Onward®
TECHNOLOGIES LIMITED.

STRONGER TOGETHER

28TH ANNUAL REPORT 2018-19

Engineering PRODUCTS | Enabling BUSINESS | Delivering PROMISES

Board of Directors

Mr. Harish Mehta
Mr. Jigar Mehta
Mr. Pranay Vakil
Mr. Nandkumar Pradhan
Mrs. Prachi Mehta
Mr. Parish Meghani
Mr. Rahul Rathi

Statutory Auditors

Price Waterhouse Chartered Accountants, LLP
7th Floor, Tower A, Wing 1,
Business Bay, Airport Road,
Yerwada, Pune - 411006

Company's Registered Office

Sterling Centre, 2nd Floor
Dr. A.B. Road, Worli,
Mumbai - 400018

Registrar and Transfer Agents

Link Intime India Pvt. Ltd.
C- 101, 247 Park,
L.B.S Marg, Vikroli West,
Mumbai - 400083

Investor Relations

info@onwardgroup.com

Website

www.onwardgroup.com

Corporate Identity Number

L28920MH1991PLC062542

CAUTIONARY STATEMENT

This Annual Report contains certain information, declarations, statements, reports, intimations which are required as per the Companies Act, 2013 and other laws and regulations which are applicable to Onward Technologies Limited (the 'Company'). Certain information is provided for reference and understanding of the readers, wherein every attempt is made to ensure that the information contained are true and factual and has been obtained from reliable sources. The Company is not responsible for any errors or omissions, or for the results obtained from the use of this information.

Certain declarations and statements in this report concerning the Company and its prospects relating to the Company's expected performance including financial positions is forward-looking statements. Such statements involve known and unknown risks, uncertainties and other factors and are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which it will operate in the future, which may cause actual results to differ materially from those expressed in such statements. Except as may be required by applicable law, we disclaim any intention or obligation to update or revise any forward-looking statements.

Information contained herein does not constitute an offer for, or an invitation to make an offer for, shares or other securities in the Company or its subsidiary or affiliate companies. An investment in shares of the Company is speculative and may contain significant risks, including the risk of loss of some or all of an investment. Past or present performance is not indicative of future results. Stakeholders should consult with their legal, tax, financial, and other advisors prior to making an investment with the Company.

This Report contains references to Company's website or web-links therein, which may be mandated under the governing law and are provided for the readers' convenience only.

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From the Chairman's Desk

Dear Shareholders,

The pace of an era of irreversible techno-scientific age has accelerated this year. Just see the way social media was used by every political party in India to reach the citizens and convince them why one should vote for them. We also experienced an avalanche of fake news, trolls, manipulated videos etc. and solutions to these problems is being worked on. The way advances in technology and innovation are gathering momentum, optimistically, in few decades both poverty and disease, the world's two worst problems would be eliminated. Today India has 7 doctors per 1000 citizens and the developed world has 3-4 doctors per thousand. It has been amazing to see the solutions being proposed in healthcare by blending IT, BPM, IoT and AI technologies. When these solutions are implemented, it should augment the productivity of doctors two to three times. It shouldn't take more than five years to cover the entire country. Otherwise to double the quantum of doctors in India would take at least ten years and at huge costs.

Under this backdrop, as an Engineering and Technology Services Provider, we are living in very interesting and challenging times. VUCA, as they popularly say for "Volatile", "Uncertain", "Complex" & "Ambiguous", is what the real state of the industry is today. These challenges have now become a new normal and the speed at which changes are happening, is keeping all of us on our toes. Now disruption is a new constant, which is driven by various geopolitical factors, innovations in technology, customer needs and market demands.

After much speculation and anticipation around the elections, we witnessed the current government getting re-elected with a landslide victory. "The Verdict" has been one of stability and hope. As India has now voted for stability, the reforms carried out in the past 5 years will be allowed to play out along with potential new reforms. Now Indian economy is rushing toward 5 trillion dollars from the current 2.78 trillion dollars. A suggestion to create jobs in manufacturing in India--Remove capital gain tax for twenty years for the small/medium scale manufacturing industry. In parallel both Make in India and Designed Initiatives will get a major push.

Recent USA-China trade disputes will have a profound impact on the technology world, if they accelerate. Our industry continues to evolve. NASSCOM last year launched Future Skills, a platform intended to train over two million IT professionals as well as two million potential professionals and students in job-oriented skills. NASSCOM has recognized as many as 55 new job roles spanning emerging technology areas including Artificial Intelligence (AI), Robotics, Big Data Analytics, 3D Printing, IoT, Social and Mobile, in line with the needs of the industry. This sets the stage for what is popularly called a "fourth industrial revolution" and with robotics connected to this cyber world of computer systems, brings the birth of "smart factories". Today the skill initiative is getting expanded to cover the needs of Digital India.

As a recent speaker said "The field of Artificial Intelligence has progressed in leaps and bounds in the past few years, driven primarily by the effect of Moore's Law on computing capacity and cost, emerging AI-optimized CPUs, the increasing skill levels of data scientists with the know-how to build value-creating systems, and the proliferation of open source tools and platforms to support AI experimentation and operations." The platform services, software engineering services for custom and cloud-based applications and cloud and infrastructure integration services are expected to grow.

Being front runners in the information technology space, we are well aware that the driving force for the 21st century is the intellectual capital of citizens. The future belongs to those who embrace these critical skills, collaboration & teamwork, creativity & imagination, critical thinking and problem solving. These skills are what Chess is. A life-skill that helps build other skills. Owing to the skill and tech driven future, WYCC 2019 (World Youth Chess Championship to be held in Mumbai in October) is woven around the theme of collaboration between Chess & Artificial Intelligence. Our growing involvement in promoting Chess, is with a vision to create Champions of Life, a generation that will be ready for a tech-driven tomorrow. In the process, empowering India to be a Global tech and intellect hub.

