



MECON LIMITED
Policy on
Corporate Social Responsibility (CSR) – July,2021

1. Objective

The objective of CSR Policy is to lay down guidelines for proper functioning of CSR activities to attain sustainable development of the society.

2. Background of CSR activities and CSR Policy

MECON LIMITED, a Public Sector Undertaking under the Ministry of Steel, Government of India, has been intimately associated with the Country's Iron and Steel Industry since more than six decades and has played a significant role in its growth and development. Further MECO has diversified into Energy and Infrastructure sectors and expanded its Engineering activities Pan India.

MECON's concern towards Community Development/Welfare of Society has been duly reflected in its engagement in rural/community development activities since 60's. The then Management decided that to be part of the surroundings, contribution to the Society is a must. Those days, it was found that Ranchi an urban hamlet can hardly be delinked from its rural past. Those days, a two-kilometer walk from the Head Office, there were morrum roads, gulmohar trees and paddy fields. Besides, the Company as a whole believed that people in need have no caste, creed, urbanity or gender. Initially, the Employees were doing their bit towards the Welfare of nearby neighbouring Villages at Dibadih & Argora, situated around MECO's Township, and 2km away from its Head Office. For nearly one and half decades different Welfare schemes were implemented in these Villages, sometimes with the help of Government organizations and sometimes on their own.

Around 1976-77, it was realized that for purposeful implementation of Rural development schemes, it was necessary to study various aspects of Rural needs and workout truly Need based plans for Balanced development of the Villages. Consequently, MECO's Integrated Rural & Community Development group was formed with a few handpicked individuals and the group was named as "Community Development Committee (CDC)".

Thereafter, the Committee commissioned 'Xavier Institute of Social Service (XISS)', Ranchi for preparation of Need assessment report. This report formed the basis for planning of activities for the next 4-5 years and accordingly the Development programmes were implemented in the nearby Villages – Dibadih & Argora.

In the year 1978, MECO Board accorded approval in principle, to the Scheme prepared by the study group for Rural & Community development program, vide Item No. 30/391 of 30th Meeting of Board of Directors of MECO (held on 03.06.1978) and subsequent amendment in the "Object clause" of "Memorandum of Association" of the Company.



In due course, CDC also took-up the Development activities in the nearby localities of Doranda & Hinoo; and later on, the area of operation was expanded to the Rural areas of Ranchi & Khunti also, covering Villages – Pahar Singh Birhore, Hahe & Rupru of Angara Block of Ranchi and Villages – Jiyarapa & Rai of Khunti.

Subsequently in the year 2010, “CSR Cell” was formed to coordinate the CSR activities of the organisation in association with other employees drawn from various sections as per requirement.

Later on, MECON Board accorded approval to the “CSR Policy” (Based on DPE Guidelines,2010), vide Item No. 192/3294 of 192nd Meeting of Board of Directors of MECON held on 22.12.2010.

Afterwards, the “Policy on CSR & Sustainability – March, 2014” was approved by Board of Directors vide Item No. 206/3539, in its 206th meeting dtd. 27.03.2014, which was based on the ‘CSR and Sustainability Guidelines’ issued by Department of Public Enterprises (DPE), Ministry of Heavy Industries & Public Enterprises (MoHI&PE), Govt. of India vide letter reference no. F.No. 15(7)/2012-DPE(GM)-GL-104 dtd. 12.04.2013); and Section 135 & Schedule–VII of The Companies Act, 2013, related to CSR activities, issued by Ministry of Law and Justice (MoL&J), Govt. of India, and notified in Gazette of India (Ref. No. 27 dtd. 30.08.2013).

3. Need for a New policy on CSR

Various amendments, circulars, notifications, etc. were issued by Ministry of Corporate Affairs (MCA) & Ministry of Law and Justice (MoL&J), subsequent to the introduction of The Companies Act, 2013 & Schedule-VII and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

Now, Ministry of Corporate Affairs, Govt. of India, has also issued the Amended CSR Rules titled “**Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021**” vide **Gazette notification no. G.S.R. 40(E) dtd. 22.01.2021.**

In view of the above, the existing CSR policy of MECON Limited needed a comprehensive revision and accordingly, this new policy on CSR, encompassing the provisions of above.

4. CSR considerations while conducting Business

The Company shall carry its normal business in a manner that is beneficial to society & environment also, in addition to propagation of business.

