

ANNUAL REPORT ON CSR ACTIVITIES

Corporate Social Responsibility (CSR) is a means to balance economic, social and environmental objectives while addressing stakeholder expectations and enhancing shareholder value. It is a responsible way of doing business.

The objective of CSR framework at Nucleus is to encourage the stakeholders to have a more meaningful engagement with the business rather than the often-prevalent one-sided expectation driven engagement.

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. The Company believes that responsible investments in this regard will generate long term value for all the stakeholders.

In accordance with the requirements of Companies Act 2013, the Board constituted a Corporate Social Responsibility Committee comprising of a majority of Independent Directors and chaired by an Independent Director. The CSR Committee comprises of Prof. Trilochan Sastry-Chairman of Committee, Mr. Vishnu R Dusad and Mr. Prithvi Haldea. The Committee framed and recommended a CSR Policy to the Board for adoption and instituted a transparent monitoring mechanism for ensuring implementation of the projects / activities to be undertaken by the Company.

The CSR Policy may be accessed on the Company website link: <http://www.nucleussoftware.com/investors>. The objective of CSR Policy of your Company is to support the guiding principle of "Together We Grow". Through the CSR initiatives, your Company strives to provide equitable opportunities for sustainable growth. Your Company would engage in activities whereby business further contributes to make a positive and distinguishing impact on the environment, customers, employees, other stakeholders and the environment.

As per the CSR Policy, the objective of CSR will be achieved through concentrated and dedicated initiatives/projects encompassing the following identified core areas:

- **Education –**
 - o To encourage the development of human capital of the country by expanding human capabilities through skills development, vocational training etc. and by promoting excellence in identified cultural fields.
 - o Including special education and employment enhancing vocation skills specially among children, women, elderly, and differently abled and livelihood enhancement projects
 - o Providing basic computer based literacy programs for unprivileged children in nearby villages
 - o Assisting in providing better infrastructural facilities to schools for construction/renovation/repair of hostels, school buildings, classrooms etc.
- **Health & Medical Care –**
 - o Promoting preventive health care measures
 - o Assisting in providing better infrastructural facilities to Medical Centres/Hospitals/Dispensaries etc.
 - o Actively supporting healthcare programmes of nearby localities.
- **Community at large –**
 - o Setting up homes and hostels for women, orphans, setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
 - o Promote employment opportunities for differently abled persons.
 - o Development of rural based projects
- **Environment -**
 - o Promote ecological balance, protection of flora and fauna, animal welfare, conservation of natural resources and maintaining quality of soil, air and water.
 - o Promoting recycling waste for energy production and installation of solar panels.

Your Company has also set up Nucleus Software Foundation ("the Foundation"), a Trust for the purposes of undertaking CSR activities of the Company. During the year, the Company has spent ₹ 0.71 crore on CSR activities.

In the year gone by, the CSR Committee focussed on Education and Health & Medical Care as core areas for the CSR activities for the year. The Company funded projects for installing of handpumps to provide safe drinking water to population residing in selected rural areas of the country. A total of ten handpumps were installed during the year.

The Company promoted Education by partnering with various implementing agencies for providing better infrastructure facilities in schools of identified slum areas, Trainings and workshops for schools in rural areas of the country, computer training to teachers, setting up libraries etc. in schools.

Your Company is conscious of its duties towards the community and our planet and the coming years shall witness your Company in several CSR areas.

Financial details regarding CSR activities of the Company

As per the Section 135 of the Companies Act, 2013 and Rules made thereunder, the Company is required to mandatorily spend at least two per cent of the average net profits of the Company made during the three immediately preceding financial years, on prescribed CSR activities.

Particulars	Amount in ₹ crore
Average net profit of the Company for the last three financial years (FY 12- FY 14)	59.27
Prescribed CSR expenditure (2% of average net profits as above)	1.19
Details of CSR expenditure during the financial year (FY 15)	
Amount spent	0.71
Amount unspent	0.48

The manner in which the amount was spent during the financial year is detailed as follows:

CSR project or activity	Sector in which the project is covered	Location of the Projects / programs	Amount outlay (budget) (in ₹ crore)	Amount spent on the projects or programs (in ₹ crore)	Cumulative expenditure upto the reporting period (in ₹ crore)	Amount spent: Direct or through implementing agency
Restoration of school	Promoting education	Tikiapara slums, Kolkata	0.25	0.11	0.11	through implementing agency
Science on wheels for under served schools	Promoting education	Chirang district in Assam	0.14	–	–	through implementing agency
School for the children living in red light area	Promoting education	Ahmednagar	0.14	0.01	0.01	through implementing agency
Handpumps in rural areas	Making available safe drinking water	Villages of gogunda , vallabh Nagar and kehrwara tehsils of Rajasthan.	0.10	0.09	0.09	through implementing agency
Educational assistance for tribal students	Promoting education	Tribal areas of Ranchi	0.08	0.02	0.02	through implementing agency
Total			0.71	0.23	0.23	

The Company works with non-governmental organizations /schools/other institutes/organsiations for implementing the above projects.

The Company was in the process of further identifying worthwhile avenues for CSR expenditure during the year and in its absence, there was a shortfall of ₹ 0.48 crore in the expenditure done on CSR activities with regard to the amount mandated as per law. The Company is committed to CSR and shall strive to at least spend the amount as provided in law.

Responsibility statement of the CSR Committee

The implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Sd/-

Vishnu R Dusad
(Chief Executive Officer /Managing Director)

Sd/-

Prof. Trilochan Sastry
(Chairman CSR Committee)