Digitalization of manufacturing from shop floor to the white collar offices is the major trend. From early adoption of ERP in 90's to PLM to now maximizing the Supply Chain and Manufacturing processes, Industrial IoT with Analytics, the manufacturing sector is expected to spend quite a bit of money in software and services over the next 10 to 20 years.

We are now in the age of shared vision, co-creation of future, with our customers. Innovation is no more a wish; it is hygiene of business. Corporations are now leveraging a new ecosystem for innovation through acquisition, funding, incubation and collaboration. We seek to leverage the full capabilities of our offerings with broader participation across the enterprise and product development ecosystem— embedding ourselves more deeply at different steps of the value chain. Over the last five years more than 38B$ were invested in startups in India. We have now more than 44,000 startups (Inc 42). And we are seeing startups entering the areas of Electric vehicles—rikshaws, tractors and utility vehicles.

The way to survive and thrive this wave of disruption is to collaborate more with your customers and partner with leading engineering technology providers (CAD, CAE, Simulation, Digital Manufacturing, MES). This brings in a lot of excitement and viable new opportunities for us. We are investing in next generation technologies of Digital twins, Software tools to facilitate factory automation, and Analytics. We continue to invest in newer skilling, up skilling or reskilling and rightsizing our work force to meet the demands of our customers to grow their business. The start of the journey has been very encouraging, as evidenced by the performance during the last fiscal year, both in quantitative and qualitative terms. As I said before, with focused energy, creativity and discipline, many new initiatives are beginning to show tangible results.

Looking at the performance of FY 18-19, I stand satisfied with a consolidated all-round performance with more than 100%+ improvements in our bottom line.

We continue to operate with the highest level of commitment, excellence, integrity & corporate governance. I believe our core values are the pillars of our growth and are the way forward for continued success of the organization as well as enhancing brand Onward. The strength of our culture is what makes us more capable and better positioned for the future than it has been at any time in our history. It's what drives performance. It's what drives us to relentlessly innovate and stay ahead of our clients' needs. As we head into 2019 and beyond, I am more excited than ever about the opportunity to demonstrate that when we do right by our clients and put them first, our shareholders and our employees also win.

Thank you for your continued loyalty & support as we build the Onward Technologies of the future.

Sincerely,

Harish Mehta

From the Managing Director's Desk

Dear Shareholders,

I am pleased to share with you that we closed another strong year with **102.4% Profit Before Tax (PBT)** growth resulting in **Earnings Per Share (EPS) growth of 48.2%.** This has been possible with a very focused and detailed effort by the entire team globally towards our Net Debt Zero Goal. We believe we are very close in delivering this important milestone through strong operational efficiencies. On behalf of the team, I am also happy to share that the Board of Directors (BoD) are proposing to increase the Dividend to our shareholders to 15% for FY 18-19.

Our Net Debt Zero Goal at the end of March 2020, is linked fundamentally to three important operational aspects as explained below. We expect positive progress over the next few months as we are in the final stages of executing the last mile. Our Net Debt stands at Rs 11.4 Crores on March 31, 2019.

1) Advance Tax withholding with Govt (TDS) – At the end of March 31, 2019, we have a total of **Rs 17.75 Crores plus interest refund** to be received from the Income Tax Department with respect to Additional tax withholding (TDS) on account of our revenue from domestic (India based) service business. We expect this amount to be refunded over the next 24-36 months.

2) Closure of old customer engagements - There were several bets which we had taken in the past which didn't pan out the way we had forecasted. These contracts have been closed amicably over the last 12 months, allowing us to consolidate our best resources towards high growth clients.

3) DSO – Our **Days Sales Outstanding (DSO)** continues to improve on quarterly basis with strong operational efficiencies and we closed the year average at **62 days.**

On the business side of things, this was another important strategic year with continuous investments behind our large strategic customers in India, North America and Europe. The percentage of revenue share from our 10 top customers increased to 42% over the last 12 months. With additional investments in new service lines like digital, artificial intelligence, embedded, electrical, data analytics we remain bullish that we should be able to increase our global revenues to **50%+ from our top 10 customers.**

We continue to invest substantially in attracting quality talent to serve our customers with the highest level of quality. Last year, our revenues from exports were at 48% of the global revenues. Our goal is to increase the consolidated revenues from exports to **70%+ in the next 3 years.** While North America region continues to be our largest investment outside India till date and the most attractive growth market, we have started investing locally in growing our Europe business as well. In Phase 1, we have started our initial hiring to build the UK office sales organization to support our UK customers and prospects, we will very soon up the bets to build the delivery organization dedicated to this region. Post the investments in UK, we have started evaluating our strategy for Germany with clear roadmap of investing big in the country which will become our central hub for the Europe region.

Our entire leadership team is aligned to these key growth initiatives in North American and Europe and we are excited with the initial feedback from our customers and prospects. I hope to share more information with you on these initiatives next year.

Looking ahead, Onward Technologies will continue to make the strategic investments needed to serve our customers more effectively and deliver profitable growth for our shareholders. I thank you for your continued support & interest.

Sincerely,

Jigar Mehta

DIRECTOR'S REPORT

To

The Members,

The Directors of your Company are pleased to present before you the 28TH ANNUAL REPORT on the business and operations of the Company, along with annual audited financial statements of the Company for the financial year ended 31st March, 2019.

CORPORATE OVERVIEW

About Onward Technologies Limited

Onward Technologies (NSE, BSE : ONWARDTEC, 517536) is one of the India's leading engineering and IT services companies, providing integrated product development solutions and services to many of the Fortune 1000 companies.

Founded in 1991, the company deals in mechanical engineering, embedded products and systems development, mobile and enterprise software development, data analytics and digital transformation, robotic process automation, and managed services for infrastructure, applications and databases. We have worked with a wide range of clients in 10 industries, including automotive, aerospace, off-highway, industrial equipment and machinery, medical laboratory equipment, pharmaceutical and life sciences, banking, financial services and insurance.