5. Commitment & Involvement of Management & Employees

From time to time CMD and Directors shall be briefed about the CSR projects/activities. Additionally, they shall periodically visit the Project sites to have direct interaction with the targeted Beneficiaries/Villagers etc.



Besides, personnel of various Technical sections viz. Civil, Structural, Electrical, FS&PD, Finance, Contract, Purchase etc., normally involved with the CSR projects/activities, shall also be taken to the Project sites.

Furthermore, the philosophy & spirit of CSR shall also be spread amongst the Children of Jawahar Vidya Mandir, Shyamali (School in MECON's Township), especially the NSS Wing, so that they develop empathy towards the Society as a whole, and develop themselves as a sensible & responsible citizens. They shall also be taken to the Project Sites in Adopted Villages for having social interaction with the Villagers/Children etc.

6. Areas of operation

The Company is in the field of Consultancy, EPC & Project Management services and has no specific geographical area of commercial operation therefore it can take up CSR projects/activities at any location in India considering its business interests. However Aspirational Districts identified and updated from time to time by NITI Aayog, Govt. of India, shall be the preferred area of operation.

Since the Head Office of MECON is situated in Ranchi, Jharkhand state shall get the priority for CSR projects/activities; and as indicated in the 1st Provision of **Sub-section (5) of Section 135 of The Companies Act, 2013.**

7. CSR Projects/Activities

The thrust of CSR shall be for the Society, with special attention to the development of weaker/marginalized/under privileged sections of the society including SC/ST/OBC/Minorities, women and children, BPL families, old and aged, Divyangs, etc.

The CSR Activities/Projects, shall be in the areas or subjects, as specified in Schedule VII of the Companies Act, 2013 and subsequent amendment notification, circulars issued by Ministry of Corporate Affairs, Govt. of India or issued by other Ministries of Govt. of India thereof. However, special emphasis shall be given to the Yearly "Annual Theme" as announced by DPE, Govt. of India.

8. Receipt of CSR Proposals

All the requests/applications from Villagers/Gram Sabhas/Panchyat/ Ward Members/NGOs/Trusts/Societies/Beneficiaries etc. shall be received on-line through – "Apply Online Proposals" available under "CSR and SD" menu, in MECON's Website (www.meconlimited.co.in).

However, any CSR Proposal/Request received directly from Government Authorities addressed to MECON, shall be taken up separately; particularly the Aspirational District projects, which directly come from the District Administration from time to time, as guided by DPE, Govt. of India.

9. Selection & Need Assessment of CSR Projects/ Activities

All the requests/applications received from Villagers/Gram Sabahs/Panchyat/ Ward Members/NGOs/Trusts/Societies/Beneficiaries/Govt. Organisations/ Authorities, etc. shall be scrutinised and screened by CSR Cell and then their need assessment would be arranged, as required (Except for the proposals/requests received from Government Organisations/Authorities).

Normally, the need assessment shall be carried out in-house and documented.

Need Assessment is not to be carried out for Proposals/Requests received from Govt. Organisations/Authorities, as it shall be presumed that the Need Assessment has been already done.

Additionally, Need Assessment is not to be carried out in respect of Proposals/Requests recommended by MECON's Board Members.

Based on the above considerations, the CSR Projects/activities shortlisted shall be endorsed by Top Management.

10. Approval of CSR Projects/Activities

An 'Annual Action Plan' consisting of 'List of CSR projects/activities' selected shall be prepared, alongwith its other details as per **Sub-rule (2) of Rule No. 5 of Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 dtd. 22.01.2021** and put up to "CSR Committee" for their consideration and for subsequent recommendation by them to the MECON Board for its approval.

