



**MILLENNIUM ENGINEERS AND
CONTRACTORS LIMITED**
(Formerly Known as Millennium Engineers
and Contractors Private Limited)

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CIN: U45202PN1999PLC013609

**CORPORATE SOCIAL
RESPONSIBILITY POLICY**

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CORPORATE SOCIAL RESPONSIBILITY POLICY

1. Preamble

The concept of Corporate Social Responsibility (CSR) has gained prominence from all the avenues. Sustainable Development is a Company's commitment towards all its stakeholders including shareholders, investors, banks, employees, customers, creditors, suppliers, business associates, statutory and regulatory authorities, Government, local communities, environment and society. CSR envisages an investment in the society for integrating business processes with social processes.

The Company is engaged in the business of builders and contractors. The Company is exposed to health, safety, security and environmental risks, given the diversity and complexity of the industry in which the Company operates. The Company is not only aware about its social responsibilities but also actively taking efforts for fulfilling the aspirations of the society even before the issue of CSR become the global concern and the part of regulatory enactments.

This CSR policy comprises the Company's philosophy for delineating its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community at large. The CSR Policy focuses on enhancing the stakeholder's value, generating economic value of the nation and working towards well-being of the society through addressing critical social, environmental and economic needs of the marginalized / underprivileged sections of the society.

The CSR Policy aims at actively contributing to the social and economic development of the communities in which we operate. In so doing and built a better, sustainable way of life for weaker sections of society, to contribute effectively towards inclusive growth and raise the country's human development index.

2. Purpose Of The Policy

The key purpose of this policy is to:

- Defines what CSR means to the Company and the approach adopted to achieve its goals
- Define the kind of activities that will come under the purview of CSR

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- Identify the areas of intervention in which the Company will undertake projects
- Serve as a guiding document to help execute and monitor CSR projects
- Elucidate criteria for partner implementation agencies
- Explain the manner in which surpluses from CSR projects will be treated

3. Objectives Of The Policy

This policy shall be read in line with Section 135 of the Companies Act 2013, Companies (Corporate Social Responsibility Policy) Rules, 2014 and such other rules, regulations and circulars, and notifications (collectively referred hereinafter as 'Regulations') as may be applicable and as amended from time to time and will, inter-alia, provide the following:

- Ensuring an increased commitment at all levels in the organization, to operate its business in an economically, socially & environmentally suitable manner, while recognizing the interests of all its stakeholders;
- Taking up programmes that benefit the communities in & around its work-centres / units and results, over a period of time, in enhancing the quality of life & economic well-being of the local populace;
- Ensuring the implementation of CSR initiatives in letter and spirit through appropriate procedures and reporting;
- Creating opportunities for employees to participate in socially responsible initiatives;
- Establishing a guideline for compliance with the provisions of Regulations to dedicate a percentage of Company's profits for social projects;
- Generating through its CSR initiatives, a goodwill and image of good governing corporate entity for the Company.

4. Definitions

In this Policy unless the context otherwise requires:

- 'Act' means Companies Act 2013
- 'Corporate Social Responsibility' means Corporate Social Responsibility (CSR) as defined in Section 135 of the Companies Act 2013 and Companies (Corporate Social Responsibility Policy) Rules 2014.
- 'Ministry' means Ministry of Corporate Affairs.
- 'Net Profit' means net profit as defined in Section 135 of the Companies Act, 2013 and the

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Companies Corporate Social Responsibility Policy) Rules, 2014.

- Words and expressions used in this CSR Policy and not defined herein but defined in the Act shall have the meaning respectively assigned to them in the Act.

5. CSR Committee

The Board at its meeting held on **August 22, 2017** has constituted a CSR Committee.

Terms of reference of CSR Committee are as follows:

- To formulate and recommend to the Board, a CSR activities to be undertaken by the Company;
- To recommend the amount of expenditure to be incurred on the CSR activities;
- To monitor the implement of the framework of the CSR Policy;
- To obtain professional advice from external sources and have full access to information contained in the records of the Company as well as the powers to call any employee / external consultant for such other person(s) and for such other purpose as may be deemed expedient for the purpose of accomplishments of overall CSR objectives mentioned in this policy;
- To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable or as may be necessary or appropriate for performance of its duties;

The Committee shall meet as and when required to discuss & review CSR Activities. The terms of reference, powers, quorum, and other matters in relation to the Corporate Social Responsibility Committee will be as per Section 135 of the Companies Act, 2013 and the applicable rules thereunder. A Quorum of at least two members is required to be present for the proceedings to take place. The Committee members may attend the meeting physically or via such audio-visual means as permitted under the Act. The Committee shall have the authority to call such employee(s), senior official(s) and or external person as it deems fit. The Company Secretary shall act as secretary to the Committee.

