

Nucleus CSR Policy

1. Objective

Corporate Social Responsibility 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 Policy at Nucleus is to support the guiding principle of “Together We Grow”. Through the CSR initiatives, the Company strives to provide equitable opportunities for sustainable growth, thereby aligning with our goal to build Nucleus into an organization which maximizes Stakeholder Value.

The 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.

The CSR Policy of the Company would develop a systematic approach to administer CSR activities undertaken as per the Policy.

2. Definitions

1. “Administrative Overheads” means the expenses incurred by the Company for general management and administration of Corporate Social Responsibility functions in the Company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme.
2. Board" means the Board of Directors of the Company.
3. "Company" means Nucleus Software Exports Limited.
4. "CSR Activities" means such programs and projects as may be approved by the CSR Committee / Board in terms of this CSR Policy.

5. "Committee" means a CSR committee constituted by the Board of Directors in terms of Section 135 of the Act and the CSR Rules.
6. "CSR Rules" means the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time.
7. "CSR Expenditure" means the amount recommended by the CSR Committee to be incurred on the CSR Activities in India in terms of the Act and the CSR Rules as approved by the Board from time to time.
8. "Net Profits" means the net profit of the Company as per its financial statement prepared in accordance with the applicable provisions of the Act,
9. "Ongoing Project" means a multi-year project undertaken by the Company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced, and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the Board based on reasonable justification.
10. "Society" means a society registered under the Societies Registration Act, 1860 or any other applicable law in India.
11. "Trust" means a public charitable trust registered under the Indian Trusts Act, 1882 or any other applicable law in India

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013 or rules framed thereunder.

3. CSR Corpus

- For achieving its CSR objectives through implementation of meaningful & sustainable CSR programmes, Nucleus will allocate 2% of its average net profits made during the 3 immediately preceding financial years as its Annual CSR Budget.
- The computation of average net profits will be carried out in accordance with the provisions of Section 198 of the Companies Act, 2013.
- The administrative overheads not to exceed 5% of total CSR expenditure of the Company for the financial year

- The unutilized CSR budget from the two (02) per cent of the average net profit, if any, may be put back into CSR activities of the succeeding year as decided by the Board and CSR committee in accordance with the Companies Act, 2013, as amended.
- Surplus arising out of CSR project, program or activities shall not form part of the business profits of Company instead the same will be further spent for CSR purposes only, or transfer such surplus amount to a Fund as specified in applicable regulations

4. GUIDING PRINCIPLES

A. SELECTION OF CSR ACTIVITIES

- 1) The Company shall spend its CSR expenditure in accordance with Section 135 of the Companies Act, 2013 and rules made thereunder. The CSR objective of the Company will be achieved through concentrated and dedicated initiatives encompassing the following identified core areas:
 - Education
 - Health & Medical Care
 - Community at large
 - Environment
- 2) Any other initiative/s which may not fall under the purview of the above core areas may also be taken up by the Company, subject to recommendation of the CSR Committee and approval by the Board members.
- 3) The programmes identified/adopted should be adaptive and flexible to meet the changing dynamics.
- 4) Focus should be on long-term sustained impact of the programmes rather than one-time impact or requiring continuous intervention.

Basis the above mentioned guiding principles, the Committee will identify the areas for the CSR Programmes of the Company from any of the activities getting covered in Schedule VII to the Act or any other area as may be permitted from time to time.



B. EXECUTION/IMPLEMENTATION OF CSR ACTIVITIES:

The implementation of the identified CSR activities shall be carried out either directly by the Company and/or through an implementing agency i.e.

- a. a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961, established by the company, either singly or along with any other company, or
- b. a company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government; or
- c. any entity established under an Act of Parliament or a State legislature; or (d) a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities. Every entity who intends to undertake any CSR activity, shall register itself with the Central Government by filing the form CSR-1 electronically with the Registrar

The Company shall clearly define the objectives along with the desired timelines to effectively implement the activities within the given time frame. The modalities of execution shall be defined with every identified project. There should also be a check on the available resources, milestones, measurements and accountability so as to effectively implement the activities

C. MONITORING MECHANISM

There shall be a robust monitoring system to ensure that the identified CSR activities are carried out to reap optimal benefits for the beneficiaries. There shall be a periodic review by the Committee for the projects undertaken. The Committee may suggest modifications in the planned activities considering the existing scenario/circumstances.

The Chief Financial Officer or the person responsible for financial management of the Company, shall issue a certificate to the Board every year certifying that the funds disbursed are utilized for the purpose and in the manner as approved.

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ANNUAL ACTION PLAN

The Committee shall formulate and recommend an annual action plan to the Board for its approval. This annual action plan shall include the following details:

- the list of CSR projects or programmes that are proposed to be undertaken in areas or subjects specified in Schedule VII of the Act;
- the manner of execution of such projects or programmes as specified in the rules;
- the modalities of utilization of funds and implementation schedules for the projects or programmes;
- monitoring and reporting mechanism for the projects or programmes; and
- details of need and assessment, if any, for the projects undertaken by the Company.

Every year, the Committee will place for the Board's approval, an annual action plan delineating the CSR Programmes to be carried out during the financial year and the succeeding years in the case of Ongoing Projects along with the specified budgets thereof.

In case of an ongoing project, the Board, on the recommendation of the Committee, shall approve the implementation of the project with timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period. It shall also monitor the implementation of ongoing projects.

5. REPORTING & DISCLOSURES

The Company shall from time to time report and provide adequate disclosures as may be required pertaining to CSR activities and programs carried by it.

6. GENERAL GUIDELINES

- The endeavor shall be to create a spirit of volunteerism amongst the employees for execution of the projects under this policy.
- The Company shall adopt fair and inclusive practices throughout the operations and seek to eliminate all prejudice.

- Compliance with this policy shall be continuously monitored, reviewed and updated subject to review by the CSR Committee.
- Preference for undertaking CSR activities may be given to the local areas in and around the area of operation of Nucleus Software in India.

7. REVIEW

The CSR Committee reserves the right to modify, add, or amend any of provisions of this Policy subject to approval of the Board.

8. LIMITATION AND AMENDMENTS

In the event of any conflict between any of the provision of this Policy and the Act or rules framed thereunder or any other statutory enactments, the provisions of such Act or rules or statutory enactments shall prevail over this Policy.