuing with the FinnOne platform. And in that process, it's taking far longer than we had expected. We cannot let you know the time it will take.

**Rahul Jain**

So this element of whether they want to move or not and they're deferring to this repricing, is it because more people want to take time to think about it? Or is it because they are going for the newer version, which may take time for eventually to migrate and that's why it would be a delayed stance?

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### **Parag Bhise**

It's a combination of both the things. I know sometimes our customers feel that they would be able to derive benefit from very sophisticated offerings that we have in FinnOne Neo, including hundreds of APIs and so on and for that matter FinnAxia, where we have substantial number of APIs and very sophisticated functionality. At the same time, then they are not exactly ready for migration. So it is that combination that takes time.

### **Rahul Jain**

Right and in the cases that has happened already, what has been the mix where people have accepted the pricing, but they would have gone for the newer version? Or they would have shared with the earlier version? Any mix number that you could share?

### **Parag Bhise**

Sir, I couldn't get your question, if you could repeat, please?

### **Rahul Jain**

I mean, what I was trying to understand is that, let's assume in the last 5-6 quarters ever since we started this exercise, let's assume, 100 customers have moved to a newer pricing, out of that 100 what is the mix between clients continuing on the same older version versus the newer version?

### **Parag Bhise**

As of now, I think the higher percentage is on continuing on the old version.

### **Rahul Jain**

Okay and is it more about inhibition around for the change? Or is it like the recurring cost related to Neo versus the older version could be a constraint for them to do the migration?

### **Parag Bhise**

So I think it is more to do with what I've mentioned earlier, and more to do with their internal sort of trade off, whether they want to start leveraging the new functionality today or they want to do it a year later or 2 years later and so on.

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**Rahul Jain**

Right, understood. On the wage hikes, you said there is more than usual thing that we have done to retain talent. So any specific reason you would highlight in terms of what were the challenges that you observed at this point? And secondly, does this mean there isn't some excess provisioning for some incentive or any other reason, which is in the quarter and may eventually normalize as the year progress? Or this is the run rate that we have baked into employee cost?

**Parag Bhise**

As far as that is concerned, it is a normal run rate and we have done, what I mentioned in the media interview was, we have done more than the industry hike. And that is consistent with our policy of retaining the best industry based talent that we have and then attracting equally good talent from the market.

**Rahul Jain**

Right and just last one and then I'll fall back in the queue. You know it seems that our investment, both in terms of people and in terms of sales and marketing effort, has been pretty upfront in last several quarter, while any meaningful advantage in terms of revenue acceleration is kind of missing or at least behind the curve. So is it on your expected lines and you see that to benefit us in the subsequent quarter? Or you think it's slower than what you thought and it's more a function of macro, which is causing the impact to be slightly slower than what you might have liked?

**Parag Bhise**

So it's slower than what we had expected, that which we can certainly say. The exact reasons, maybe we'll come back to you next quarter.

**Rahul Jain**

Sure. Appreciate it. Thank you.

**Parag Bhise**

Thank you.

**Moderator**

Thank you. Next question comes from Kevin Gandhi from Capgrow Capital. Please go ahead.

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**Kevin Gandhi**

Hello. Hi, sir. I hope my voice is audible.

**Swati Ahuja**

Please be loud, Mr. Kevin.

**Kevin Gandhi**

Hello? Yeah. Is my voice audible now?

**Swati Ahuja**

Yes. Please go ahead.

**Kevin Gandhi**

So I just wanted to understand the reason for the top line decline across regions like Southeast Asia, Middle East, and Australia. So basically, your focus has been on the international markets as you just mentioned. Still, we are not seeing that growth traction. In fact, we are seeing dip in the top line for such regions. So just want to understand that and like when can we expect growth from these regions? And second one is how much of the staff or employees have you added this quarter? Yes, these are the 2 questions. Thank you.

**Parag Bhise**

Yes, we have added 62 Nucleics to our team and talking about growth in Southeast Asia, Australia, etcetera, yes our conversations with the customers in those geographies, they are continuing and we are quite confident that the growth will start happening in coming quarters.