Onward Technologies brings its expertise to clients through our 2,500+ employees, who continue to invest in deepening their expertise in relevant industries and technologies. In addition, the strategic alliances with large enterprise software OEMs helps in providing a comprehensive range of end-to-end solutions and services.

With engineering design and delivery centers in India, Onward Technologies has sales offices in Chicago, Detroit, Cleveland and Milwaukee in North America, Birmingham in the United Kingdom, Frankfurt in Germany and Mumbai, Pune and Chennai in India. All the 12 offices across North America, Europe and India are equipped with state of the art and secure infrastructure, equipment and facilities that aim to provide our clients with business continuity support, as well as proximity and access to a world class talent pool.

To learn more on how Onward Technologies helps its clients please visit www.onwardgroup.com and follow http: //www.linkedin.com/mwlite/company/onward-technologies

For more information, please contact: info@onwardgroup.com

FINANCIAL HIGHLIGHTS

The summarized financial performance of your Company is as follows: *Rs. in Lakhs*

Particulars	Consolidated Results		Standalone Results	
	For the year ended 31.3.2019	For the year ended 31.3.2018	For the year ended 31.3.2019	For the year ended 31.3.2018
Sales and other income (Net)	**26,220.69**	24,921.36	**12,320.29**	11,310.03
Profit before finance cost, depreciation and exceptional items	**2,360.12**	1,602.44	**2,002.44**	1,009.00
Finance costs	**274.17**	302.98	**207.22**	218.08
Depreciation	**565.99**	548.52	**481.23**	455.94
Operating profit	**1 ,519.96**	750.94	**1,313.99**	334.98
Exceptional items	**-**	-	**-**	-
Profit before tax	**1 ,519.96**	750.94	**1,313.99**	334.98
Provision for taxation				
– Current tax	**520.89**	223.44	**437.24**	103.61
– Previous year tax adjustment	**3.50**	(9.14)	**3 .50**	(9.14)
– Deferred tax expenses/(benefits)	**(17.84)**	(134.98)	**(61.77)**	20.36
Profit after tax	**1 ,013.41**	671.62	**935.02**	220.15

Director's Report *(Contd.)*

Consolidated Performance:

Your Company's total revenue has gone up to **Rs. 26,220.691 lakhs** from **Rs. 24,921.36 lakhs** in the last financial year, a growth of 5.2% over the previous financial year.

The Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) for the year **2018 - 19** was at **Rs. 2360.12 lakhs** as compared to Rs. 1602.44 lakhs in the last financial year. Operationally, your Company continues to invest and grow both in EDS and ITS in India and overseas markets.

The net profit after taxes was higher by **50.9%** and stood at Rs. 1,013.41 lakhs as at 31st March, 2019 as compared to Rs. 671.62 lakhs in the previous fiscal.

We are also excited to share with all of you that we have opened our 4th office in Pune at Magarpatta City in Hadapsar. This new design center has the capacity to house 300+ engineers. This design center along with our investment in the new office in Chennai and upgrading the infrastructure at our Mumbai office, has given us excellent additional capacity to meet the growing needs of our clients.

DIVIDEND

Your Company had declared and paid final dividend in the 27th Annual General Meeting of the Company held on Friday, 20th July, 2018. The Company paid dividend of Rs. 1,56,96,570 (Rupees One Crore Fifty Six Lakhs Ninety Six Thousand Five Hundred and Seventy only), excluding dividend distribution tax, at the rate of Re. 1 (Rupee One only) per equity share of face value Rs. 10 (Rupees Ten only).

Also, the Directors have recommended a dividend of Rs. 1.5 (15% per cent) per equity share of face value Rs. 10 each, for the financial year ended 31st March 2019, which, if approved at the ensuing Annual General Meeting, will be paid to:

(i) all those equity shareholders whose names appear in the register of members as on 18th July, 2019 and

(ii) to those whose names appear as beneficial owners, as on 18th July, 2019 as furnished by the National Securities Depository Limited and Central Depository Services (India) Limited for the purpose.

TRANSFER TO RESERVES

Your Directors do not propose to transfer any amount to its reserves out of the profits of the Company for the year ended 31st March, 2019. Over the last year, the team has made progress on signing long term offshore contracts which will give the business continuity and stability. Also, over the last year, the company has increased the business concentration from its top 10 customers from 34% to 41%. We expect continual momentum from our customers in the Mid-West region and strong growth from these initiatives over the next 3 years.

SUBSIDIARIES

Onward Technologies, Inc. (OTI) (North America)

Our business from North American customers which is housed under the IB – NA Business Unit (BU) internally had another strong year with focused efforts to improving the DSO & bottom line of the company.

Over the last year, the team has made progress on signing long term offshore contracts which will give the business continuity and stability. Also, over the last year, the company has increased the business concentration from its top 10 customers from 34% to 41%. We expect continual momentum from our customers in the Mid-West region and strong growth from these initiatives over the next 3 years.

The North American subsidiary is debt free & has sufficient cash on hand for future growth investments.

Onward eServices Limited (OeSL)

Our domestic IT Services business continued the turnaround of the business from the investments and momentum of the previous few years and closed the year with revenues of Rs. 6,149.01 lakhs

This year, our 100% subsidiary joined the list of tax paying entities in India with the adjustment of the historic carried

Director's Report *(Contd.)*

forward losses of the last decade. The business is also on track to repay 100% of the long term loans in the first half of 2019, which was taken 2 year back during our infrastructure expansion into a state of the art office space in Chennai.

Today, we serve 45+ direct large customers between our offices in Mumbai and Chennai with long term multilayer contracts. Our management team of this subsidiary has a clear roadmap of crossing the first target of Rs. 100 crores of revenue in the next 3 years.

