

MMODAL'S CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES – FY 2015-16

MModal defines Corporate Social Responsibility (“CSR”) as the integration of business operations and values, whereby the interests of all stakeholders including investors, customers, employees, the community and the environment are reflected in its policies and actions. Hence, MModal’s CSR commitment positions its social and environmental consciousness as an integral part of its business plan and its commitment to all its stakeholders.

The overall goal of the CSR activities are to promote sustainable and inclusive development as a responsible corporate entity in India.

MModal’s CSR Policy aims to achieve, consolidate and strengthen good corporate governance including socially and environmentally responsible business practices that balance financial profit with social well being.

CSR Committee

MModal’s CSR Committee of the Board oversees the execution of MModal’s CSR policy and ensures that the CSR objectives are met.

Mr. David Michael Woodworth, ceased to be a Director of the Company effective 30th April, 2016 and Mr. Kashyap K. Joshi, was appointed as a Director and member of the Corporate Social Responsibility Committee of the Company with effect from 1st May, 2016.

Accordingly, with effect from 1st May, 2016, the CSR Committee comprises Mr. William John Donovan, Mr. Agnelo John Rodrigues and Mr. Kashyap K. Joshi.

Details for the Financial Year 2015-16

The provisions pertaining to CSR as prescribed under the Companies Act, 2013 are applicable to MModal Global Services Private Limited. The financial details for the financial year 2015-16 as sought under the provisions of the Companies Act, 2013 are provided below:

Particulars	Amount (Rupees in thousands)
Average net profit of the Company for the previous three financial years	235025
Prescribed CSR expenditure (2% of the average net profit of the previous three financial years)	4700
Details of CSR expenditure during the financial year under review:	
Total amount to be spent for the financial year under review	4700
Amount spent	4700
Amount unspent	Nil

CSR Projects approved for the Financial Year 2015-16

The CSR Committee of the Board of Directors at its meeting held on 4th March, 2016 recommended that an amount of INR 47,00,000/- (Rupees Forty Seven Lakhs only) be spent towards CSR activities to be undertaken by the following implementing agencies for the financial year 2015-16, as detailed below:

Name of the Implementing Agencies and Project Details	Proposed Amount (Rupees in thousands)
Annamrita - ISKCON Food Relief Foundation (IFRF) Provide mid-day meals to poor and needy children who study in government aided schools in and around the city of Mumbai with an objective to eradicate malnutrition and hunger	3465
Lakshyam Provide educational toy libraries for child development in slums at Bangalore and Hyderabad	1000
Expenditure on capacity building and administrative overheads	235
Total	4700

The CSR projects to be undertaken by the Company, as stated above, were also approved by the Board of Directors at its meeting held on 4th March, 2016.

Details of amount spent during the Financial Year 2015-16

During the financial year 2015-16, the following amount was spent by the Company towards its CSR activities:

CSR project/ activity/ beneficiary	Sector covered	Location of activity/ program	Amount Outlay (Budget)	Amount spent on activity/ program	Cumulative expenditure up to the reporting period	Amount spent: direct or through implementing agency
(Rupees in thousands)						
Annamrita' - ISKCON Food Relief Foundation (IFRF)	Malnutrition and hunger eradication	Mumbai, Maharashtra	3465	3465	3465	Through implementing agency
Lakshyam	Promoting Education	Bangalore and Hyderabad	1000	1000	1000	Through implementing agency
Capacity building of its own personnel and expenditure on administrative overheads	Capacity building and administrative overheads of the Company	Not applicable	235	235	235	The amount was spent by the Company towards (a) capacity building by sponsoring the fees of an employee for undertaking a certification program in CSR, being conducted by the Indian Institute of

						Corporate Affairs, and (b) administrative overheads towards monitoring the CSR projects of the Company
Total			4700	4700	4700	

Event subsequent to the end of 31st March, 2016

The Company had given an amount of INR 10,00,000/- (Rupees Ten Lakhs Only) to Lakshyam as approved by the CSR Committee and the Board of Directors of the Company for setting up of 4 new Toy Libraries, 2 each in Bangalore and Hyderabad. Lakshyam is a social enterprise that uplifts children and women of at-risk communities through education & employment. The payment in this respect was made to them in March 2016.

Lakshyam undertook the project, however, it did not match up to the terms as agreed under the MOU with the Company. On inspection, it was noticed that, the toy libraries did not meet the expectations of the Company with reference to the amount of investment made into the project. On investigating more into the matter and on scrutinizing the expense reports and invoices submitted by Lakshyam, it was evident that there were irregularities in the utilization of the funds given to carry out the CSR project. The Company intimated its dis-satisfaction to Lakshyam and the MOU executed between the parties was terminated with mutual consent.

On demand, in the month of August 2016, Lakshyam refunded the entire amount of INR 10,00,000/- (Rupees Ten Lakhs Only) which was given to them by the Company to undertake the CSR project on its behalf.

The amount of INR 10,00,000/- (Rupees Ten Lakhs Only) refunded by Lakshyam is being carried forward as unspent amount towards CSR activities and would accordingly be used for future projects as recommended by the CSR Committee and approved by the Board of Directors of the Company during the financial year 2016-17.

MModal's CSR Responsibilities

We hereby affirm that the CSR policy, as approved by the Board, has been implemented and the CSR Committee monitors the implementation of the CSR activities in compliance with our CSR objectives.