

**Eco Recycling Limited**  
**Corporate Social Responsibility Policy**

## 1. Background

Eco Recycling Limited carries on business of e-waste management & recycling which includes Waste collection, treatment and disposal activities as well as materials recovery from the clients.

## 2. Title and Applicability

Eco recycling Limited (hereinafter referred to as 'the Company') CSR policy has been developed in consonance with section 135 of the Companies Act, 2013 as amended from time to time (referred to as 'the Act' in this policy) on CSR and in accordance with the CSR rules 2014 and CSR Rules 2022 (hereby referred to as the CSR Rules in this policy) amended thereof by the Ministry of Corporate Affairs dated 20th September, 2022.

The Policy shall apply to all the CSR projects/programmes undertaken by the Company in India as per Schedule VII of the Act as amended from time to time. The Policy shall apply to the Company.

## 3. Definitions

i. **“Corporate Social Responsibility (CSR)”** means activities undertaken by the Company in pursuance of its statutory obligation as mentioned in Section 135 of Act, 2013 as amended from time to time with the provisions contained in CSR Rules but not include following:

- Activities in pursuance of the normal course of business. However, for financial years 2020-21, 2021-22 and 2022-23, for a company engaged in R&D of vaccines, drugs and medical devices, R&D related to COVID-19 and carried out in collaboration with an institute or organisation under Schedule VII of the Act would be considered as a CSR activity;
- Activities undertaken outside India except training of National or International level Indian sportspersons;

- Contribution to a political party, directly or indirectly, under Section 182 of the Act;
- Activities benefiting employees of the company as defined in Section 2 of Code of Wages, 2019;
- Sponsorship activities for deriving marketing benefits for own products and services;
- Activities for the fulfillment of statutory obligations under any other law in force in India.

ii. **“Administrative Overheads”** means the expenses incurred by the company for the 'general management and administration' of CSR functions. However, expenses that are directly attributable to the designing, implementation, monitoring and evaluation of a particular CSR project do not constitute administrative overheads.

iii. **“Ongoing Project”** means a multi-year project undertaken by a Company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced, and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the board based on reasonable justification.

## 4. CSR Vision Statement

The CSR vision of the Company is **“Being a leading e-waste recycling service provider in India, the Company endeavors to transform lives of all its stakeholders financially and socially by becoming a sustainable corporate citizen. The Company through this policy strives to enrich society, both materially and socially while contributing towards social upliftment and preservation of the global environment.”**

The Company either by itself or through partnerships with the Government, NGO's and Other Organisations, will extend its support in

the measures for rescue, relief and rehabilitation.

### **5. Validity of CSR Policy**

The Board shall review the CSR policy on a regular basis and the CSR policy will be amended as and when required.

### **6. CSR Programme Areas & Company Philosophy**

Our commitment is to improve the management of our Company every day to make it increasingly sustainable.

We are committed to: -

- Getting involved in the COMMUNITY and SOCIAL FABRIC of geographies wherein we operate and work towards community development and social upliftment by promoting social business projects and providing aid wherever possible.
- Minimising ENVIRONMENTAL impact and being more efficient in consuming resources, prioritising reduction and reuse through E-waste recycling, preserving the environment of the natural areas where there is infrastructure we manage and using the best available technologies that are economically viable so that our activities and services are environmentally more efficient by undertaking renewable energy projects.
- Providing added value for SHAREHOLDERS by managing financial resources efficiently with criteria of profitability and value creation and offering transparent information to all relevant stakeholders.
- Providing EMPLOYEES and MEMBERS OF SOCIETY, equality of opportunity and nondiscrimination because of gender, religion, country of origin, age, disability or sexual orientation in all areas; applying the necessary measures to ensure health and safety in all

workplaces and guaranteeing respect for human rights, rejecting force or compulsory labour through disaster relief programmes, road safety initiatives.

- Satisfying CUSTOMERS by offering QUALITY services adapted to their needs coupled with providing consumer protection services.
- Prioritising relations with SUPPLIERS AND CONTRACTED COMPANIES incorporating sustainability criteria in each action.