11. Allocation & Management of Funds

- a) Allocation and expenditure of CSR fund shall be as per **Sub-section (5) of Section 135 of The Companies Act, 2013**.
- b) The "CSR Committee" shall recommend to the Board, the amount of expenditure, which shall be spent on the CSR activities, for its approval by the Board, as indicated in **Sub-section (3) of Section 135 of the Companies Act, 2013** and guidelines issued from time to time by DPE, Govt. of India.
- c) Further, as indicated, the expenditure shall be per **Rule no. 7 of Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 dtd. 22.01.2021**; and as per amendment in Section 135 of The Companies Act, indicated in **SI. No. 27 of The Companies (Amendment) Act, 2020** notified by Ministry of Law and Justice in the Gazette of India **dtd. 28.09.2020**.
- d) The transfer of unspent/ unutilized fund shall be done as per **Rule No. 10 of Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 dtd. 22.01.2021**; and as per amendment in Section 135 of Companies Act, indicated in **SI. No. 21 of The Companies (Amendment) Act, 2019** notified by Ministry of Law and



Justice in the Gazette of India **dtd. 31.07.2019.**

- e) Any amendment/additional stipulation issued by MCA & DPE, as and when notified, shall be taken into account.

12. Institutional arrangement

The “CSR Committee” shall be as per **Sub-section (1) of Section 135 of The Companies Act, 2013.**

The “CSR Committee” and the Nodal Officer’s team of officers/employees, through In-Charge, CSR Cell shall constitute the two-tier organisational structure to steer the CSR agenda of the company.

The monitoring of CSR Projects/activities shall be as per **Sub-section (3) of Section 135 of The Companies Act, 2013** and **Sub rule (6) of Rule No. 4 of Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 dtd. 22.01.2021.**

The day-to-day implementation shall be under the overall supervision of a senior level executive (in the rank of E8/E9), who shall act as the Nodal Officer.

The Nodal Officer (CSR) alongwith the Head of CSR Cell shall coordinate & implement the CSR projects/activities.

13. Planning, implementation & monitoring

In order to fulfill the objectives, it shall be ensured to include few local representatives as link-man/co-ordinator for various CSR activities/projects in villages; persons/representatives from Villages/Gram Sabhas/ Ward members shall also be engaged. This will help in achieving the target as well as participation of the local representatives in formulating the various activities to obtain maximum benefit by community.

The CSR Projects/Activities shall be implemented as per **Rule 4 of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 dtd. 22.01.2021**, as applicable.

The CSR activities/projects shall be implemented by MECON itself and shall, as far as possible, be implemented in Project mode.

The purchase/procurement/ordering activities related to construction/civil projects/activities and others such as sourcing of items/services shall be processed as per Rules & Regulations of the company, prevalent from time to time.

Further, close co-ordination shall also be done with Central/State/Local Governments/NGO’s to synergise the activities with their developmental programmes, particularly Aspirational District projects. In addition, for large projects/scheme/initiative etc. of District Administration/State Government/ Other Government etc., where fund shall be transferred for achieving their goals, Utilisation Certificate shall be sought accordingly.



All the CSR activities shall be monitored regularly by the Nodal Officer (CSR) and In-Charge, CSR Cell.

14. Reporting

Annual Report on CSR & Sustainability activities shall be included in the Board's Report as per **Sub-rule (1) of Rule 8 of Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 dtd. 22.01.2021.**

15. Impact Assessment

Impact Assessment, as required, shall be carried out as per as per **Sub-rule (3) of Rule 8 of Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 dtd. 22.01.2021.**

16. Documentation & Display of CSR Activities in MECON's Website

The Composition of Board Level Committee, CSR Policy, Projects approved by the Board, etc., shall be made available in MECON's website for public access, as per **Rule 9 of Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 dtd. 22.01.2021.**

17. Policy documents to be referred for implementation of CSR projects/ activities

- a) Policy of MECON Ltd. on CSR
- b) Section 135 & Schedule-VII of The Companies Act, 2013 and subsequent Amendments notified by Ministry of Law & Justice, Ministry of Corporate Affairs, Govt. of India, etc.
- c) Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 dtd. 22.01.2021.
- d) Any Amendment/Revision/Addendum/FAQ (Frequently Asked Questions)/Clarifications, etc. to the above acts/rules/guidelines issued by Ministry of Corporate Affairs, Ministry of Law & Justice, Department of Public Enterprises, Ministry of Heavy Industries & Public Enterprises, Govt. of India, etc. from time to time.
- e) Any guideline/circular/instruction issued by Govt. of India on CSR activities from time to time.

18. General

- a) Any or all provisions of the CSR Policy shall be subject to revision/amendment in accordance with the guidelines on the subject as may be issued by concerned Ministries of Government of India, from time to time.
- b) The alteration of the plan approved, shall be carried out as per the provisions indicated in **Rule 5 of Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 dtd. 22.01.2021.**