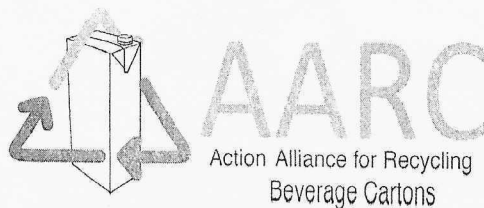


MINUTE BOOK

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MINUTES OF THE 1ST MEETING OF MANAGING COMMITTEE OF ACTION ALLIANCE FOR RECYCLING BEVERAGE CARTONS "AARC" FOR FINANCIAL YEAR 2020-21 HELD ON THURSDAY, 7TH MAY, 2020 AT 12:00 P.M VIA VIDEO CONFERENCING

The meeting was held via video conferencing due to outbreak of COVID-19

Time: 12:00 P.M – 02:00 P.M

MEMBERS PRESENT:

<u>NAME</u>	<u>ORGANISATION</u>
Mr. Ashutosh Manohar	Tetra Pak India Private Limited
Cdr. Amitabha Ray	Schreiber Dynamix Diaries Private Limited
Mr. Chandra Mohan Gupta	Coca-Cola India Private Limited
Dr. Priyank Arya (Proxy of Mr. Sharukh Adi Khan)	Dabur India Limited
Mr. Suresh Kumar BM	Karnataka Milk Federation

SPECIAL INVITEES:

<u>NAME</u>	<u>ORGANISATION</u>
Dr. Praveen Aggarwal	CEO of AARC
Mr. Ashwani Sharma and Mr. Rajat Kumar	AARC
Mr. Jaideep Gokhale, Mr. Sharad Sharma, Mr. Sumit Jugran & Mr. Navdeep Singh	Tetra Pak India Private Limited
Mr. Sudhakar Ambati and Mr. Byas Anand	Dabur India Limited
Ms. Rashi Adlakha, Mr. Mayank Agarwal & Mr. Hemant Kumar	KrayMan Consultants LLP

Signatures of
Mr. Ashutosh
Manohar

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1. QUORUM AND LEAVE OF ABSENCE:

Mr. Ashutosh Manohar was elected as Chairman of the Meeting. He welcomed the Members of Managing Committee and ascertained the quorum of the meeting.

No confirmation on attending the meeting was received from Mr. Akshali Devendra Shah, authorised representative of Parag Milk Foods Limited and Mr. Sanjeev Ganesh, authorised representative of United Spirits Limited, hence leave of absence was granted.

2. REVIEW & CONFIRM MINUTES OF THE PREVIOUS MANAGING COMMITTEE MEETING HELD ON 31ST MARCH, 2020

Signed minutes of the previous meeting held on 31st March, 2020 were placed for perusal and the same were read and confirmed.

3. TO DECIDE RESOURCE PLAN FOR AARC FOR FINANCIAL YEAR 2020-21

BACKGROUND

AARC was set-up in May 2018 with the predominant charitable objective of preservation of environment by executing and implementing projects that would help in collection, segregation & recycling of beverage cartons, creating awareness, and policy advocacy.

MC Members appreciated AARC's stellar contribution to the Policy Advocacy and now wanted enhanced focus on EPR/Collections.

While AARC has seen considerable success in Policy Advocacy, it was observed that it was not adequately resourced to scale up Collection and Recycling Projects i.e. EPR. Since EPR is the backbone of all advocacy engagements and commitments and it needs to be prioritised as most states are coming up with their own set of guidelines. Hence the need to restructure and to relook at the resources.

PROPOSAL

Dr. Praveen Agarwal, emphasizing the need to undertake EPR Implementation through AARC, apprised the members about expansion plans of AARC for which more resources would be required. The members were taken through the draft proposal for FY 2020-21 (and summary of Income and Expenditure for 2019-20) as reproduced below.