### **7. CSR Budget**

The Board shall endeavor that in each Financial Year the Company spends at least 2 percent of the average net profit made during the immediate three preceding financial years in accordance with Section 135 and rules thereof of the Act as may be amended from time to time.

The unutilized CSR budget from the 2% of the average net profit will be parked in a CSR Fund (Corpus) created by the Company clearly specifying the project to which the amount will be spent. This Fund will also include any income arising there from and any surplus arising out of CSR activities.

The CSR Committee shall recommend the project-wise annual budgeted expenditure to the Board for its consideration and approval.

The Company may collaborate or pool resources with other Organizations or Companies to undertake the CSR activities in accordance with Section 135 and rules thereof of the Act as may be amended from time to time.

i. The Company shall deal with unutilized CSR Amount in following manner:

- a. Transfer such unspent amount to a separate bank account to be called as 'Unspent CSR Account within 30 days from the end of financial year in case unspent amount pertaining to On going project;

b. Transfer unspent amount to the Fund prescribed under Schedule VII within 6 months from the end of the financial year in case Unspent amount does not pertain to 'ongoing project'.

ii. In case of any surplus arises out of the CSR activities, it cannot be treated a business profit, it should be utilized in any of the following manners within 6 months from the end of the financial year:

a. Ploughed back in the same project or;

b. Transferred to the Unspent CSR Account and utilized as per the CSR policy and annual action plan or;

c. Transferred to a Fund under Schedule VII of the Act.

i. In case Company spend an amount excess of CSR requirement amount, then such excess amount may be set-off against the CSR requirement amount upto immediate succeeding three financial years subject to that the Board of Directors may pass a resolution for setting off the excess amount spent for CSR; however, surplus arising out of CSR activities cannot be set-off.

ii. The Company may spend CSR amount for creation or acquisition of a capital asset, which shall be held by –

(a) a company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number as per CSR Amended Rules, 2022 ; or

(b) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or

(c) a public authority (as defined in clause (h) of Section 2 of Right to Information Act, 2005 (22 of 2005). Provided that any capital asset created by a company prior to the commencement of the

Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, shall within a period of one hundred and eighty days from such commencement c o m p l y w i t h t h e requirement of this rule, which may be extended by a further period of not more than ninety days with the approval of the Board based on reasonable justification.

iii. The CSR Committee shall recommend the project wise annual budgeted expenditure to the Board for its consideration and approval.

The Company may collaborate or pool resources with other Organizations or Companies to undertake the CSR activities in accordance with Section 135 and CSR rules thereof of the Act as may be amended from to time

#### **8. Implementation process**

The Company CSR programmes will be aligned with section 135 and Schedule VII of the Companies Act, 2013 and as per CSR Rules as amended from time to time.

#### **Execution Modality:**

The mode of implementation will include a combination of direct or indirect implementation and implementation. The CSR activities may be undertaken by the Company itself or

a. Through any of the following implementing agencies or:

i. Entity established by the company itself or along with any other company: A Company established under Section 8 of the Act, or a registered trust or a registered society, registered under Section 12A and 80G of the Income Tax Act;

ii. A company established under Section 8 of the Act, or a registered trust or registered established by the Central or State Government;

iii. Any entity established under an Act of Parliament or State Legislature;

iv. A company established under Section 8 of the Act, or a registered trust or a registered society, registered under Section 12A and 80G of the Income Tax Act, 1961 and having established track record in similar activities for 3 years;

b. A Company may also Collaborate with other companies to undertake CSR activities, if the CSR committees of respective companies are in position to report separately on the CSR activities undertaken as per CSR rules.