Onward Technologies GmbH (OTG)

Overall the European region is very attractive for revenue growth and we have laid the foundation over the last few years. We have won number of strategic customers across Europe and with a strong team of 150+ employees supporting the geography, we are optimistic of our ability to realize the full potential of the region.

We are committed to invest further in building a focused leadership team where the entire depth and breadth of our services can be offered to new customers. Over the next 3 years, our aim is for Europe to contribute double digits of global revenues.

Onward Properties Private Limited (OPPL)

During the year under review, OPPL did not undertake any substantial activities. Post the Board of Directors consent, we have started evaluating the options of closing this entity or merging it back with the parent company.

The brief particulars of the subsidiaries of your Company as required under AOC-1, is provided as an annexure to this report marked as **Annexure - 1**. Further, your Company has not incorporated or acquired any subsidiaries or associate companies, nor Company has entered into any joint venture, during the year under review. Also, none of the abovementioned companies has ceased to be subsidiary of your Company.

BOARD OF DIRECTORS

Composition of the Board of Directors of the Company as at 31st March, 2019 was hereunder:

Name of the Director	Designation	Category
Mr. Harish Mehta	Executive Chairman	Executive
Mr. Jigar Mehta	Managing Director	Executive
Mrs. Prachi Mehta	Director	Non-Executive
Mr. Pranay Vakil	Independent Director	Non-Executive
Mr. Nandkumar Pradhan	Independent Director	Non-Executive
Mr. Parish Meghani	Independent Director	Non-Executive
Mr. Rahul Rathi	Independent Director	Non-Executive

Detailed composition of the Board of Directors, including Committees thereof; and number and dates of meetings held during the financial year is provided in the Report on Corporate Governance of your Company for the financial year 2018-19.

Independent Directors

Mr. Pranay Vakil, Mr. Nandkumar Pradhan, Mr. Parish Meghani and Mr. Rahul Rathi were the Independent Directors of the Company as on 31st March, 2019. All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149 of the Act which has been relied on by your Company and placed at the Board meeting held on 17th May, 2019.

Director's Report *(Contd.)*

Meetings of the Board of Directors:

Your Directors meet at regular intervals in every calendar quarter. Meetings are generally held at the registered office of the Company at Mumbai or at Company's office at Pune. During the year, 4 (four) Board meetings were convened and held on the following days:

Sr. No.	Day	Date	Venue
1	Friday	11th May, 2018	Mumbai, India
2	Friday	20th July, 2018	Mumbai, India
3	Friday	26th October, 2018	Mumbai, India
4	Thursday	24th January, 2019	Mumbai, India

The intervening gap between the meetings was within the period prescribed under the Act. Also, all the meetings were convened after sending due notices to the Directors along with agenda and explanatory notes atleast seven days in advance pursuant to the provisions of the Act, Secretarial Standard -1 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Obligations), as amended from time to time, to enable them to take informed decisions. Requisite quorum was met during each of the above meetings. There was no discussion at the meeting which took place through video conferencing; the Directors present were available at the venue of the meeting.

Separate meeting of Independent Directors:

Meeting of the Independent Directors of the Company was held on 11th February, 2019, to review the performance of Non-Independent Directors (including the Chairman) and the Board as a whole, where all the Independent Directors were present. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the management and the Board and its Committees.

Key Managerial Personnel:

Your Company has appointed following key managerial personnel (KMP) during the year under review:

Sr. No.	Name of KMP	Designation	Date of appointment
1	Ms. Dimple Chauhan	Company Secretary and Compliance Officer	24th January, 2019

Further, in accordance with the relevant provisions of the Act, necessary declarations and submissions have been made to Registrar of Companies in Form MGT- 14, filing of resolutions and agreements to Registrar.

Director Retiring by Rotation

In terms of Section 152 of the Act and Articles of Association of the Company, Mrs. Prachi Mehta would retire by rotation at the forthcoming meeting and is eligible for re-appointment. Mrs. Prachi Mehta has offered herself for re-appointment. The Board recommends her reappointment at the ensuing Annual General Meeting, as Director liable to retire by rotation.

Board Evaluation

Pursuant to the provisions of the Act and Listing Obligations, the Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its various committees. Independent Directors at their separate meeting held during the year, reviewed the performance of Non-Independent Directors of your Company as well as Chairman of your Company and the Board as a whole.

Director's Report *(Contd.)*

Audit Committee

The Audit Committee of the Board comprised of Mr. Pranay Vakil, as the Chairman, Mr. Nandkumar Pradhan, Mr. Parish Meghani and Mr. Rahul Rathi as members as at 31st March, 2019. During the year under review, there were no instances of non-acceptance of any recommendations of the Audit Committee by the Board of Directors of your Company.

SHARE CAPITAL

During the year the paid up share capital of your Company increased from Rs. 155,420,700 to Rs. 158,048,700 by allotment of 2,62,800 new shares issued of face value Rs. 10 each under Company's Employees Stock Option Plan 2009. Further, on 5th April, 2019 your Company had allotted 97,900 shares under ESOP scheme and at present, the paid-up share capital is Rs. 1,59,02,770 divided into 159,027,700 equity shares of face value Rs. 10 each.

Listing information

The equity shares of your Company are listed on the following stock exchanges under the ISIN INE 229A01017.

BSE Limited: Scrip Code: 517536

The National Stock Exchange of India Limited: Scrip Code: ONWARDTEC

The Company has regularly paid the Annual Listing fees to the respective Stock Exchanges. Annual Custody/Issuer fee for the financial year 2018-19 has been paid by the Company to National Securities Depositories Limited and Central Depository Services (India) Limited.

Pledge of shares

None of the equity shares of the Directors of your Company are pledged with any banks or financial institutions.