**Kevin Gandhi**

Okay. So these are my 2 questions. So I will just join back in queue. Thank you.

**Parag Bhise**

Thank you.

**Moderator**

Thank you. Next question comes from Vinay Nadkarani from Hathway Investments Private Limited. Please go ahead.

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**Vinay Nadkarani**

Thanks. Just wanted to check out, did you lose any customers because of repricing of your products?

**Parag Bhise**

No. We have not lost any customer because of the repricing.

**Vinay Nadkarani**

Okay. And second, on your current quarter revenues how much of it have come from the new customer and how much of it from continuing old customers

**Parag Bhise**

Yes. This quarter's entire revenue is from existing customers.

**Vinay Nadkarani**

Okay and lastly, if you can just give us a break up of your business in terms of selling licenses and selling services. So if the total revenue that you are seeing 195, how much of it would be from CapEx and how much of it would be from software as a service, both domestic as well as overseas?

**Vishnu R Dusad**

Yes. So INR 168 crores is from products and INR 27 crore fees from services, out of 195.

**Vinay Nadkarani**

Okay. And can you give a break up in domestic overseas? Are there more CapEx driven in domestic or in overseas?

**Vishnu R Dusad**

No. We will not be able to give that that break up.

**Vinay Nadkarani**

Fine. And, so the whole idea of converting this into a software as a service business that runs I mean, migrating people into that, has been not worked, or is it still negotiations going on with your customers?

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**Parag Bhise**

Mr. Nadkarani, this question is not clear, the last one.

**Vinay Nadkarani**

Yeah. I'm just thinking the idea was to move more business into annuity base so that there will be a visibility of growth from annuity revenue. So was that, attempted and how that work for you?

**Parag Bhise**

Annuity, so as I said some time back. It's not that you are expecting growth only from annuity. That is something where we get good traction, especially from smaller customers. But as I said, we are open to both. Both options are there.

**Vinay Nadkarani**

Okay. But since we have the recurring cost comes from the software as a service, The balance is still and we are still very heavy on selling licenses. Right?

**Moderator**

Mr. Vinay, please be loud.

**Vishnu R Dusad**

Yeah you need to adjust your microphone because, we're having difficulty understanding your question.

**Vinay Nadkarani**

Fine. Am I now audible now?

**Vishnu R Dusad**

Yeah.

**Vinay Nadkarani**

Just asking you, in case for going forward also, your focus would be more towards selling of licenses in India as well as overseas? Or would it be also including more people in the cloud based services?

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**Vishnu R Dusad**

We continue the focus on both the businesses and services as well as the products. So there's no decision as far as we are concerned between the two.

**Vinay Nadkarani**

Thanks a lot.

**Vishnu R Dusad**

Thank you.

**Moderator**

Thank you. Next question comes from Jiten Parmar from Aurum Capital. Please go ahead.

**Jiten Parmar**

Good afternoon. I have a couple of questions. First one is, will you be able to give the revenue mix, India versus international, for last quarter for the concluded quarter?

**Tapan Jayaswal**

For India revenue domestic revenue 58% of our total revenue and international is 42%.

**Jiten Parmar**

58% and 42%. And what was the number in the corresponding quarter of last year, Q1 of FY24?

**Tapan Jayaswal**

So the domestic revenue was 48% and international was 52%.

**Jiten Parmar**

Okay. So my next question is what is the price differential between the old version and the new version? And the second part is, can customer continue with older pricing on older version? Is that option which is available to the customer?

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### **Vishnu R Dusad**

Okay. Let me attempt answering this question in the following manner. The pricing of both our products, the older product as well as newer product is directly dependent on the value that these products are able to deliver to our customers. And we are in the process of on an ongoing basis, we are in the process of communicating that value to our customers, and that is how the prices we arrive at. So there's no formula as such that we can talk about.

### **Jiten Parmar**

So this is like for transaction based or the value of the targeted, I mean, how does it work?