6. CSR Activities

The Policy recognizes that CSR is not merely compliance; it is a commitment to support initiatives that measurably improve the lives of underprivileged by one or more of the following focus areas as notified under Section 135 of the Companies Act 2013 and the Companies (Corporate Social Responsibility) Rules 2014:

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1. Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;
2. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
3. Promoting gender equality, empowering women, setting up homes and hostels for women and 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;
4. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;
5. Protection of national heritage, art and culture including historical buildings and sites of historical importance and works of art, setting up public libraries, promotion and development of traditional arts and handicrafts;
6. Measures for the benefit of armed forces veterans, war widows and their dependents;
7. Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
8. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, Scheduled Tribes, other backward classes, minorities and women;
9. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
10. Rural Development Projects;
11. Slum area development.

CSR Activities shall be undertaken as projects, programs of activities (either new or ongoing) excluding activities undertaken in pursuance of the normal course of business of the Company. The Company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for CSR.

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7. Procedures

Funding

The Company will try to set aside atleast an amount equal to 2% of the average net profits of the Company made during the immediately three preceding financial years.

Provided that all reasonable efforts will be made to ensure that the annual CSR allocation is fully utilized in the respective year. However, if the Company fails to spend such amount, the Board of Directors shall specify the reasons for not spending the amount in the Boards' Report.

Tax treatment of CSR spent will be in accordance with the Income Tax Act, 1961, rules, notifications, circulars as may be notified by Central Board of Direct Taxes (CBDT).

Any surplus generated from CSR projects undertaken by the Company will be tracked and channelized into the CSR corpus. These funds will be further used in development of the CSR projects and will not be added to the normal business profits.

Planning & Implementation

- i. For the purpose of focusing its CSR Efforts in a continued and effective manner, health and education are identified as a main area besides other activities permitted under the regulations.
- ii. A list of CSR Programmes which the Company plans to undertake during the implementation year will be laid down before the Committee at the beginning of each year, specifying the areas chosen and implementation schedules for the same.
- iii. Identification of projects and the executing agency/ NGO will be made, inter-alia, by assessing the following:
 - a. Project Objectives
 - b. Baseline Survey – As is and to be stated basis, accordingly the outcome of the project will be measured.
 - c. Implementation schedules – timelines for milestones of the project will need to be prescribed and agreed upon.
 - d. Responsibilities and authorities
 - e. Major results expected and measurable outcome including expenses/charges ratio as against the actual CSR spend.
- iv. If the Company decides to set up a Trust or Section 8 Company, or Society or Foundation or any

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other Form of entity operating in India to facilitate implementation of its CSR activities in accordance with its stated CSR Policy, the following shall apply:

- v. The Company would need to specify the projects/ programmes to be undertaken by such organization, for utilizing funds provided by it;
- vi. The Company shall establish a monitoring mechanism to ensure that the allocation is spent for the intended purpose only.
- vii. The Company may also implement its CSR activities through trusts, societies or section 8 companies operating in India, which are not set up by Company itself, herein collectively referred to as 'CSR Partner' or 'CSR Partner(s)'.
- viii. Such spends may be included as part of its prescribed CSR spend only if such organizations have an established track record of atleast three years in carrying on activities in related areas.
- ix. Only activities which are not for the benefit of employees of the Company or their family members shall be considered as CSR activities.

Review and Reporting

- i. The CSR Committee will review the philanthropic activities of the Company and will provide progress update to the Board of Directors every six months or at such other intervals as deemed fit.
- ii. The Company will report in the prescribed format the details of CSR activities during the financial year, and the said report will be given alongwith Boards' Report and must be updated on the website of the Company. The format of the report is provided as Annexure 1 to this policy.

Monitoring

- i. Appropriate documentation and amendments to CSR Policy, annual CSR activities, and expenditures will be undertaken on a regular basis and same will be available to the Board of Directors of the Company.
- ii. Activities taken under CSR will be reported in the Annual Report of the Company, as required by law.

8. Amendments to the Policy

The Board of Directors on its own and/ or as per the recommendations of CSR Committee can amend this policy as and when required as deemed fit. All the provisions of the CSR Policy would be subject to revision/ amendment in accordance with the regulations as may be issued by relevant statutory authorities from time to time.

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In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

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Annexure 1

Format for the Annual Report on CSR Activities to be included in the Board's Report

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.
2. The Composition of the CSR Committee
3. Average net profit of the Company for last three financial years.
4. Prescribed CSR expenditure (Two percent of the amount as in item 3 above)
5. Details of CSR spent during the financial year.
 - a) Total amount to be spent for the financial year;
 - b) Amount unspent, if any;
6. Manner in which the amount spent during the financial year is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (1) Local Area or other State & District where projects or program was undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programs Sub-heads: (1) Direct Expenditure on projects or programs (2) Overheads:	Cumulative expenditure up to the reporting period	Amount Spent: Direct or through implementing agency*
1							
2							
	Total						

* Give details of implementing agency

7. In case the Company has failed to spend the two percent of the average net profit of the last three

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financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report.

8. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the Company.

Sd/- (CEO/ MD/ Director)	Sd/- (Chairman of CSR Committee)	Sd/- (Representative of Foreign Company as specified under Section 380(1)(d) of Companies Act, 2013.)
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