EMPLOYEE STOCK OPTION SCHEME

Your Company had implemented Employee Stock Option Plan 2009 (ESOP 2009) for the benefit of employees of your Company and its subsidiaries. The aforesaid scheme was approved by the members of your Company at the 18th Annual General Meeting held on 31st August, 2009 and the scheme is monitored under the guidance of the members of Nomination and Remuneration Committee of the Board of Directors. The rationale of implementation of ESOP 2009 was to attract, motivate and retain talented personnel with the organization for long time. The total number of warrants approved under the scheme for employees of your Company and of its subsidiaries are 875,000 with option to convert into 35,00,000 equity shares (One warrant is equal to four equity shares). The employees working with the subsidiaries of your Company are also covered under the above scheme.

The disclosures required to be made under relevant provisions of the Act and the SEBI (Share Based Employee Benefits) Regulations, 2014 is given as **Annexure - 2** to this report including details on the grant, vesting, exercise, and lapsed options under the aforesaid scheme.

The Company has planned to introduce a new Employee Stock Option Scheme and accordingly Onward ESOP 2019 has been laid down for which approval of the shareholders is requested in the Notice of Annual General Meeting enclosed with this Annual Report. You are requested to approve the said scheme.

Director's Report *(Contd.)*

AUDITORS

Statutory Auditors

The members at the 26th Annual General Meeting of the Company held on Friday, 21st July, 2017 had appointed M/s. Price Waterhouse Chartered Accountants LLP (Firm Registration No. 012754N/ N500016) as Statutory Auditors of the Company to hold office from the conclusion of that Annual General Meeting till the conclusion of 31st Annual General Meeting to be held in the year 2022. Statutory auditors have conducted statutory audit of the financials of the Company for the financial year ended 31st March, 2019 and have submitted their report to the Board along with the financial statements approved at the Board meeting held on 17th May, 2019. The said report is enclosed along with the financials of your Company and also forms part of this Annual Report, which includes their remarks and matters of emphasis which are self-explanatory.

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board had appointed M/s. Nilesh A. Pradhan & Co. LLP, Company Secretaries, (FCS: 5445, CP No.: 3659) to undertake the secretarial audit of your Company for the financial year ended 31st March, 2019. Their secretarial audit report is annexed herewith this report as **Annexure - 3.**

Explanations for the observations made by Secretarial Auditor M/s Nilesh A. Pradhan & Co. LLP in Secretarial Audit Report:

1. As per Section 203 of Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, "If the office of any whole-time key managerial personnel is vacated, the resulting vacancy shall be filled-up by the Board at a meeting of the Board within a period of six months from the date of such vacancy."

   The Company has appointed Company Secretary within six months.
2. The company was in the process of appointing a full time Company Secretary during this period and therefore information for the same was delayed. The company has always been 100 % compliant in the past and the same process for timely submission will be followed in future.
3. The Director and Designated Person purchased securities of the company during the closure of trading window. The Director and Designated Person was not having any knowledge of unpublished price sensitive information during and the same was done unintentionally. The company has received written declaration regarding this instance with the commitment of not occuring again.
4. The Company is in the process of submission of the annual return on Foreign Liabilities and Assets and Annual Performance Report for the year ended 31st March, 2018.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has an internal control system, commensurate with the size, scale and complexity of its operations. Your Company has documented a robust and comprehensive internal control system for all the major processes to ensure reliability of financial reporting, timely feedback on achievement of operational and strategic goals, compliance with policies, procedures, laws and regulations, safeguarding of assets and economical and efficient use of resources. The formalized system of control facilitates effective compliance as per Listing Obligations and relevant provisions of the Act.

Director's Report *(Contd.)*

To maintain its objectivity and independence, the internal audit function reports to the Chairman of the Audit Committee of the Board. The internal audit function monitors and evaluates the efficacy and adequacy of internal control system in your Company, its compliance with operating systems, accounting procedures and policies at all locations of your Company and its subsidiaries. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions there on are presented to the Audit Committee of the Board. The Audit Committee also met your Company's Statutory Auditors to ascertain their views on the financial statements, including financial reporting system, compliance to accounting policies and procedures, the adequacy and effectiveness of internal controls and systems followed by your Company.

BUSINESS RISK MANAGEMENT

Your Company has formally framed a risk management plan/policy to identify and assess the risk areas, monitor and report compliance and effectiveness of the policy and procedure. A detailed exercise is being carried out to identify, evaluate, manage and monitoring of both business and non-business risk. This plan seeks to create transparency, minimize adverse impact on the business objectives and enhance your Company's competitive advantage. The business risk plan defines the risk management approach across the enterprise at various levels including documentation and reporting. The Audit Committee and Board of Directors periodically review the risks and suggest steps to be taken to control and mitigate the same through a properly defined framework.

The purpose of risk management is to achieve sustainable business growth, protect Company's assets, safeguard shareholder investments, ensure compliance with applicable laws and regulations and avoid major surprises of risks. The policy is intended to ensure that an effective risk management framework is established and implemented within the Company.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Loans, guarantees and investments covered under Section 186 of the Act, form part of the notes to the financial statements provided in this Annual Report. Also, details of loans, guarantees and investments made by the Company during the Financial Year 2018-19 are provided as **Annexure - 4** of this Report.

PUBLIC DEPOSITS

Your Company has not accepted any public deposits and, as such, no amount of principal or interest was outstanding as of the date of the balance sheet.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

All contracts/ arrangements/ transactions entered by your Company during the financial year with related parties were on an arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Act and the Listing Obligations. There are no materially significant related party transactions undertaken by your Company with the Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of your Company at large.

All related party transactions are placed before the Audit Committee of your Company, for its approval. Also, the Company had taken an omnibus approval from the Audit Committee in its meeting held on 11th May, 2018, for routine transactions with related party which are made on an arms' length basis. A statement of all related party transactions is placed before the Audit Committee for its review on a quarterly basis, specifying the nature, value and terms and conditions of the transactions. Your Company has also adopted a related party transaction policy. This policy, as approved by the Board, is uploaded on your Company's website; **www.onwardgroup.com**. All transactions are undertaken as per the provisions of the Company's policy.