In case implementing agencies undertaking CSR on behalf of a Company then it shall register with the Central Government by e-filling the CSR-1 form, subsequent to it, the implementing agency would be allotted a unique CSR Registration Number.

c. A company may also engage international organisations for designing, monitoring and evaluation of the CSR projects or programmes as well as for capacity building of their own personnel for CSR. International organisation means an organisation so notified by the Central Government under Section 3 of the United Nations (Privileges and Immunities) Act, 1947 to which provisions of the Schedule to the said Act apply.

d. The mode of implementation will also include employee volunteering. The Company's employee volunteering will involve the Company's employees in the community initiatives it undertakes and help them contribute towards the society.

e. CSR programme will be undertaken by the Company within the defined ambit of Need Assessment carried out by the Company.

f. The Company may use the services of government / expert agencies, consultancy firms, etc., wherever required for guidance on

project design and implementation, impact assessment surveys etc.

g. The time period/duration over which a particular programme will be spread, will depend on its nature, extent of coverage and the intended impact of the program.

**Monitoring of Projects:** The Company will set measurable targets for its social projects wherever possible and will have a robust monitoring and evaluation mechanism for its CSR projects.

It will aim to ensure that every programme has:

- clearly defined objectives (developed out of existing societal needs determined through studies/research/ field visits by the employees of the Company etc.), targets and time lines.
- a robust progress monitoring system
- undertake impact assessments as per the evaluation plan developed by the Company.
- a reporting framework and system in aligned with the requirements of the Act.

**Impact Assessment:** A Company with minimum Rs. 10 crore average CSR obligations in the three immediately preceding financial years according to Section 135(5) of the Act, have to conduct impact assessment of the CSR projects that have an outlay of Rs. 1 crore or more and which have been completed not less than 1 year before undertaking of the impact study. The impact assessment shall be conducted by an independent agency and the expense for the assessment in a financial year shall not exceed 2% of the total CSR expenditure for that financial year and Rs. 50 lakhs, whichever is higher. The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR.

## 9. CSR Governance Structure

- Board of directors
- CSR Committee
- Implementation Partners.

### **10. Roles and responsibilities**

The Board of Directors of the Company will be responsible for:

- constituting the CSR committee through a Board resolution with the defined composition and tenure.
- approve the CSR policy as formulated by the CSR Committee through a Board resolution
- Implementation of CSR activities;
- Monitor the implementation of ongoing project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.
- Ensure to deal in case of any surplus arises out of the CSR activities;
- Ensure to deal in case Company spend an amount excess of CSR requirement
- Also responsible pertaining to set-off of excess CSR amount;
- Satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by Board and the Chief Financial Officer or the person responsible for financial management shall certify to the effect.
- Approve the Annual action plan recommend by CSR Committee. Board may alter such annual action plan at any time during the financial year, as may be recommended CSR Committee, based on the reasonable justification to that effect.
- Board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year.

- Board may also extended the period pertaining to any Capital asset created by the Company based on reasonable justification;

- disclose in its Annual Report the names of the CSR Committee members, the content of the CSR policy and ensure annual reporting of its CSR activities on the Company's website and Directors' Report in such manner as prescribed under Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014) 2014 and amended CSR Rules 2021, CSR Rules, 2022.('CSR Rules') as amended from time to time.

- ensuring that the projects included in the Policy are undertaken by the Company.

- ensuring that the Company endeavors to spend, in every financial year, atleast 2% of the average net profits of the Company made during the three immediately preceding financial years in pursuance of the Policy or as per applicable provisions of Act as amended from time to time. or as per applicable provisions of Act as amended from time to time.

- endeavor that the Company gives preference to the local areas around its operations for spending the amount earmarked for CSR projects.

- ensuring that it specifies the reasons in its report for not spending the allocated amount in case the Company fails to spend such amount.

- ensure annual reporting of CSR policy to the Ministry of Corporate Affairs, as per the prescribed format.

### **11. CSR Committee:**

**Composition of the CSR Committee:** The Board of Directors of the Company shall constitute the committee to be known as the Corporate Social Responsibility Committee ("Committee") consisting of three or more Directors, out of

which at least one Director shall be an Independent Director.

Sr. No.	Name of Director	Designation/ Nature of Directorship
1	Mr. Dattatraya Devale	Chairman
2	Mr. Brijkishor Soni	Member
3	Mr. Giriraj Bhattar	Member

The Board shall have the powers to make any change(s) in the constitution of the Committee.