### **Vishnu R Dusad**

It can be per loan base, it can be per transaction base in case of transaction banking product. In case of lending product, it can be loan based or size of the portfolio based, so on.

### **Jiten Parmar**

Okay. So coming digging a bit deeper into this. So let's say let's take an example of let's say, transaction based pricing or something. So in the older version and the newer version, is there a change in what we will be charging to the customer? I mean, what is the corresponding hike? Just to understand, i'll get to where, why I'm coming to this.

### **Vishnu R Dusad**

Yes. So again, it will depend on which features of the new product the customer wants to use. So depending upon the features that they want to use, they will be charged. If they do not want to use any specific features, they will not be charged. That is how this pricing is. We have made it available in a manner that whatever our customers want to use, they need to pay only for that and not a penny beyond that.

### **Jiten Parmar**

Okay. So just a question as to I mean obviously, you would have received feedback from your customers. Could this be a bit confusing for the customers where so much of differential pricing and all that? Is it something which you're hearing from your customers that there is too much of variables and too much of pricing difference or something?

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**Vishnu R Dusad**

No absolutely not, because we do make it clear to our customers that the value that they will be able to derive is multiple times of the return on the investments are multiple times and they are able to appreciate it. Only thing is it's taking time. That's all.

**Jiten Parmar**

Yes. Okay. So because that's true. That's was the reason I was asking because over the last many concalls, we were saying that customers will move in. And obviously, there is some pushback or something probably, it could be that it is taking time or there is resistance or what. So the next question is basically exactly what is the percentage number of clients which have moved to the newer version? And how many customers have we lost that they are no longer using either our old or the new product?

**Vishnu R Dusad**

So there are single digit number of customers, which who have moved out of our older version, that is there. But we may not be able to give you the breakup of how many are on the old and how many are on the new.

**Jiten Parmar**

Okay. Now in one of the previous questions, maybe I got it wrong or something, is that I think it was mentioned that we got no revenue from new customers. Is that right for the last quarter?

**Vishnu R Dusad**

No. You got it wrong.

**Jiten Parmar**

Okay. So basically, we have new customer acquisition is what you're saying?

**Vishnu R Dusad**

Sorry, okay let me clarify. You got it right. We got no revenue from a new customer in last quarter. Yes, you're right. And then validating...

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**Jiten Parmar**

So the next question is we have been spending significantly on higher employee cost and I think sales and marketing and all that. So what could be the reason why we are not being able to... Is it that the lead times are far higher than what we think or that's how the industry is. If you can throw some light on that.

**Vishnu R Dusad**

Yes. So lead times are higher and part of the lead times being part of the existing lead times are higher is also this is bit of complexity in pricing and so on. So we are working on everything, those complexities and by and then minimizing those lead times. And that's how we hope that we'll be able to start adding value to more and more new customers.

**Jiten Parmar**

Okay. My last and final question is, we have substantial cash on our books. Are we planning a big dividend payout or buyback or something like that? I think that should be something which should be there on the board's agenda, and I will strongly urge for that. Can you throw some light on that?

**Surya Kanodia**

Yes. So this is Surya here. So in terms of cash, we are sitting with good cash and what we believe for since quite some time is that we want to keep cash to ensure that we are able to invest as we require in our revenue, in our tools, in our new technology. Whereas the other questions related to buyback or dividend is concerned, that decision will be taken by the board and we will update you guys.

**Jiten Parmar**

The reason we are saying is because there is obviously, I mean, a change which is going to happen from October 1 regarding buyback and all that. So post that, buybacks might not be very efficient way but currently there is so I would strongly urge that the board consider this, my submission.

**Surya Kanodia**

I will take a note of that.

**Jiten Parmar**

Thank you. That's all from my side. Thank you.

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**Moderator**

Thank you. Next question comes from Tushar Vasuja from Yogya Capital. Please go ahead.

**Tushar Vasuja**

Thank you for the opportunity. You already mentioned your order book figures, but I missed that. So can you please repeat that? What's your order book at the end of Q1 FY25?

