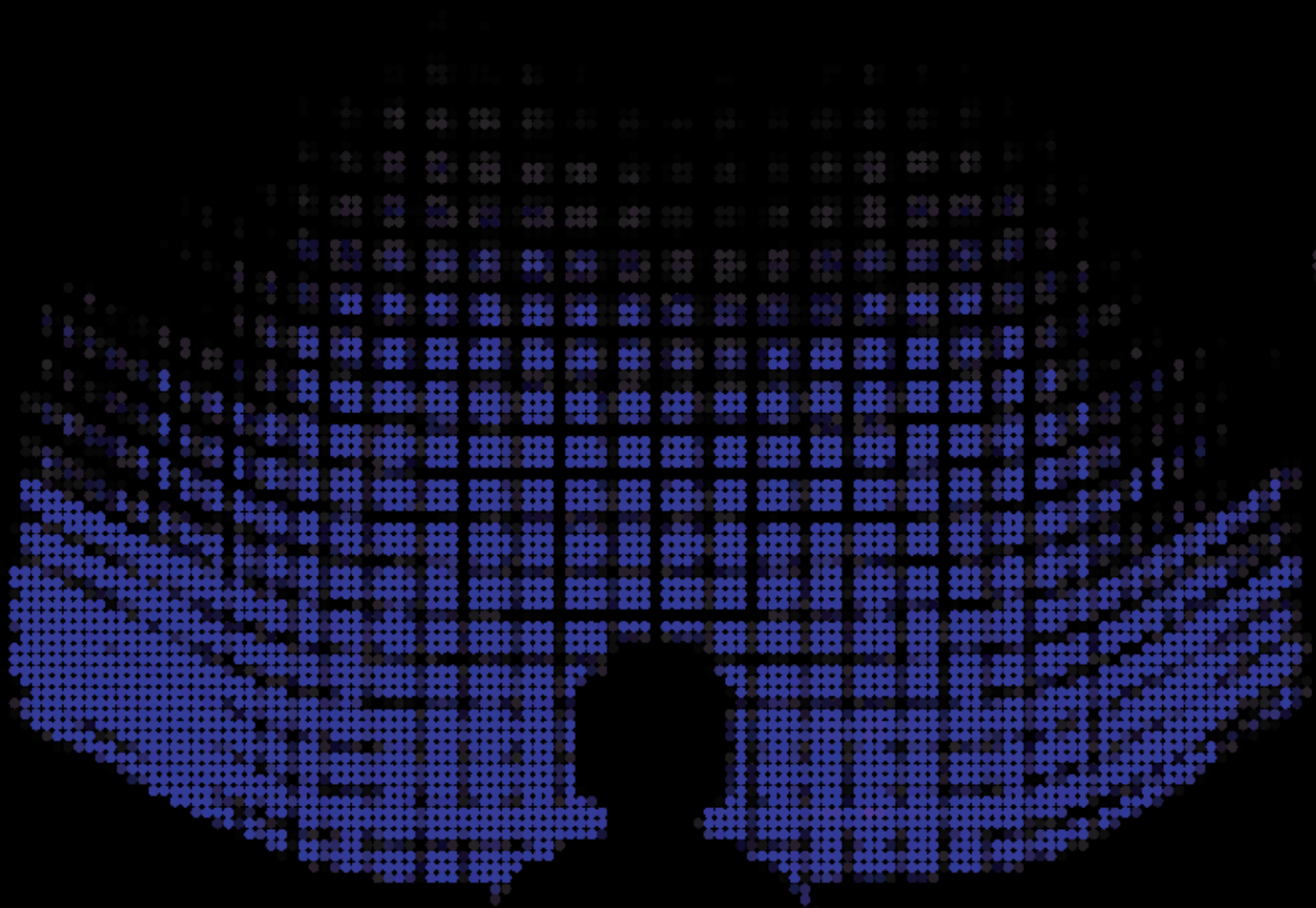


*Riding the wave of*  
**DIGITISATION**



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### CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this Annual Report are based on assumptions and expectations of future events and may be considered as forward-looking statements. Such statements must be reviewed in conjunction with the risks that the Company faces. Although the Management has considered future risks as part of the discussions, future uncertainties are not limited to the Management perceptions.