MANAGING COMMITTEE MEMBERS CONSIDERED THE SAME AND TOOK FOLLOWING DECISIONS ON: BUDGETING, RE-STRUCTURING, AND WAY FORWARD

*Signatures
of Mr Ashutosh
Manohar*

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- A. Dr. Praveen Agarwal proposed increasing the annual membership fees of Associate members from Rs. 1,00,000/- (Rupees One Lakh only) to Rs. 2,50,000/- (Rupees Two Lakh Fifty Thousand) and Founding/ Subscriber Fee to Rs. 5,00,000. The purpose is to enhance the source of income for AARC for achieving its objectives to which the members agreed to discuss it internally and come back with a decision basis which the proposal can be implemented by following the rules and regulations as per the bye laws of AARC (Please refer to 1(a) for the existing budget and 1(b) for the new proposed and agreed budget)
- B. Consocia Advisory through its founder Dr. Praveen Aggarwal - acting as CEO of AARC shall remain engaged for Policy Advocacy
- C. The revised fee for Consocia, effective August 1 2020, shall be 24 Lacs/ Annum. Until July 31, the same arrangement shall be followed
- D. KrayMan shall continue to be engaged as a Consultant for Governance
- E. It was proposed and agreed that AARC hire a new COO (Chief Operating Officer) to enhance collections/EPR besides AARC's Governance, etc.
- AARC shall constitute a small committee (Dabur, SDDPL, and Tetra Pak, besides Praveen) to screen possible candidates for this position. The committee shall undertake the following steps:
 - A brief Job Description shall be devised for the position
 - The Job Description shall be internally reviewed and upon finalization, shall be circulated among the committee members
 - Candidates shall be screened by the committee and a candidate shall be finalized (The compensation for the COO shall performance based)

A (1) EXISTING BUDGET

Expenditure	Amount* (INR)	Income	Amount* (INR)
Consocia	5,500,000	Annual Membership Fee	4,700,000
KrayMan	600,000	Tetra Pak contribution (addl.)	4,000,000
Collections Manager	1,800,000		

A (2) NEW BUDGET APPROVED BY THE MANAGING COMMITTEE
n(EFFECTIVE AUGUST 1, 2020)

Signature of
Mr. Anubhava
Manohar
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Expenditure	Amount (INR)	Income	Amount (INR)
Consocia (Revised scope)	2,400,000	Annual Membership Fee	7,250,000 (As per the aforementioned revised fees)
KrayMan	650,000	Tetra Pak's contribution continues** (addl.)	4,000,000
Collections organization/CO O/ secretariat management	80,00,000		

4. TO CONSIDER JOINT PARTNERSHIP AMONGST BRANDS IN SELECTED LOCATIONS TO ENHANCE RECYCLING OF BEVERAGE CARTONS

BACKGROUND

All India "Heat map" on the basis of the single use plastic ban issue was presented. Ten states- Chandigarh, Himachal Pradesh, Maharashtra, Goa, Tamil Nadu, Pondicherry, Kerala, Uttar Pradesh, Andaman & Nicobar and Karnataka at have instituted notifications/ regulations and are actively considering punitive actions in one way or the other. Hence need to fast track our planning and action in all these 10 states.

Maharashtra: AARC has been successful in submitting the comprehensive plans in Maharashtra and is continually reporting the concerned authorities on regular basis related to recycling of beverage cartons. In Maharashtra, members collectively have surpassed their EPR Targets and such achievements for 2019.

Chandigarh and Himachal Pradesh: with support from leading members who helped in developing the EPR targets/plans, AARC has received favourable response from authorities and got extensions of exemption from bans on assurance of tangible progress in coming months.

*signatures
of Mr. Ashutosh
Manohar
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Karnataka: Karo Sambhav has been in active discussion with Tetra Pak and is likely to come up with a plan for used beverage cartons in Karnataka. The volumes could go as high as 3.5K tons and it's a great opportunity for Members to participate in such a project

Kerala: submission of industry wide an EPR Plan helped seek exemption for Straws. There is a need to demonstrate action on-ground, and share an actionable plan by 25th May, 2020

Other 6 States: Dr. Praveen Aggarwal alerted the members that AARC should be submitting EPR plan for other locations i.e. Goa, Tamil Nadu, Pondicherry, Uttar Pradesh, Andaman & Nicobar and Karnataka for which he requested the members to adopt collaborative/ partnership approach amongst brands by proactively participating in EPR Plans going forward. One brand each can lead the implementation with other members in a select state.

