

ANNUAL REPORT ON CSR ACTIVITIES

Brief outline of the company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes:

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.

The CSR Policy may be accessed on the Company website link: <http://www.nucleussoftware.com/investors>.

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 & MedicalCare –

- o Promoting preventive health care measures
- o Assisting in providing better infrastructural facilities to MedicalCentres/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.

CSR committee:

In accordance with the requirements of Companies Act 2013, the Company has 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 , Mr. Prithvi Haldea and Mr. S. M. Acharya.

Focus areas:

Your Company has set up Nucleus Software Foundation (Foundation), a Trust for the purposes of undertaking CSR activities of the Company.

During the year under review, the Foundation worked towards its aim to take technology aid for enabling Quality Education at the bottom of pyramid. It undertook a project to support the education for the underprivileged children by use of digital games in app format for better engagement and assessments.

The schools which were selected for the pilot run were for underprivileged children, managed by NGO's and located in NCR area.

The other CSR initiatives undertaken by the foundation during the year are:

- Sponsor of college and hostel fees of two students of IIT Roorkee.
- Funding for watershed projects
- Donation for flood relief in Chennai

Average net profit of the Company for last three financial years for the purpose of computation of CSR:

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
a Average net profits of the Company for the last three financial years (FY 14-16)	69.52
b Prescribed CSR expenditure (2% of average net profits as above)	1.39
Details of CSR expenditure during the financial year (FY 16)	
c Amount contributed to Nucleus Software Foundation by the Company	1.20
d Amount spent by Nucleus Software Foundation	1.12
e Amount unspent for financial year (FY 16) (b-c)	0.19

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

CSR project or activity	Sector in which the project is covered	Location of the Projects / programs	(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
i. Expenditure on Project /Programme						
Enabling Quality Education	Promoting education	Delhi and surrounding areas in Noida (UP)	0.49	0.49	0.49	Through Nucleus Software Foundation
Educational assistance	Promoting education	I IT Roorkee	0.01	0.01	0.01	Through Nucleus Software Foundation
Educational assistance	Promoting education	Noida, Uttar Pradesh	0.06	0.06	0.06	Through Nucleus Software Foundation
Educational assistance	Promoting education	Ghaziabad, Uttar Pradesh	0.05	0.05	0.05	Through Nucleus Software Foundation
Watershed management	Making available safe drinking water	Maharashtra and Rajasthan	0.42	0.42	0.42	Through Nucleus Software Foundation
Flood relief	Chennai Flood relief	Chennai	0.07	0.07	0.07	Through Nucleus Software Foundation
Administration expenses	Overheads		0.02	0.02	0.02	Through Nucleus Software Foundation
Total			1.12	1.12	1.12	

Reasons for not spending the prescribed amount

The Foundation is in the process of stabilizing the initiative of digital education and this being a longterm project, there was a shortfall of Rs.0.19 crore in the expenditure done on CSR activities with regard to the amount mandated as per law.

Responsibility statement of the CSR committee

We hereby declare that implementation and monitoring of the CSR policy are in compliance with CSR objectives and policy of the Company.

We thank the Trustees of the Foundation who devoted their time and efforts in planning, guiding and monitoring the CSR activities.

Sd/-

Vishnu R Dusad
(Chief Executive Officer /Managing Director)

Sd/-

Prof. Trilochan Sastry
(Chairman CSR Committee)