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# Chairman's Message

*Dear Shareholders.*

As the world completes a year of dealing with the pandemic, the innovative spirit of humanity shines forth as the guiding light through the tunnel. From crowdsourcing to fill supply chain gaps in our infrastructure to the rapid adoption of digital payments, the citizens of the world have shown their resilience to the disease that threatened to cripple our economies as well. Nucleus sits at the cusp of this new digitization wave that sweeps through the world. Not only do Nucleites utilize decades of specialization in the Banking Financial Services & Insurance sector, their passion for innovation pushes our products through previously unimaginable frontiers which now seem to have reached our doorsteps.

The two flagship products of this company- FinnOne Neo™ and FinnAxia™ are beacons of deep domain expertise and cutting-edge architecture and design. These products have been helping our customers across the globe to speedily reap benefits of digitization and in turn provide greater value to the end consumers. On the other hand, our Services division continues to innovate by working on technologies like robotic process automation, data analytics to assist customers to stay ahead of their competition.

While social distancing is one of the most essential steps for prevention of the spread of COVID, preserving the feeling of community while working from distant offices throughout the year becomes challenging. Nucleites left no stones unturned in their efforts to keep the customers satisfied while supporting each other. Nucleites celebrated Founder's Day across 5 time-zones in July 2020 and then conducted our annual tech conference – NucTech discussing topics ranging from responsible AI, blockchain to gene editing in Jan 2021. During the past year, they also came together to provide help for those Nucleites who were afflicted by the pandemic through a task force. The company continued to support its CSR initiatives in different parts of the country, with a greater focus on providing relief to those whose livelihoods or education was affected by the pandemic.

This period of work from home has brought in a fresh perspective that we can continue providing great value to our customers and beyond with the same vigor while working from different corners of the globe. As the new year fiscal year begins, this perspective provides us with great strength to knock on opportunities that have been untapped.

Stay safe and healthy.

*S.M. Acharya*

**CHAIRMAN**  
**JUNE 3, 2021**





## CEO's Message

*Dear Shareholders.*

Nucleus has been investing in R&D for its products and services for the past several years. As the world catches on to the digitization wave, our products are ripe for adding increased value to our customers' businesses.

The power of Nucleus's products and the agility of the teams was evident when governments across the globe announced the Moratorium last year. As various IT companies were still trying to grapple with work from home (WFH) rules, Nucleites had been fully enabled to continue business as usual and support their customers before the lockdown was announced. Due to this preparedness, when the moratorium was announced by different central banks, Nucleus's product support teams started work on this issue immediately. Over 60 Million loans of 55+ financial institutions had been supported through our lending platforms during the Moratorium periods.

Through the year we have added numerous accolades to our bag. Our transaction banking solution FinnAxia™ was awarded the "Best Technological Innovation in Payments (B2B)" award at the Seamless Middle East 2020 conference in Dubai. Through this award, the revolutionary AI engine FarEdge™ that is a part of FinnAxia™ was recognized for helping corporate treasurers detect and act on fraudulent and duplicate payment instructions before they are executed by the bank. With the high configurability and robustness of our lending product FinnOne Neo™, Nucleus was able to enter a new business line, that of insurance. Our Services division has received much praise from Middle East customers and have been engaged for a multi-year digital transformation program of a European bank. In expansion of the corporate lending business, Nucleus has picked up five orders this fiscal year. PaySe™ was selected and has very successfully fulfilled the test criteria for Regulatory Sandbox on the theme of Retail Payments initiated by RBI.

During the year, our revenue was ₹ 513.53 crore and EBITDA was ₹ 128.12 crore. Consolidated net profit after tax (PAT) stood at ₹ 117.95 crore, and Earnings per share (EPS) for the year was at ₹ 40.62.

In trying times, it is holding on to the strong anchors of principles and operational excellence that helps a boat sail through. The pandemic and WFH culture have allowed us to renew our focus on fundamentals. This year, we shall be directing our efforts to ensure our customers continue to experience the same and better levels of quality of products and services as they have come to expect from Nucleus.

