

CORPORATE SOCIAL RESPONSIBILITY POLICY:

Onward Technologies Limited

I. CONTEXT

Established in 1991 Onward Technologies Ltd is a leading player today in Engineering Research & Development (ER&D), Digital Transformation and IT consulting services (ITS). Headquartered at Mumbai, the company caters to a wide set of customers who are leading global players in their respective areas and it is a trusted service provider for many leading MNC companies across sectors like Transportation, Industrial & Heavy Machinery, Hi-Tech and Healthcare & Medical Devices. The company prides itself in possessing high-end capabilities and providing flawless execution across Digital suite of Engineering Design services. Onward Technologies has a strong team of 1,900+ employees operating from multiple offices and client locations across India, USA, UK & Europe.

Corporate Social Responsibility is an integral part of Onward Technologies' ethos and policy and we have been pursuing this on a sustained basis through our social welfare organization Onward Foundation. Similar to business activities, we aim to become a perfect partner to the communities we are a part of. Our CSR policy focuses on using the capabilities of the business to uplift the community by making significant contributions, monetary and through effort, to make education accessible and relevant for future generation.

1. Ministry of Corporate Affairs has notified section 135 and schedule VII of the Companies Act 2013 along with the Companies (Corporate Social Responsibility Policy) Rules, 2014 with effect from April 01, 2014. The companies on whom the provisions of CSR are applicable are contained in Sub Section 1 of Section 135 of the Companies Act 2013. This CSR Policy of Onward has been prepared pursuant to Section 135 of the Companies Act, 2013 and the notified CSR Rules, 2014 as amended from time to time. This CSR policy would serve as the referral document for all CSR activities of Onward Technologies. Further, Onward Technologies directly or through the established trust named "Onward Foundation" implements the CSR agenda of the Onward Group.
2. Broadly, CSR may be understood to be a process by which an organization thinks about and evolves its relationships with stakeholders for the common good and demonstrates its commitment in this regard by suitable and strategically targeted activities. The Onward Corporate Social Responsibility program is all about giving back to society with gratitude, for what has been given to us. Onward has undertaken a number of CSR initiatives through the Company directly and through Onward Foundation. Through their work, Onward Tech's employees take responsibility of considering the interests of those sections of society that are less fortunate than us. The Company aim is to extend support to the community in the fields of education and health. With a view of "Making a difference to our community."

II. CSR VISION AND OBJECTIVES

2.1. Vision Statement

2.2. Objectives

The CSR Policy of Onward Tech is mainly governed with a focus to extend support to the community in the fields of education and health, so as to ensure better monitoring and sustainability. The objective of Onward Tech's CSR Policy is to drive measurable change in the communities we work with and strive to create a positive impact through our initiatives on hunger & malnutrition, poverty, health & sanitation, education & skill development, employment & technology incubation, rural development, women empowerment and elderly care.

To pursue the above objectives and to carry out the CSR activities/programs, Onward Tech will entrust its CSR funds to Onward Foundation or will contribute directly.

III. FINANCIAL RESOURCES

3.1 Every year, Onward Tech shall, with the approval of Board of Directors, make a budgetary allocation and an annual action plan for CSR and Sustainability activities / projects for the year. The budgetary allocation will be at least two percent of the average net profits of the company made during the three immediately preceding financial years. For the purposes of this section “average net profit” shall be calculated in accordance with the provisions of section 198 of Companies Act, 2013. Net Profit shall not include the following:

- a) any profit arising from any overseas branch or branches of the company whether operated as a separate company or otherwise;
- b) any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Companies Act, 2013;

Provided that net profit in respect of a financial year for which the relevant financial statements were prepared in accordance with the provisions of the Companies Act, 1956, shall not be required to be re-calculated in accordance with the provisions of the Act.

The surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of Onward Tech. CSR expenditure shall include all expenditure including contribution to corpus, for projects or programs relating to CSR activities carried out by Onward Foundation but does not include any expenditure not in conformity or not in line with activities which fall within the purview of Schedule VII of the Companies Act, 2013.

4.1 CSR Committee Composition its role and content of Annual Action Plan

i) Composition of CSR Committee:

As per the Amendments in the CSR rules, the Committee is to be constituted only when the contribution is above Rs. 50 lakhs. The Company does not contribute such a higher amount and hence Onward Tech has not constituted a Corporate Social Responsibility Committee. The Board is responsible to implement the policy and contribute the funds under Schedule VII.

ii) Role of the Board for Corporate Social Responsibility:

- a) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of Companies Act,2013;
- b) Formulate an Annual Action plan in accordance with this policy and the same shall be reviewed and approved by the Board of Directors of the Company.
- c) Recommend the amount of expenditure to be incurred on the activities referred to in clause (a) above;
- d) Monitor the Corporate Social Responsibility Policy of the Company from time to time.

- e) Review the status of the CSR projects/programmes with half-yearly report to the Board of Directors of Onward Technologies Limited.
- f) Shall appoint such implementing agencies who have registered themselves with the central government by filing form CSR 1 and have CSR Registration Number.
- g) Approve the Corporate Social Responsibility Policy for Onward Technologies and disclose contents of such Policy in its Annual Report and also place it on the company's website, if any, in such a manner as may be prescribed.