Director's Report *(Contd.)*

The related party transactions that were entered during the financial year 2018-19, are given in the notes to financial statements as per Accounting Standard 24 (Ind AS 24) Related Party Disclosure, which form part of the Annual Report.

Further, all transactions with related parties have been conducted at an arm's length basis and are in ordinary course of business. Accordingly, there are no transactions that are required to be reported in Form AOC-2 and as such do not form part of this Report.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the annual return in form MGT-9 is annexed herewith as **Annexure - 5** to this Report. The same is available on our website www.onwardgroup.com.

DIRECTOR'S RESPONSIBILITY STATEMENT

The Directors confirm that:

1. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. They have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of your Company at the end of the financial year and of the profit of your Company for that period;
3. They have taken proper and sufficient care for the maintenance of adequate accounting records, in accordance with the provisions of the Act, for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
4. They have prepared the annual accounts on a going concern basis;
5. They have laid down internal financial controls to be followed by your Company and that such internal financial controls are adequate and were operating effectively; and
6. They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CORPORATE SOCIAL RESPONSIBILITY

The Board has constituted Corporate Social Responsibility (CSR) Committee which comprised of Mr. Pranay Vakil as Chairman; Mr. Harish Mehta and Mrs. Prachi Mehta as members. The Board has also approved a CSR policy on recommendations of CSR committee. However, provisions of Section 135 of the Act, which relates to CSR are not applicable to your Company so far as it does not meet the criteria mentioned therein.

However, as a matter of Company's social responsibility, your Company has undertaken several initiatives through its social welfare organization named 'Onward Foundation'. Onward Foundation is a charitable organization and its charter is to extend support to society in the areas of education, health care and social welfare.

DISCLOSURES UNDER THE ACT

1. **Material changes and commitment affecting financial position:**

   No material changes and commitments which could affect your Company's financial position have occurred between the end of the financial year and date of this report.

Director's Report *(Contd.)*

2. **Shares with differential rights:**

   Your Company has not issued any shares with differential rights and hence no information as per provisions of Section 43 (a) (ii) of the Act read with Rule 4 (4) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

3. **Sweat Equity Shares:**

   Your Company has not issued any sweat equity shares during the year under review and hence no information as per provisions of Section 54(1)(d) of the Act read with Rule 8 (13) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

4. **Reporting of frauds:**

   The Statutory Auditors of the Company has not reported any frauds by Company's employees or officers in financial or business operations of the Company during the year under review, pursuant to provisions of Section 143 (12) of the Act.

5. Your Company did not carry any material transaction during the year under review, and hence there were no particular changes in the business of your Company.

6. Significant and material orders passed by the regulators or courts or tribunals:

   Your Directors state that no disclosure or reporting is required as no significant or material orders were passed during the year under review by the regulators or courts or tribunals which impact the going concern status and Company's operations in future during the year under review.

7. Maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 are not applicable to the business activities as carried out by the Company.

8. Your Directors confirm that the mandatory Secretarial Standards issued by the Institute of Company Secretaries of India, have been complied with.

DISCLOSURES AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACSE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company has zero tolerance mechanism for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment of women in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder for prevention and redressal of complaints of sexual harassment at workplace. Your Company is committed to providing equal opportunities without regard to their race, caste, sex, religion, colour, nationality, disability, etc. All women associates (permanent, temporary, contractual and trainees) as well as any women visiting your Company's office premises or women service providers are covered under this policy. All employees are treated with dignity with a view to maintain a work environment free of sexual harassment whether physical, verbal or psychological.

Director's Report *(Contd.)*

A committee has been set up to redress complaints in this regard. Details of the events which took place during the year are hereunder:

Sr. No.	Particulars	Events
1	Number of Complaints of Sexual Harassment pending at the beginning of the year	Nil
2	Number of Complaints of Sexual Harassment received during the year	Nil
3	Number of Complaints of Sexual Harassment disposed off during the year	NA
4	Number of Complaints of Sexual Harassment pending for more than 90 days	NA
5	Nature of Action taken by the Employer or District Officer	NA
6	No. of Awareness Program about Sexual Harassment Policy conducted and held at workplace	4 (Four)

No action was required to be taken by the Company as there were no complaints relating to sexual harassment received during the year under review. Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report on the business outlook and performance review for the year ended 31st March, 2019 as stipulated in Regulation 34 of the Listing Obligations, is presented in a separate report which forms part of this Report.

CORPORATE GOVERNANCE

Your Company has taken appropriate steps and measures to comply with all the applicable provisions of the Listing Obligations on Corporate Governance. A detailed report on Corporate Governance along with a certificate of statutory auditors of your Company also forms part of this Report.

Green Initiatives in Corporate Governance:

In line with the 'Green Initiative', your Company has effected electronic delivery of notice of Annual General Meeting and annual report to those shareholders whose email ids were registered with the respective depository participants and downloaded from the depositories viz. National Securities Depository Limited/Central Depository Services (India) Limited. The Act and the underlying rules as well as Listing Obligations permit the dissemination of financial statements in electronic mode to the shareholders. Your Directors are thankful to the shareholders for actively participating in the green initiative and seek your continued support for implementation of the same.

Director's Report *(Contd.)*

CONVERSION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

A	**Conservation of Energy:**		
	1	The steps taken or impact on conservation of energy	Your Company requires energy for its operations and the Company is making all efforts to conserve energy by monitoring energy costs and periodical reviews of the consumption of energy. It also takes appropriate steps to reduce the consumption through efficiency in usage and timely maintenance / installation / upgradation of energy saving devices.
	2	The steps taken by your Company for utilizing alternate sources of energy	
	3	The capital investment on energy conservation equipments	
B	**Technology Absorption, Adoption and Innovation:**		
	1	The efforts made towards technology absorption	Your Company uses latest technology and equipments into the business. Further, your Company is not engaged in any manufacturing activities.
	2	The benefits derived like product improvement, manufacturing activities, cost reduction, product development or import substitution	
	3	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) a) The details of technology imported b) The year of import c) Whether technology been fully absorbed? d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof	
	4	The expenditure incurred on Research and development	Your Company has not spent any amount towards research and developmental activities and has been active in harnessing and tapping the latest and the best technology in the industry.