*Parag Bhise*

**CHIEF EXECUTIVE OFFICER**

**JUNE 3, 2021**



## OUR OFFERINGS

**FinnOne Neo™**

The FinnOne Neo™ suite is an end-to-end solution for Lending Businesses. The Customer Acquisition System (CAS) module covers the entire customer on-boarding process, with a multi-channel front end and a solid credit process backend. The Loan Management System (LMS) module takes care of the entire servicing life cycle of a loan including accounting, repayments, special transaction, Non-performing Asset Management, self-service through channels etc. The Collections module takes over in managing defaulters or possible defaulters. The Sales Assist is a specialized loan sourcing channel for sales staff. The Collateral Management system takes care of the complete collateral life cycle management. The Finance Against Securities module handles specialized financial products like Advances against Securities. All of the above are served by the Lending Analytics module with Customer targeting, Credit Scoring, Collection Strategy models.

In its half-yearly releases, 5.0 and 5.5 of FinnOne Neo™, Nucleus has come out with offerings that facilitate ease of digitization for both Financial Institutions and the general populace. Offerings cover a wide spectrum including Buy Now Pay Later, Finance Against Securities and video KYC in CAS, and Offline KYC, OCR of KYC in mCAS and Loan Servicing through wearable device, PayUonline payment in mServe. In the increasingly digitised world, integrability and compatibility of a software solution with other software providers becomes more and more important. Nucleus's FinnOne Neo™ has been a leader on this front and this year it can boast of carrying a large number of APIs: 421 in its API stack.

Not only is Nucleus forward thinking in terms of anticipating the market requirements, it has been instrumental in shaping the market by making FinnOne Neo™ available on the Cloud. This line of business of Nucleus now stands 50+ customers tall.

**FINNONE NEO™ PRODUCT SUITE**

## OUR OFFERINGS

**FinnAxia™**

The FinnAxia™ suite offers an enterprise solution for the Transaction Banking operations of Corporate banks. It offers a wide range of rich capabilities including Receivables Management, Payable Management and Liquidity Management, all of which are designed to allow banks to support the needs of their Corporate customers. It also now offers an innovative Financial Supply Chain platform for Corporates and SMEs. The Product modules can be used as independent product systems or together to form a single integrated platform.

FinnAxia™ 7.5 helps banks improve the stability of corporate supply chains and reduce disruptions in these uncertain times. With FinnAxia™ 8.0, banks can equip their clients with the necessary information regarding cash positions and risk exposures, along with supporting analyses to make more informed, rapid decisions.

The release introduces an AI-powered chatbot which allows the corporate to view a full range of payable and receivable invoice immediately on enquiry. The list of invoices is prioritized according to the corporate's collection strategy and leveraging intelligence based on past records.

**FINNAXIA™ PRODUCT SUITE****Global Receivables****Global Payments****Global Liquidity Management****Virtual Account Management (VAM)****Financial Supply Chain Management (FSCM) & Electronic Invoice Presentment and Payment (EIPP)****e-Trade Finance****Electronic Bill Presentment and Payment (EBPP)****Digital Compass – Corporate Front End Channel**



## OUR OFFERINGS

# Services

The Services division of Nucleus Software plays a crucial role in digital transformation of organizations by delivering seamless customer experiences, operational efficiencies and actionable insights. This division leverages a broad spectrum of disruptive technologies like Next Generation Application Development, Application modernization, Data Engineering & Analytics, Robotic Process Automation (RPA), Infra Services and more. The Services wing of Nucleus has operations in India, South Asia, Japan, Middle East and Europe.

Nucleus Services recently implemented RPA for one of the government ministries in Abu Dhabi and for one of the regional banks of Europe. This business implemented DevOps and Cloud for one of the top banks in Middle East and is also doing a multi-year digital transformation of a legacy Mainframe platform for one of the regional European Banks.

Data Engineering  
and Analytics



Next Gen Application  
Development



Application  
Modernization



Robotic Process  
Automation



Infra Services



# Corporate Social Responsibility

