



## SCAN STEELS LIMITED

Annual Action Plan for CSR activities / projects / programs for F.Y. 2021-22

## **Section 1: Background**

**Scan Steels** a name to reckon in the steel industry with diversified steel products with the world class technology & infrastructure. It is self-sufficient in all most all aspects of steel making with own Sponge Iron Plants, Induction Furnace, Rolling Mills, Billet-Caster, & Power Plant that supports India's Infrastructure Growth.

It is Company's conscious strategy to design and implement Social Investments/CSR programs, by enriching value chains that encompass the disadvantaged sections of society, especially those from local areas in nearby villages where companies' plants are located, through economic empowerment based on grass-root capacity building.

## **Section 2: Corporate Social Responsibility (CSR) at Scan Steels**

The Corporate Social Responsibility (CSR) programs of Scan Steels strive to make a difference to the communities around its area of operations. And ensure that all developmental activities/initiatives undertaken are accessible to the most marginalized segments such as children, women, elderly and those with disabilities. This would reflect particularly in the field of education, healthcare, sanitation, community welfare, skill development, employment generation, infrastructure development, sustainable livelihoods. We intend to collaborate with key stakeholders, especially the local administration and institutions to facilitate development with initiatives in mentioned thematic areas. The initiatives are strategically designed on the basis of community needs assessment, mapping, participatory planning and considering local feasibility. The CSR programs supplement the local government's efforts in development besides striving to have the communities own the initiatives and sustaining their impact over time,

Also, the Company drives holistic community initiatives to help address some of the persistent social challenges in the realms of above-mentioned thematic areas. Most of our programmes are centred in and around Sundergarh Districts of Odisha.

## **Section 3: Geographical Spread/ Outreach**

CSR activities are implemented in Local Areas ie. In nearby villages of Ramabahal, and Budhakata and village Bai-Bai, where Company's Plants are Located, besides these Villages, CSR foot print is also around the vicinity of plant area. The programs implemented are having district, block, and village focus.

#### Section 4: List of CSR Programs with proposed budget (FY 2021-22)

Sr. No .	Name of the activity /Project as per Schedule VII	Nature of the activity /Project	Manner of Execution- Direct/ Implementing Organisation	Ongoing or Non-ongoing	Amount (Rs. In Lacs)
1	Infrastructure support for Rural Development	Repairing, Reconstruction of village roads.	Directly by Company	Non-ongoing	40.00 Lakhs
2.1	Health & Nutrition	Free Cardiac surgery like bypass surgery and open-heart surgery for needy people from low socio-economical back ground in association with Jayaprakash Hospital and Research Centre Pvt. Limited, Rourkela, Dist. Sundargarh, Odisha, through the JP HRUDYA MITRA SCHEME	Directly by Company	Non-ongoing	10.00 Lakhs
2.2		Small Grants for Covid patients during the pandemic	Directly by Company	Non-ongoing	2.00 Lakhs
2.3	Promoting health care	Eradicating hunger, poverty and malnutrition, promoting preventive health care and making available safe drinking water.	Directly by Company	Non-ongoing	3.00 Lakhs
3	Education	Promoting education including special education to poor children in rural area. And Improving literacy amongst the children, women, elderly and the differently abled.	Directly by Company	Non-ongoing	5.00 Lakhs
<b>Total Funds Allocation for FY 2021-22 (Provisional)</b>					<b>60.00 Lakhs</b>

\* Detailed Scope of Activities as per Section 9

\* The allocated budgets for each of the activities from case-to-case basis are tentative based on the projections, the actual spends may vary and will be subject to approval of the Board.

\* The Committee can recommend to Board any modification to the existing Annual CSR Plan or to propose any new program during the financial year under review.

## Section 5: Manner of Execution / Implementation Methodology

The CSR Activities/ Projects shall be implemented using internal resources by the Company itself. All the Projects will be implemented at the ground by the Company itself.

Implementation will be done after conducting detailed due diligence, to execute projects at the ground, at different levels there will be mobilization, set eligibility criteria for beneficiary selection, screening and assessments, virtual interviews, Monthly/quarterly/half yearly reporting, cross reference communication, with the beneficiaries, systematic record keeping/documentation, monitoring and field visits and fixed Timeline to Execute each activity.

Duration for CSR projects/initiatives will be of maximum one year (**Before 31<sup>st</sup> March, 2022**) which will be annually reviewed and renewed on the basis of the project performance.