C. Foreign exchange earnings and outgo: (OTL - Standalone)

	2018-19	2017-18
Foreign exchange earnings	**4,490.86 Lakhs**	4,883.12 Lakhs
Foreign exchange outgo	**1,537.19 Lakhs**	1,809.01 Lakhs

Director's Report *(Contd.)*

PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 of the Act read with Rule 5 (1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is furnished herewith in **Annexure - 6.**

Further, the information required pursuant to Section 197 of the Act read with Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, in respect of employees of your Company and Directors is furnished hereunder:

Sr. no.	Name	Designation	Remuneration	Nature of employment whether contractual or otherwise	Qualification, Experience & Age	Date of Commencement of Employment	The last employment held by employee before joining Company	% of equity shares held by employee in the Company	Whether the employee is a relative of any Director, Manager of the Company. If yes provide the details
1	Harish Mehta	Executive Chairman	16,801,170	Permanent	**Qualification:** M.S. ELECTRICAL **Experience:** 41 years **Age:** 72years	01-Jan-06	NA	216,528 (1.37%)	Relative of Mr. Jigar Mehta, Managing Director and Mrs. Prachi Mehta, Director of the Company
2	Jigar Mehta	Managing Director	8,400,016	Permanent	**Qualification:** Bachelor's in business administration with concentration in Marketing and Management information system, Boston University, USA **Experience:** 18 years **Age:** 39 years	19-Jun-01	NA	426,542 (2.70%)	Relative of Mr. Harish Mehta, Executive Chairman and Mrs. Prachi Mehta, Director of the Company

Director's Report *(Contd.)*

REMUNERATION POLICY:

Your Company recognizes the importance of aligning the business objectives with specific and measureable individual objectives and targets. Your Company has therefore formulated the criteria for rewarding its Directors, key managerial personnel and other employees keeping in view the following objectives:

- Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate, to run the Company successfully.
- Ensuring that relationship of remuneration to performance is clear and meets the performance benchmarks.
- Ensuring that remuneration involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

Your Company's remuneration policy is directed towards rewarding performance based on review of achievements periodically. The same is in consonance with the existing industry practice. The same is available on the website www.onwardgroup.com

Extracts of the Remuneration Policy

The Remuneration Policy of Onward Technologies Limited (the "Company") is designed by the Nomination and Remuneration Committee (NRC) of the Company to attract, motivate and retain manpower in a competitive market. The Remuneration Policy applies to the Company's Senior Management, including its Key Managerial Personnel and Board of Directors, and other employees.

Remuneration to Non-Executive Directors:

The Non-Executive Directors of the Company are paid remuneration by way of sitting fees only for attending the meetings of the Board of Directors and its Committees. The sitting fees paid to the Non-Executive Directors for attending meetings of Board of Directors and Audit Committee of Board of Directors shall be Rs. 75,000/- and Rs. 50,000/- per meeting, respectively. Also, sitting fees for attending Nomination and Remuneration Committee and Stakeholders' Relationship committee meetings shall be Rs. 5,000/- per meeting. Beside the sitting fees they are also entitled to reimbursement of expenses. The Non-Executive Directors of the Company are not paid any other remuneration or commission. The sitting fees of the Non-Executive Directors for attending meetings of Board of Directors and the Committees of Board of Directors may be modified or implemented from time to time only with the approval of the Board in due compliance of the provisions of the Act.

Remuneration to Executive Directors, Key Managerial Personnel (KMPs) & Senior Management Personnel (SMPs):

The Company has a credible and transparent framework in determining and accounting for the remuneration of the Managing Director / Whole Time Directors (MD/WTDs), Key Managerial Personnel (KMPs) and Senior Management Personnel (SMPs). Their remuneration shall be governed by the external competitive environment, track record, potential, individual performance and performance of the Company as well as industry standards. The remuneration determined for MD/WTDs, KMPs and SMPs are subjected to the approval of the Board of Directors subject to compliance of the provisions of the Act. The remuneration for the KMP and the SMP at the time of the appointment has to be approved by the Board but any subsequent increments shall be approved by the Managing Director of the Company as per the HR policy of the Company and ratified by the Board.

Director's Report *(Contd.)*

As a policy, the Executive Directors are neither paid sitting fee nor any profit related commission.

Senior Management Personnel:

Persons/Officers of the Company having following designations shall be termed as Senior Management Personnel of the Company:

1. Chief Executive Officer (CEO),
2. Chief Financial Officer (CFO),
3. Executive Vice president (EVP)
4. Senior Vice president (SVP)
5. Vice president (VP)

Further, Company's policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes and independence of Directors is also available on Company's website; www.onwardgroup.com.

ACKNOWLEDGEMENTS

The Directors hereby put on record their sincere gratitude towards the continued assistance and co-operation extended to your Company by its customers, stakeholders, suppliers, banks, financial institutions and various government authorities towards the growth of your Company.