The Board of Onward Tech shall ensure that the company spends, in every financial year, at least two percent of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy, provided that the company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities.

iii) Content of Annual Action Plan:

The Board shall formulate, an annual action plan in pursuance of its CSR policy, which shall include the following, namely: -

- a) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
- b) Manner of execution of such projects or programmes as specified in CSR rules.
- c) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
- d) monitoring and reporting mechanism for the projects or programmes; and
- e) details of need and impact assessment, if any, for the projects undertaken by the company;

Provided that Board may alter such plan at any time during the financial year based on the reasonable justification to that effect.

4.2 Role of the Board of Trustees of Onward Foundation

Trustees of Onward Foundation shall:

- a) Sanction/approve eligible CSR projects/programmes supported/executed by directly by the Company or Onward Foundation with Annual Report to the Board of Directors of Onward Technologies Limited.
- b) Manage conducting all other activities as mentioned in the CSR Policy as amended from time to time.

a) Role of Onward Foundation

The role of Onward Foundation will be governed by its Trust Deed, as amended from time to time and according to schedule VII of Companies Act, 2013.

4.3 CFO Certification:

Certification from Chief Financial Officer or the person responsible for Financial Management is required addressed to the Board that the fund disbursed for CSR have been utilized for the purposes and in the

manner as approved by it.

IV. PLANNING AND STRATEGY

Onward Tech shall endeavor to integrate its CSR and sustainability plans with the business plans and strategies. The CSR plan specifies below the CSR and sustainability activities planned to be undertaken in during every financial year. The planning and execution of the Onward Technologies' CSR policy may be broken down into the following key activities:

5. CSR ACTIVITIES AND MANNER OF CSR EXPENDITURE

5.1. CSR activity areas

The CSR activities shall be undertaken by Onward Tech, as per its stated CSR Policy, as projects or programs or activities (either new or ongoing), excluding the activities undertaken in pursuance of its normal course of business entirely through the Company directly or Onward Foundation, which in turn may partner with other community development organisations, NGOs etc. to implement the CSR mandate of Onward Tech.

Onward Tech, through Company directly or Onward Foundation, may also collaborate with other Companies for undertaking projects or programs or CSR activities in such a manner that the CSR committees of respective Companies are in a position to report separately on such projects or programs in accordance with the notified CSR Rules 2014 and as amended from time to time.

CSR projects or programs or activities undertaken in India only shall amount to CSR Expenditure. The CSR projects or programs or activities that benefit only the employees of the company and their families shall not be considered as CSR activities in accordance with Section 135 of the Act.

Contribution of any amount directly or indirectly to any political party under section 182 of the Act, shall not be considered as CSR activity.

As per the Schedule VII under Section 135 of the Companies Act, 2013, the following activities are allowed as a part of CSR activities by Onward Technologies Limited or Onward Foundation:

- i. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh 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 centres 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 and handicrafts:

- vi. measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;
- vii. training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
- viii. contribution to the prime minister's national relief fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other 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. (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and

(b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organization (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).
- x. rural development projects;
- xi. Slum area development. (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)
- xii. Disaster management, including relief, rehabilitation and reconstruction activities.

b) Geographic Areas

Companies Act specifies that company should give preference to the local area in selection of CSR activities. However, DPE Guidelines, inter-alia state "CPSE which by the very nature of their business have no specific geographical area of commercial operations, may take up CSR activities/projects at any location of their choice in the country. Onward Technologies has no defined geographic concentration areas, since entities assisted have operations widely distributed all over India. Hence, Onward Technologies may take-up CSR activities/Projects anywhere in India at its own choice. However, priority may be given to areas where Onward Technologies has a presence by virtue of its offices for better monitoring and implementation purpose, but not necessarily.

5.2. Manner of CSR Expenditure:

- a) The administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year.
"Administrative overheads" means the expenses incurred by the company for 'general and administration' of Corporate Social Responsibility functions in the company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular

Corporate Social Responsibility project or programme.

- b) Any Surplus arising out of the CSR activity shall not be a part of the business profit. Such surplus shall be used on the following within a period of 6 months of the expiry of the financial year.
- Ploughed back into the same project.
 - Transferred to the Unspent CSR Account; and
 - Spent in pursuance of the CSR policy and the annual action plan of policy.
- c) If a Company spent on CSR in excess of the requirement (i.e. 2%), such excess amount will be set-off against the requirement of the CSR Spending u/s 135(5) up to the immediate succeeding 3 financial years subject to the conditions that:
- The excess amount available for set-off shall not include the surplus arising out of the CSR Activities, if any, in pursuance of sub-rule 2 of these rules.
 - The Board of Directors shall pass a resolution to that effect.
- d) The Company can spent CSR amount for creation or acquisition of capital asset if such asset is held by:
- a company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number under sub-rule (2) of rule 4; or
 - (b) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
 - (c) a public authority
- e) Unless the unspent amount relates to any ongoing project, transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.
- f) Any amount remaining unspent under sub-section (5), pursuant to any ongoing project, fulfilling such conditions as may be prescribed, undertaken by a company in pursuance of its Corporate Social Responsibility Policy, shall be transferred by the company within a period of thirty days from the end of the financial year to a special account to be opened by the company in that behalf for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account, and such amount shall be spent by the company in pursuance of its obligation towards the Corporate Social Responsibility Policy within a period of three financial years from the date of such transfer, failing which, the company shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.

6. REPORTING AND DISCLOSURE

6.1 Annual Reporting

The Board's Report of Onward Technologies Limited for every financial year shall include an annual report on CSR activities and provide the web link of the policy in the report.

6.2 Company Website

The Board of Directors of the Onward Technologies Limited shall approve the CSR Policy for the company and disclose contents of such policy in its report and the same shall be displayed on the company's website.