



SCAN STEELS LIMITED

Annual Action Plan for CSR activities / projects / programs for F.Y. 2026-27



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 and animal welfare, skill development, employment generation, Rural/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 2026-27)

Sr. No.	Name of the Activity / Project as per Schedule VII	Nature of the Activity / Project	Manner of Execution - Direct / Implementing Organisation	Ongoing / Non-Ongoing	Amount (₹ in Lakh)
1	Promoting Health Care	Eradicating hunger, poverty and malnutrition; promoting preventive health care, sanitation and making available safe drinking water.	Direct and through Implementing Organisation	Ongoing	1.88
2	Animal Welfare	Addressing material issues for livestock, including disease prevention and veterinary treatment, appropriate shelter, management, nutrition, humane handling and humane slaughter.	Direct and through Implementing Organisation	Ongoing	2.52
3	Education	Promoting education, including special education, for poor children in rural areas; improving literacy and skills amongst children, women, elderly persons and differently abled persons.	Direct and through Implementing Organisation	Ongoing	43.86
4	Rural Development	Activities to improve livelihoods and the lives of rural populations and rural areas.	Direct	Non-Ongoing	0.57
5	Promoting Sports	Training and promotion of local sports.	Direct and through Implementing Organisation	Ongoing	2.40
Total					₹51.23 Lakh
Total Funds Allocation for FY 2026-27 (Provisional): ₹51.23 Lakh					

* 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 and in Compliance with the Act.



* 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 01.09.2026)

SECTION 5: MANNER OF EXECUTION / IMPLEMENTATION METHODOLOGY

The CSR Activities/ Projects shall be implemented case to case basis some using internal resources by the Company itself and some by engaging suitable Implementing Organisation.

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 depending upon the activity taken up.

Duration for CSR projects/initiatives will be of maximum one year (**Before March 31, 2027**) other than on going project's if any. 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 nature of Each Activity) by CSR committee.
 - Strategic Level - Annual implementation review by CSR Committee
 - Management Level - Annual review by Board and review by CSR committee Preferably 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 and nature of activity.

- 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 Care

In the villages near the plants of the company, Scan Steels will initiate safe drinking water and nutrition support to eradicate hunger, poverty, and malnutrition and conduct programs to promote preventive health care.

Lions Club of Kalunga, Rourkela Vedvyas Lions Trust, and All India Marwari Yuva Manch, implementing organizations, will help the company promote health care.



Animal Welfare

The main objective is to make a positive impact on society through our activities and contribute towards the welfare of animals through things like disease prevention and veterinary treatment, appropriate shelter, management, nutrition, humane handling, and humane slaughter. The company will partner with suitable NGO's to support the dog sterilization program to reduce or end rabies, promote awareness of responsible pet ownership, and support the animal welfare movement. Rescue service for injured and abandoned dogs, cats, and birds on the road: The main objective of our rescue wing is to pick up the injured ones on the road and drop them off at the veterinary hospital or respective animal welfare center for treatment.

The company will also engage Shri Vedvyas Goushala Samiti to contribute towards animal welfare.

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

Education

The Company will promote **education, including special education, literacy, vocational training, technical education and skill development**, with a focus on children and students from economically disadvantaged and rural communities, including persons with disabilities and other underprivileged beneficiaries.

The Company will support educational initiatives for underprivileged children in rural areas, including the **development and construction of classrooms and other facilities for educational and co-curricular activities** in nearby schools, particularly in **Village Bai-Bai, District Sundargarh, Odisha - 770018**. The Company will also undertake activities aimed at promoting literacy and access to education among **children, women, senior citizens and differently abled persons**.

The Company has contributed / proposes to contribute towards **infrastructure development and educational training for students of Industrial Training Institutes (ITIs), including vocational training and skill development programmes**, through **Seth Seoramdas Sanwarmal Garodia Charitable Trust**. These activities are aimed at enhancing the **technical knowledge, practical skills, vocational competencies and employability** of students and other eligible beneficiaries.

The Company has also contributed / proposes to contribute towards the **civil construction and development of a Computer Laboratory, along with computers, accessories and related infrastructure, at Saraswati Vidya Mandir School, Rajgangpur**, with the objective of strengthening **digital education, computer literacy and technology-enabled learning** among students.

Through these activities, the Company seeks to strengthen **educational infrastructure, promote inclusive and accessible education, enhance digital literacy, and facilitate vocational and technical skill development**, thereby contributing to the overall educational, social and economic development of the intended beneficiaries.

Rural Development

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 Putting Street Lights in Dist- Sudergarh, Odisha. Street lights have been an integral part of urban infrastructure for decades. But in rural areas, it is not well implemented. Street lights would provide visibility, safety, and security during nighttime hours. It will also help to reduce nighttime crashes by improving visibility. This initiative will also help reduce robberies, burglaries, property defacement, property damage, and other crimes that often happen in the dark. The activities under the initiative, among others, include plantations of trees near the factory areas. Our initiative to promote education will also benefit rural development.

Promoting Sports

To promote local sports such as **football, hockey and other sporting activities**, the Company will facilitate **training, coaching and other sports-related activities** to encourage participation and support the development of sporting talent.
