THE COTTON CORPORATION OF INDIA LTD., NAVI MUMBAI
CSR POLICY 2025-26

1) Brief outline of CSR Policy:

- The Cotton Corporation of India Limited (CCI) is a Public Sector Undertaking under the administrative control of Ministry of Textiles, Govt. of India. It is a Nodal Agency of Govt. of India to undertake Minimum Support Price (MSP) operations of cotton when the prices of seed cotton fall below the MSP level announced by Govt. of India. The mission of the Corporation is to help the cotton farmers by ensuring them remunerative price for their produce and thereby protect their economic interest. CCI is operating on PAN India basis with its more than 570 procurement centres in all cotton growing states. Thus, farmers are the prime stakeholders of CCI and the whole CSR activities of CCI are aligned for the benefits of the cotton farmers' community.
- The Department of Public Enterprises (DPE), vide their letter F.No.15(3)/2007-DPE(GM) dated 9th April 2010 has introduced Corporate Social Responsibility for Central Public Sector Enterprises. The CSR was included in MOU from the year 2010-11 onwards. As envisaged in the guidelines of CSR, the corporate performance needs to be matched in terms of economic impact, social impact and environmental impact; commonly called the "Triple Bottom Line".
- Thereafter, the Ministry of Corporate Affairs (MCA), vide its notification dated February 27, 2014, notified Section 135 and Schedule VII of the Companies Act, 2013, along with the Companies (Corporate Social Responsibility Policy) Rules, 2014, and subsequent amendments, including the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 notified on January 22, 2021, and Companies (Corporate Social Responsibility Policy) Amendment Rules, 2025 notified on July 7, 2025, pursuant to which companies are required to undertake expenditure on Corporate Social Responsibility (CSR) activities.
- Taking into consideration of aforesaid CSR guidelines and DPE annual CSR theme declared from time to time, CCI has been involved in various CSR activities to generate community goodwill, create social impact and visibility.
- The outline of CCI's CSR policy is as under:

a) CSR Vision Statement:

- The Corporate Social Responsibility (CSR) is a planned set of activities for CCI, which is targeted to have a significant positive impact in the long term taking into consideration the Corporation's capabilities, expectations of the communities living in and around the areas of its operation as well as where it has its presence.
- The aim is to play a catalytic role in the sustainable socio-economic development in the regions, where it is located or where its interests lie, attempting to create an enabling working environment for CCI as well as sustained regional development.

b) CSR Mission:

- To serve the interests of society by taking responsibility for the impact of Corporation's activities on shareholders and environment in all aspects of its operations.
- Commitment to operate in an economically, socially and environmentally sustainable manner, while recognizing the interests of its stakeholders.
- To closely linked with the practice of sustainable development and extends beyond philanthropic activities and reaches out to the integration of socio-economic and business goals to secure sustainable competitive advantage.

- ✧ Ensure benefits to the smallest unit i.e. village, panchayat, block or district depending upon operations and resource capability of the Corporation.
- ✧ To undertake CSR activities aimed at long-term, sustainable socio-economic development, with an expenditure limit of 2% of the average net profits of the company, as prescribed under Section 135(5) of the Companies Act, 2013, calculated on the basis of the three immediately preceding financial years.

c) Local Area:

CCI is operating on PAN India basis in all cotton growing states (viz, Punjab, Haryana, Rajasthan, MP, Gujarat, Maharashtra, AP, Telangana, Karnataka, Odisha, Tamil Nadu and West Bengal) to help the cotton farmers by ensuring them remunerative price for their produce. Therefore, the whole CSR activities of CCI are aligned for the benefits of the cotton farmers' community living in and around of its operation as well as where it has its presence. Thus, the local area for CSR activity of CCI is confined to the cotton farmer's area only.