## Section 6: Modalities of Fund Utilization

- The CSR budget will be fixed in accordance with the provisions of the Act, Rules and the Guidelines
- The budget will not be less than 2% of the average net profits of the company during the three immediately preceding financial years
- The CSR budget will be spent on CSR activities which will be approved by the Board on the recommendation of the CSR Committee
- Scan Steels shall make advance payments for implementation of CSR activities, depending on the requirements of each project/ program.
- Utilization of the contribution given to CSR committee shall be certified by CFO of Scan Steels. Upon verification of the utilizations, Scan Steels shall extend further advance after the advance given earlier has been deployed.
- For certain projects reimbursement model will be followed. The funds will be disbursed after a financial assessment of the expenses incurred. For the remaining projects, the funds will be directly disbursed to beneficiaries with the approval of the CSR Committee & Board.
- Fund will be disbursed in phase/tranche wise depending on the nature of the project. On the basis of the expenses incurred & the submission of the relevant supporting of the expenses, i.e. bills, receipts, invoices, bank statements, etc. respective amount will be disbursed at different intervals- quarterly & half-yearly.
- CSR team will collect all the set deliverables
- Scan Steels shall also be conducting audits on its contributions as possible periodically.
- Scan Steels shall also work with the Central and State Government departments wherever appropriate and support their social development initiatives by making direct contributions.
- As guided by the Companies (Corporate Social Responsibility) Rules, 2014, as amended from time to time, Scan Steels shall work towards achieving its External Impact of CSR activities, we recognise that it's not contributions given by their donors for any activity to make profit and it is imperative that cash flows be positively maintained to ensure timely execution, while maintaining effective financial control measures.

## Section 7: Monitoring & Reporting Mechanism for CSR Programs

Scan Steels has constructed a robust and comprehensive monitoring mechanism. The monitoring mechanism includes periodic reviews as well as review at various level in management. The Monitoring Mechanism of each project will differ on the basis of the nature of the project. All the projects will be monitored & evaluated as per the objectives & deliverables set for respective projects as per Board & Committee recommendation. each project shall include well-defined timeline & parameters, CSR team shall also do internal review time to time and evaluate the progress of each of the programs.

This methodology ensures that there is operational control and efficiency, while at the same time there is management oversight and direction received timely.

**Monitoring mechanism** is as below:

1. Inception stage: baseline studies for each project/ Activity. The same may be done by Scan Steels directly
2. Concurrent Monitoring: Scan Steels's CSR Committee Members shall meet the target group of their respective programs and stakeholders on a regular basis and shall carry out the monitoring of CSR activities at different intervals through field visits, monthly calls, reporting, cross reference communication etc. by ensuring adequate measurable Key Performance Indicators in each program and provide independent feedback to the Management, wherever required.
  - On Operational Level - Quarterly/Half Yearly inputs (as per Each Activity) by CSR committee.
  - Strategic Level - Annual implementation review by CSR Committee
  - Management Level - Annual review by Board and review by CSR committee twice a year
3. The Company shall monitor a project after its completion, by comparing the details of the expenses made on the project with the budget allocated towards that project.

If the Activities is implemented by the Implementing Agency, Utilization Certificate with a statement of expenditure duly certified by a Practicing Chartered Accountant/Authorized Auditor will be submitted by the Organization/ Institution to whom CSR fund is allocated.

4. The CSR Committee, shall submit the report to Board giving status of the CSR Activities undertaken, expenditure incurred (Chief financial officer shall certify to the effect that funds are utilized as approved by the board) and such other details as may be required by the Board.
5. External impact assessment and periodic external assessments: Scan Steels shall do an independent external impact assessment of each of the projects after the conclusion of the project. Company shall also endeavor to do an annual external review to do a sense check and plan for any course corrections that may be required.



### **Reporting & Documentation:**

- Project Documentation  
Reports like quarterly report, half-yearly report, annual report/closure report, case studies, etc. will be collected by the CSR team as per the timeline.
- Financial Tracking  
In order to track the proper utilization of funds, where applicable, at different intervals of the project, CSR teams will collect & cross-check financial documents like invoices, bills & receipts, bank statements, Fund Utilization Certificate, etc.

### **Section 8: Details of need and impact assessment, if any, for the projects undertaken by the company:**

Not Applicable. As per the MCA circular Rule 8(3) (a), Company does not have an average CSR obligation of 10 Crore or more in the three immediately preceding financial years.

### **Section 9: Scope of Activities**

#### **Infrastructural Development**

Repairing, Reconstruction of village roads in and around where the manufacturing plants are located ie. Rourkela, Dist. Sundergarh, Odisha

#### **Health & Nutrition**

Being responsible and responsive to the society company is ingrained into the CSR activities through Jayaprakash Hospital and Research Centre Pvt. Limited, Rourkela, Dist. Sundergarh, Odisha under the JP HRUDYA MITRA SCHEME for free Cardiac surgery like bypass surgery and open-heart surgery for needy people from low socio-economical back ground. Those who have not availed any state or central government scheme or unable to take aid under any medical insurance scheme. Our company are initiating to take up such activities under CSR Scheme as per case-to-case basis. Provision of health care facilities for the underprivileged, therefore, is close to our heart. We empathize with the requirement of quality medical care and serve the community to the best of our abilities. We are also associated with them in this Nobel work.

Also, Company will sanction small grants for Covid relief activities during the Pandemic in the near by villages and around vicinity of plants.

#### **Health Care**

In the villages near Plants of the Company Scan Steels will initiate to give safe drinking water and Nutrition support to Eradicating hunger, poverty and malnutrition, and conduct programmes to promote preventive health care.



## **Education**

Company will Promote education including special education to poor children in rural area and enhance the vocational skills amongst the children through Srujan Academy, Village-Bai-Bai, Dist- Sudergarh, Odisha, Pin-770018. Scan steels will also sponsor education to the disabled children and take initiatives in Improving literacy amongst the children, women, elderly and the differently abled.

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