**Surya Kanodia**

So you mean order book or you mean pipeline?

**Tushar Vasuja**

Both would be helpful.

**Surya Kanodia**

So order book, at the end of the year was like INR 70 crore, that is the amount that we applied. The pipeline is a decent one, I mean it's a good pipeline that we have. We have to convert it into reorder. I cannot give a number to that, but it is sound

**Tushar Vasuja**

Okay, sir. And the order that you have right now, when would it be executed?

**Surya Kanodia**

It will be executed in the long term in the sense that when we sign the deals, we sign for typically 3 years to 10 years as well. So probably 5-7 years

**Tushar Vasuja**

5-7 Years.

**Surya Kanodia**

Yes

**Tushar Vasuja**

Okay And sir, what's your outlook for revenue growth in FY25?

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**Surya Kanodia**

No. So this is something which we don't give. This is a forward looking statement. We don't give that  
Tushar

**Tushar Vasuja**

Okay. So fair enough. You also mentioned you had some pricing changes and your margins have been quite volatile. So I don't want a forward looking number, but what can be a sustainable level of margins going forward?

**Surya Kanodia**

So I cannot give number but one thing which we are very confident of is like, what you see in Q1 is, what all we are going to improve from that. How much? Is something we will not be able to provide a number.

**Tushar Vasuja**

Fair enough, sir. Thank you.

**Moderator**

Thank you. If you wish to ask a question please press \* and 1 on the telephone keypad and wait for your name to be announced. We have a follow-up question from Vinay Nadkarani from Hathway Investments Private Limited. Please go ahead.

**Vinay Nadkarani**

Thank you. I just wanted to know what are the new products that you are launching in this financial year, FY25? Are there any new products planned?

**Parag Bhise**

So look, we essentially work on these 3 product suites, which are FinnOne Neo, the FinnAxia and Payse, which we also talk about. We keep enhancing them, so the latest enhancement is in FinnOne Neo, we are now building the Islamic version, which is used in the Middle East, Malaysia etcetera. So that's a significant functionality enhancement that we are doing.

**Vinay Nadkarani**

Okay. And that's it for me, sir.

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## **Moderator**

Thank you. Next question comes from Chinmay Nema from Prescient Capital. Please go ahead.

## **Chinmay Nema**

Hi, sir. Good afternoon. Thank you for taking my question. Could you highlight what are the top info, the areas?

## **Swati Ahuja**

Chinmay, request you to please be a little louder?

## **Chinmay Nema**

Could you highlight what are the key areas, top 4 areas where you see the requirement for improvement, and what are the doing in those areas? This is more in, more about the somewhat underwhelming new client additions and revenue growth?

## **Parag Bhise**

Two things. One is definitely there is a focus, and Mr. Vishnu did talk about our being in talks with a lot of customer, a lot of prospects. So those that definitely increasing the new sales is definitely one area. On the operations side, the whole idea is how we can more and more improve the overall customer experience. So I had talked about the strategic initiative of Hoshin Kanri, the entire thing is aligned through various smaller initiatives to improve the customer experience ultimately. These are the two things I would want to talk about.

## **Chinmay Nema**

Do you have any plans of onboarding, new people in the senior management in these domains from a short term or a long term perspective?

## **Parag Bhise**

Sales senior leadership yes, definitely that is our plan. You would be aware that just last quarter, we both our CFO and CHRO have joined. So that way the management team is strong and yes sales side we definitely plan to onboard our leaders in different regions.

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**Chinmay Nema**

Okay, sir. Thank you.

**Moderator**

Thank you. That would be the last question for the day. Now I hand over the floor to Swati for closing comments.

**Swati Ahuja**

Thank you Pelcia. We would like to thank all the investors for joining us today on this call. I will now pass it over to Vishnu sir for his closing comments.

**Vishnu R Dusad**

I would like to take this opportunity to thank all of you for your continued interest in Nucleus Software. And we'd like to reiterate our commitment to build long term value for our customers and all of our stakeholders and the society at large. Thank you.

**Moderator**

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

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