

CORPORATE SOCIAL RESPONSIBILITY POLICY OF EDC LIMITED.

❖ INTRODUCTION & BACKGROUND

The EDC LIMITED., incorporated on 12th March, 1975, is a premium financial institute with registered office at EDC House, Panaji Goa and with major shareholding of Government of Goa. It is engaged primarily, in term lending, real estate and presently managing various Government schemes and land acquisition money of Government of Goa.

As a Social obligation, EDC is successfully implementing the Government of Goa sponsored, self employment loan scheme named Chief Minister's Rozgar Yojna (CMRY).

The EDC Ltd. having made net profits, is required to implement CSR Projects as per objectives and requirements set in Section 135 of the Companies Act, 2013 (hereinafter referred to as "the Act" and the Rules Notified there under).

❖ OBJECTIVES

The objectives of the Corporate Social Responsibility Policy (CSR Policy) are:

- Proper implementation of CSR Projects, as per the Act.
- To actively support the state's development agenda to ensure sustainable change.
- To reflect the commitment of EDC Ltd. to social issues like upliftment of the marginalized and under-privileged sections of the Society, to promote inclusive socio-economic growth, empowerment of communities, capacity to building, environment protection, development of backward regions.

❖ FOCUS AREAS

The EDC Ltd., in the initial phase will focus on the following areas for CSR Projects from amongst the activities specified under Schedule VII of the Companies Act, 2013 and the rules made there under:

- i) Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
- ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- iii) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans, setting up old age homes, day care centre's and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward group.
- iv) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water.
- v) Protection of national heritage, art and culture including restoration of building and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
- vi) Rural Development Projects.

❖ **CSR COMMITTEE**

The Board of EDC Ltd. has formed a CSR Committee for the Corporation and same shall consist of three or more directors, out of which at least one director shall be an independent director. The Committee shall have quorum of minimum two directors for a valid meeting.

The CSR committee of the Company is responsible for :

- i) Formulating and recommending to the Board, the CSR policy which shall indicate activities to be undertaken in line with Section 135 read with Schedule VII of the Act but restricted initially to focus areas mentioned above.
- ii) Recommending to the Board, modifications to the CSR policy as and when required.
- iii) Regularly monitoring the implementation of the CSR policy and projects and reporting to the Board.
- iv) To decide projects to be implemented and contribution to be made as Corporate Social Responsibility.

- **CSR BUDGET AND UTILIZATION**

- The CSR Committee shall advise Board on total amount to be spent on CSR projects considering net profits of the Corporation.
- The budgeted expenditure shall be utilized on approved projects in accordance with the CSR Policy.
- The CSR Projects to be undertaken shall be in line with activities listed in Focus Areas here above.
- The projects in initial phases shall be preferable in vicinity of Corporation's operation / office/projects.
- For selection of the projects, the scope, environment impact, cost, timeline, sustainability, visibility of Corporation, achievements of objectives of the policy and other relevant factors need to be evaluated.

- The Managing Director or any other officer nominated by him shall act as a CSR officer, who shall submit proposals before the CSR Committee for consideration regarding projects and selection of proper agency/NGOs to implement the project(s). The CSR Committee after due evaluation of the project and competency, cost, credibility, specialization, prior work done by implementing agency/NGOs will take the decisions regarding selection and implementation of projects.

The Managing Director shall implement such decisions of CSR Committee without further approval of the Board subject to condition that the total expenditure of CSR Projects during the year shall not exceed minimum limit stipulated in Company Law for CSR spending for a particular year.

- The surplus, if any, arising out of the CSR projects or programs or activities will not form part of business profit of the Company.

❖ IMPLEMENTATION ON CSR PROJECTS

In order to implement the approved CSR projects, the Corporation will involve specialized agencies, which could include NGOs, Trust, Self help Group, Government, Semi Government, Autonomous Organizations, Educational Institutes, Professional Consultancy Organizations, individual professional Consultant, Registered voluntary organizations or any other appropriate agency. The Corporation shall explore the possibility of collaboration with similar voluntary organizations/companies who have undertaken CSR Projects, progress or activities, in such a manner that CSR committees of respective companies are in a position to report separately on such projects or programs or activities.

Any agency selected for carrying out CSR projects should fulfill the basic mandate requirement of :

- i) being in formal existence for over five years and

ii) having executed similar projects or engaged in project related activities during last three years.

The implementation of CSR projects could be also directly undertaken by Corporation through its organization following normal processes applicable to the Corporation, for executing the works.

In case implementation is proposed or approved for implementation through specialized agencies mentioned above, then CSR Committee shall get satisfied by

reasonability of cost, estimates of the works based on advise of officers and/or, external experts, if felt necessary.

The CSR Committee may decide pattern of release of CSR funds for individual project.

The Corporation shall place on its website, the CSR Policy etc. It shall also display signages with EDC name, at the places of CSR implementation.

❖ **MONITORING ASSESSMENT AND REPORTING MECHANISM**

The CSR Committee of the Board shall monitor implementation of CSR policy through periodic review of projects. A time frame shall be fixed for all CSR projects/activities for their timely completion.

The Corporation shall monitor the project progress either directly or through professional institutes or individual outside agencies to ensure that CSR policy is implemented as per Act and Rules and that approved projects are spent as per desired intentions. The project monitoring shall include periodic visits, documentation and if required interaction with stakeholders and beneficiary Communities. There shall be quarterly review of each project by CSR committee and six monthly reviews by the Board.

The CSR Committee shall prepare annual CSR report and place for approval of Board. This report will ensure that CSR projects are properly documented. The details of CSR projects to be undertaken/to be undertaken by the Corporation, amount spent, progress etc. shall form part of the CSR report.