5. MANAGING COMMITTEE MEMBERS CONSIDERED THE SAME AND TOOK FOLLOWING DECISIONS TO ENHANCE RECYCLING OF BEVERAGE CARTONS

- A. By end of May, members must submit their EPR actionable plans for Tamil Nadu and Kerala, so that same could be shared with authorities in first week of June, 2020.
- B. AARC should, in June 2020, peruse members for submitting EPR plan for other locations i.e. Goa, Pondicherry, Uttar Pradesh, Andaman & Nicobar and Karnataka
- C. Members to adopt collaborative/ partnership approach amongst brands such that one brand leads the implementation with other members in a select state.
- D. AARC can help identify and propose possible partners for joint projects in these 5 states.

6. TO CONSIDER APPOINTMENT OF M/S AJAY K. SUD AND ASSOCIATES AS STATUTORY AND TAX AUDITORS OF THE SOCIETY FOR FINANCIAL YEAR 2020-21

The Chairman informed the Managing Committee members that they may consider and approve re-appointment of M/s Ajay K. Sud and Associates, Chartered Accountants as Statutory and Tax Auditors for Financial Year 2020-21 who were appointed as Statutory and Tax Auditors on 29th March 2019 to audit the accounts for Financial Year 2018-19 and 2019-20.

AARC has received the proposal from M/s Ajay K. Sud and Associates to be appointed as Statutory and Tax Auditors of AARC for FY 2020-21 at a revised fee of Rs. 60,000/- (Rupees Sixty Thousand only) plus applicable taxes and reimbursement of out of expenses incurred by them.

Managing Committee Members considered the same and passed the following resolution:

Signature of
Mr. Ashutosh
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“RESOLVED THAT M/s Ajay K. Sud & Associates, Chartered Accountants, be and is hereby re- appointed as Statutory and Tax Auditors of AARC to hold office and audit the accounts for Financial Year 2020-21 at a revised fee of Rs.60,000/- (Rupees Sixty Thousand only) plus applicable taxes and reimbursement of out of pocket expenses incurred by them;

RESOLVED FURTHER THAT Dr. Praveen Aggarwal, CEO of the Society, be and is hereby authorized to do and perform any and all such acts, including execution of any and all documents required for above;

RESOLVED FURTHER THAT a copy of the above resolution certified as true copy by Dr. Praveen Aggarwal, CEO of the Society may be forwarded to the concerned authorities and be requested to act thereon.”

7. UPDATE THE MEMBERS ON THE INCOME TAX MATTER

The Chairman updated the members about the status of appeal before Income Tax Appellate Tribunal ('ITAT').

Dr. Aggarwal apprised the members that an appeal was filed with ITAT against the impugned order of the tax authorities. The Hon'ble Tribunal vide Order dated 28.02.2020 has restored the issue to the CIT(E) for reconsideration after granting reasonable opportunity to substantiate the charitable nature of the Society for grant of registration under sections 12AA & 80G of the Income- tax Act, 1961.

8. OTHER ITEMS WITH THE PERMISSION OF CHAIR

- AARC shall hold an annual meeting of corporate leaders to give them an update on: AARC's Progress, Challenges, Key Achievements, and the Roadmap
- MC Members approved that state wise EPR Data and achievements by members should be put on website and as consolidated rather than Member-wise target/achievement

OTHER STRATEGIC DISCUSSION POINTS

- AARC's chair, Mr. Ashutosh Manohar, stated that globally the SUP Ban shall be enforced in 2022. The current situation shall have no effect or shall not deter authorities from enforcing such a ban. So, let's not be complacent at all
- During a hearing in which Tetra Pak participated, it was further shared that AARC's recommendations on the National EPR Framework have been shared by MoEFCC in their response to the NGT
- It's been proposed that AARC appeal to the authorities for relaxations on EPR targets as Businesses have been greatly hampered due to COVID-19
- Members were apprised that the Govt.'s perception towards Plastic and its management has changed and going forward, the focus would be on enforcing stricter regulations pertaining to EPR rather bans

Signatures of
Mr. Ashutosh
Manohar

x

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9. VOTE OF THANKS

There being no other business to transact, the meeting concluded with a vote of thanks to the Chair.

Date:

Place:

Signature of the
Ashutosh Manohar

chairman

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