2) Composition of the CSR Committee by Board:

Name	Designation	Category
Shri L.K. Gupta	Chairman-cum-Managing Director, CCI	Chairman
Smt. Padmini Singla, IAS	Joint Secretary (Fibre), MoT, GoI	Member
Shri Vijay Kuradagi	Director (Marketing), CCI	Member
Shri R.K.Gupta	Director (Finance), CCI	Member
Dr. Prashant V. Patil	Independent Director	Member

Shri Pranjal P. Joshi, CGM (Mktg.)/Nodal Officer will facilitate the CSR and sustainability initiatives of the Corporation and report the progress before Board Level Committee.

The terms of reference of the Committee is given below:

- ➢ Formulate CSR policy to the Board for approval.
- ➢ Formulate and recommend to the Board, an annual action plan in pursuance of its CSR Policy including the following:
  - ✧ List of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act.
  - ✧ The manner of execution of such projects or programmes as specified in sub-rule (1) of rule 4.
  - ✧ The modalities of utilization of funds and implementation schedules for the projects or programmes.
  - ✧ Monitoring and reporting mechanism for the projects undertaken.
  - ✧ Details of need and impact assessment, if any for the projects undertaken by the company.

3) Web link to CSR Policy: Annual Report on CSR activities is also available at the website of the Corporation at www.cotcorp.org.in

4) Average net profit (Ind-AS) of the company as per section 135(5) for last three financial Year i.e. from 2022-23 to 2024-25: Rs. 528.24 Lakhs

(a) 2% of the average net profit of the company as per section 135 (5): Rs. 10.56 lakhs
(b) Surplus arising out of the CSR activities of the previous financial years: Nil
(c) Amount required to be set off for the financial year: Nil
(d) CSR amount unspent during previous financial year due to Covid-19: Nil
(e) Total CSR obligation for the financial year 2025-26(7a+7b+7c+7d): Rs.10.56 lakhs
(f) Total approved budget for the financial year 2025-26: Rs. 10.60 lakhs

5) CSR Plan for F.Y. 2025-26:

- Proposal for Project: To empower cotton farmers with appropriate technology and preventive health tools, while promoting environmental sustainability, through the distribution of cotton shredder machines along with cotton picking kits in cotton-growing and aspirational districts of Maharashtra.
- Targeted Beneficiaries and their key needs: The primary beneficiaries of this CSR initiative are marginal and small cotton farmers. The project aims to address critical on-ground challenges by enabling:
  - Adoption of preventive health and safety practices during cotton harvesting.
  - Safe and efficient picking through provision of protective kits
  - Improved crop residue management using cotton shredder machines
  - Reduction in labour cost and drudgery
  - Minimization of contamination at farm level, leading to improved cotton quality
  - Enhanced farm productivity and better financial returns for farmers
- Alignment with Schedule VII: This activity is aligned with Item (i) and Item (iv) of Schedule VII of the Companies Act, 2013, which pertain to "promoting health care including preventive health care" and "ensuring environmental sustainability", respectively. The project is also in conformity with the latest available Department of Public Enterprises (DPE) annual theme i.e. healthcare and nutrition for focused intervention.
- Project Goals and milestones: To promote health care including preventive health care in harvesting of cotton, efficient crop residue management, reduction in cost of production, reduction in contamination at farm level, improvement in quality of cotton and thereby higher financial returns.
- Activities Timelines including expected closure dates: This CSR activity may be completed before 31st March 2026.
- CSR Budget with projections: Rs. 10.60 lakhs.
- Monitoring mechanism: Periodical follow-up.
- Progress reporting and frequency of reports: In every periodic meetings of Board level CSR Committee.
- Risks and mitigation strategies: No major risks are anticipated. Cotton shredder machines shall be procured through the GeM portal following due tendering procedures at the Head Office level. Cotton picking kits will be procured at the implementing branch level as per prescribed procurement norms. Beneficiary farmers/FPOs will be identified in coordination with State Government /APMCs, ensuring transparency and accountability.
- Responsibility statement of the CSR Committee: The implementation and monitoring of CCI's CSR Policy is in compliance with CSR objectives and Policy of the Company.

(Pranjal P. Joshi)
CGM (Marketing)/
Nodal Officer - CSR