

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY OF J. K. COTTON LIMITED

Date: 11.02.2021

Background

Since inception J.K. Cotton Limited has remained socially responsible. It would be undertaking various Corporate Social Responsibility initiatives.

In its commitment to CSR initiatives, the Company plans to make available religious, charitable, medical and educational assistance to economically disadvantaged, poor, downtrodden and socially weaker sections of the society and to play a pivotal role in infrastructural development of surrounding areas. CSR Activities are expected to strengthen the relationship with local people.

CSR Vision Statement and Objective

Corporate Social Responsibility is the commitment of the Company to behave ethically and contribute to the economic development of the local community and society at large. All efforts shall be made to operate the business with emphasis on Corporate Social Responsibility in all areas of operations by ensuring that the business values and operations meet the expectations of shareholders, customers, employees, suppliers and the communities living around the plants and offices.

Our endeavour towards implementing CSR initiatives focuses on water, health and sanitation, energy conservation, pollution-free atmosphere and clean technologies.

Scope and Applicability

This policy shall be applicable to the Company.

Core Ideology

For the Company, responsible business practices include being responsible for our business processes, products and engaging in responsible relations with employees, customers and the community. Hence for the Company, Corporate Social Responsibility goes beyond just adhering to statutory and legal compliances but create social and environmental value while supporting the Company's business objectives and reducing operating costs; and at the same time enhancing relationships with key stakeholders and customers.

Total Outlay

The Company pledges to set apart and spend at least 2% of the average net profits made or such other percentage as may be prescribed* during the three preceding financial years specifically towards CSR initiatives more specifically described in Schedule VII of the Companies Act, 2013 as amended from time to time.

Allocation of Resources & Thrust Areas

The CSR Committee of the Board of the Company will undertake various CSR initiatives while giving preference to the needs of the local communities where we operate.

Our commitment to CSR will be manifested by investing resources in any of the areas enumerated in Schedule VII of the Companies Act, 2013 as amended from time to time.

The companies shall give preference to the local area and area around it where it operates for spending the amounts earmarked for CSR activities. The selection of CSR Activities and Projects shall be based on its objective assessment of the proposal(s) received from implementing agency(ies) by the Board.

Any surplus arising out of the CSR activities shall not form part of the business profit of a company and shall be utilized as may be prescribed*.

Implementation

The Company has constituted a CSR Committee of the Board as prescribed*.

The mandate of the said CSR Committee shall be:

- Ø To formulate and recommend a CSR policy to the Board
- Ø To formulate and recommend to the Board an annual action plan in pursuance of CSR Policy.**
- Ø To recommend amount of expenditure to be incurred on CSR activities;

The Board shall:

- Ø To adopt a CSR policy taking into consideration the recommendations of CSR Committee.
- Ø To adopt Annual Action Plan taking into consideration the recommendations of CSR Committee.
- Ø To identify and appoint the implementing agency(ies), from time to time for undertaking CSR Activities after satisfying itself with respect to the credentials and track record of the implementing agency(ies).
- Ø To monitor and take note of report(s) with respect to CSR Expenditure incurred being incurred as per the annual action plan.**
- Ø To verify disbursement of funds for CSR Purposes and the manner of spending and take note of Certificate furnished by CFO with respect to expenditure incurred during Preceding Financial Year**.
- Ø To approve set off of excess CSR Expenditure, if any incurred during the preceding Financial Year.**

In case the Company fails to spend such amount, the Board's report shall specify the reasons for not spending the amount.

The CSR Committee will convene periodic meetings as may be required. The CSR Committee will review the strategy from time to time and may choose new focus areas and projects as and when required.

The required information as prescribed* will form part of the Company's Annual report and will be displayed on the Company's website.

* Prescribed under the Companies Act, 2013 and Rules made thereunder, as amended from time to time.

** Effective from 1st April, 2021.

For J. K. Cotton Limited

Sd/-

Company Secretary