



## SCAN STEELS LIMITED

Annual Action Plan for CSR activities / projects / programs for F.Y. 2022-23

## **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 2022-23)

S r. N o.	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.	Health & Nutrition	Small Grants for Covid patients.	Direct	Non-Ongoing	02.00
2.	Animal Welfare	Aim to address material issues for each livestock industry. disease prevention and veterinary treatment, appropriate shelter, management, nutrition, humane handling, and humane slaughter.	Direct	Non-Ongoing	8.00
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.	Direct	Non-Ongoing	18.00
4.	Infrastructure support for rural development	Construction of and repairing of rural roads, culverts, street lighting etc. for rural areas.	Direct	Non-Ongoing	62.00
<b>Total Funds Allocation for FY 2022-23 (Provisional)</b>					<b>90.00</b>

\* Pursuant to provisions of Section 135 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Corporate Social Responsibility Policy) Rules, 2014 (as amended) and CSR Policy of the Company, which determines the target to make the contribution in areas or subjects specified in the Company's CSR Policy read with Schedule VII of the Companies Act, 2013.

\* 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 based on the reasonable justification for such alternation to the effect. (AAP was revised in the CSR & Board Meeting held on 11.09.2022)

#### 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, 2023**) 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**

### **Health & Nutrition**

Company will sanction small grants for Covid relief activities in the nearby villages and around vicinity of plants.

### **Animal Welfare**

The main objective is to bring positive impact in the society through our activities & contribute towards the welfare of Animals like, disease prevention and veterinary treatment, appropriate shelter, management, nutrition, humane handling, and humane slaughter. Company will partner with suitable Ngo's to support the dog sterilization programme to reduce/end rabies, to promote awareness of responsible pet ownership & support the Animal welfare movement. Rescue service for injured and abandoned dogs/cats/birds on road – The main objective of our rescue wing is to pick up the injured ones on the road and drop it in the veterinary hospital or respective animal welfare centre for its treatment.

The Company will spend on activities at any location as decided by the CSR Committee.

### **Education**

Company will Promote education including special education to poor children in rural areas help built them classrooms for different activities and enhance the vocational skills amongst the children, in nearby schools ie. 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.

### **Infrastructure**

In order to Facilitate Day to Day Commutation for Local Villagers near plants as well as for their smooth functioning of commercial purposes Company will take up Construction of and repairing of roads along with Putting Street Lights in Dist- Sudergarh, Odisha

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