**Tenure the CSR Committee:** The tenure of the CSR Committee will be determined by the Board.

**Responsibility of the CSR Committee:**

- formulate and recommend the CSR Policy to the Board for approval
- identify and recommend the CSR projects to be undertaken by the Company, which are in line with the activities specified in Schedule VII and outlined herein above.
- recommend the amount of expenditure to be incurred on CSR projects
- constitute a transparent monitoring mechanism for ensuring implementation of the CSR projects undertaken by the Company
- monitor the Policy from time to time and recommend changes to the board

**12. Monitoring and Reporting Framework**

In compliance with the Act and to ensure funds spent on CSR programmes are creating the desired impact on the ground a comprehensive Monitoring and Reporting framework is being put in place. The monitoring and reporting mechanism is divided into three distinct areas:

- Project Monitoring
- Evaluation
- Reporting and Documentation

**13. Project Monitoring:** Project monitoring mechanism will ensure:

- The CSR policy is implemented as per the Act and the Rules as amended from time to time.
- The CSR policy is implemented ensuring that all projects/ programmes as budgeted are duly carried out. • A separate budget will be earmarked for set up and implementation of the monitoring system. The cost incurred (will be/can be) billed to the CSR spend of the Company.
- CSR spends will be closely monitored and funds shall be released against verified utilisations as per the approved work plans. This may include monthly field visits, comprehensive documentation, and regular interaction with the beneficiary communities.

**14. Evaluation**

- Expected outcomes, outputs and inputs will be clearly defined for each project as per stated timelines.
  - There shall be clarity about the scope of the project and the need before evaluations are undertaken.
  - Third parties may be engaged to ensure objective assessment and end line parameters.
  - Head of CSR will be authorised to decide whether it will be internal, external or third party evaluation.
15. Reporting and Documentation

- The Company will ensure CSR reporting annually in the format recommended in the CSR rules as part of its Annual Report.
- The CSR Committee will prepare the annual CSR Report to be filed by the Company on approval of the Board. This report will ensure:
  - CSR Projects and Programmes are being properly documented.

- An MIS is maintained on spending across sectors geographies and beneficiaries impacted. The MIS structure will be in alignment with the prescribed reporting format.
- Accountability is fixed at each level of CSR process and implementation.
- A repository of case studies and good practices will be maintained.

### 15. CSR Activities:

The Company proposes to implement its CSR activities in some/all of the following areas as stated under Schedule VII of the Companies Act, 2013 (including all statutory re-enactments/amendments or modifications thereto, from time to time):

- (i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation [including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation] and making available safe drinking water.
- (ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- (iii) promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
- (iv) ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and

maintaining quality of soil, air and water [including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga].

- (v) protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts;
- (vi) measures for the benefit of armed forces veterans, war widows and their dependents;
- (vii) training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports
- (viii) contribution to any fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;
- (ix) Contribution to incubators funded by Central Government or State Government or any agency or Public Sector Undertaking of Central Government or State Government, and contributions to public funded Universities, Indian Institute of Technology (IITs), National Laboratories and Autonomous Bodies (established under the auspices of Indian Council of Agricultural Research (ICAR), Indian Council of Medical Research (ICMR), Council of Scientific and Industrial Research (CSIR), Department of Atomic Energy (DAE), Defence Research and Development Organisation (DRDO), Department of Biotechnology (DBT), Department of Science and Technology (DST), Ministry of Electronics and Information Technology) engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).
- (x) rural development project
- (xi) slum area development.



Explanation.- For the purposes of this item, the term 'slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.

**16. Proposed Projects for the Financial Year 2022-23 (as approved by the CSR Committee):  
Other than ongoing projects**

- i. Project Maa Saraswati Multi-Specialty Hospital cum Medical College – Facilitated by Raginiben Bipinchandra Sevakarya Trust - Ahmedabad, Gujrat
- ii. Distributing Food and Environment Protection Activities – Facilitated by Arya Foundation - Ahmedabad, Gujrat.

**The Company reserves the right to modify, alter, delete or amend the provisions of the CSR Policy (Adopted by the Board at their meeting held on 30/05/2022).**