The Directors also place on record their deep sense of appreciation for the dedicated services rendered by the employees of your Company.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
OF ONWARD TECHNOLOGIES LIMITED

	Harish Mehta	**Jigar Mehta**
Place: Mumbai	Executive Chairman	Managing Director
Date: May 17, 2019	DIN : 00153549	DIN : 06829197

Director's Report *(Contd.)*

Annexure - 1

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

PART A: Statement containing salient features of the financial statements of subsidiary companies

(Amount in lakhs)

Sr. No.	Name of the subsidiary	Onward eServices Limited	Onward Technologies, Inc.	Onward Technologies GmbH	Onward Properties Private Limited
1	Date since when subsidiary was acquired	**Since 2003**	**Since 1996**	**Since 2003**	**Since 1995**
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as Parent Company	Same as Parent Company	Same as Parent Company	Same as Parent Company
3	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	INR	USD Rates for profit and loss Rs.69.32200000; balance sheet Rs.70.01280833	EURO Rates for profit and loss Rs. 80.84124167; balance sheet Rs.77.75220000	INR
4	Share capital (including share application money) (Rs.)	1,562.00	1,048.53	219.68	5.00
5	Reserves and surplus	(451.04)	722.20	(260.21)	94.93
6	Total assets	3,418.85	2,176.71	156.18	100.26
7	Total Liabilities	2,307.89	405.99	196.72	0.33
8	Investments	-	-	-	-
9	Turnover	6,149.01	10,025.47	1,060.25	0.00
10	Profit before taxation	193.93	163.34	(40.22)	(0.34)
11	Provision for taxation	67.61	38.09	-	0.00
12	Profit after taxation	126.32	125.25	(40.22)	(0.34)
13	Proposed Dividend	-	-	-	-
14	% of shareholding	100	100	100	100

Note: There were no subsidiaries which were yet to commence operations or which were liquidated or sold during the year under review.

PART B: Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

The Company did not have any Associate Companies or Joint ventures during the year under review.

Further, there were no associates or joint ventures which were yet to commence operations or which were liquidated or sold during the year under review.

Director's Report *(Contd.)*

Annexure - 2

Disclosure of details pertaining to the shares alloted under Employees Stock Option Scheme 2009 (ESOP 2009) under the provisions of Section 62(1)(b) of the Companies Act, 2013 and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 during the year under review:

Discription	ESOP 2009	
	2018-19	2017-18
Total number of shares covered by ESOP Scheme approved by the shareholders	**35,000,000**	35,000,000
Options granted	**50,000**	67,900
Maximum term of options granted	**5 years**	5 years
Source of shares	**Primary**	Primary
Options vested (in shares)	**315,800**	366,100
Options exercised	**65,700**	86,450
The total number of shares arising as a result of exercise of option	**262,800**	345,800
Options forfeited	**45,350**	63,450
Options lapsed	**22,600**	4,163
Extinguishment or modification of options	**None**	None
The exerise price	**Rs. 10**	Rs. 10
Pricing formula	**Face Value**	Face Value
Variation of terms by exercise of options	**None**	None
Money realised by exercise of options	**2,628,000**	3,458,000
Total number of options outstanding at the end of the year	**142,350**	226,000
Total number of options exercisable at the end of the year	**105,800**	70,400
Employee - wise details of options granted to:		
Key managerial personnel and Senior Managerial Personnel	**Details available on the website of the Company**	
Any other employee who receives a grant of options in any one year of option amounting to 5% or more of options granted during that year	**None**	None
Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued captial (excluding outstanding warrants and conversions) of the Company at the time of grant.	**None**	None
Issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	**Rs.158,048,700 (15,804,870 equity shares)**	Rs.155,420,700 (15,542,070 equity shares)
Method used to accounting of options	**Fair Value**	Fair Value
Diluted EPS calculated in accordance with International Accounting Standards (IAS) 33	**5.7**	1.33

Director's Report *(Contd.)*

Annexure - 3

SECRETARIAL AUDIT REPORT

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014}

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019 (01-04-2018 to 31-03-2019)

To,
The Members,
Onward Technologies Limited,
Sterling Centre, 2nd Floor,
Dr. A.B. Road, Worli,
Mumbai- 400018

Dear Sirs,

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Onward Technologies Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/Statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by "the Company" and its Subsidiary Company and also the information provided by "the Company", its officers, agents and authorized representatives during the conduct of Secretarial Audit, We hereby report that in our opinion, the Company, during the audit period covering the financial year ended 31st March, 2019 complied with the Statutory provisions listed hereunder and also that the Company and its Subsidiary Companies have proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Onward Technologies Limited for the financial year from 1st April, 2018 to 31st March, 2019 according to the provisions of:

i) The Companies Act, 2013 (the Act) and the rules made there under;

ii) The Securities Contracts (Regulation) Act, 1956 and the rules made there under;

iii) The Depositories Act, 1996 and the regulations and bye-laws framed there under;

iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of foreign direct investment, overseas direct investment and External Commercial Borrowings;

v) The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):

  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

  (c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

Director's Report *(Contd.)*

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

(e) The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014;

(f) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not Applicable as the Company has not issued any further share capital during the year);

(g) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not Applicable as the Company has not issued any further share capital during the year)

(h) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not Applicable as the Company has not issued and listed debt securities during the financial year under review);

(i) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993(Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review);

(j) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable as the Company has not delisted /propose to delist any of its securities during the financial year under review.); and

(k) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable as the Company has not bought back /propose to buy back any of its securities during the financial year under review).

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board and General Meetings.

(ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the financial year from 1st April, 2018 to 31st March, 2019 under review the Company has complied with the provisions of the Act, Old Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following:

1. Whereas in terms of the provisions of Section 203 of the Companies Act, 2013 and Regulation 6 of the Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015., the Company was required to have Company Secretary & Compliance officer. The Company did not have Company Secretary & Compliance Officer for the period 01.08.2018 to 24.01.2019.

2. Some of the forms are filed with the Ministry of Corporate Affairs with delay and company has paid additional fees for the same.

3. Whereas in terms of the provisions of Regulation 30 of the Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 the Company was required to intimate resignation of Company Secretary upon occurrence of the event. The Company has intimated the Stock Exchange about the resignation of Company Secretary effective from 31st July, 2018 on 29th August, 2018.

Director's Report *(Contd.)*

4. Whereas in terms of the provisions of Regulation Securities And Exchange Board Of India (Prohibition Of Insider Trading) Regulations, 2015, the Designated persons and their immediate relatives shall not trade in securities when the trading window is closed. One of the Directors & Designated Person purchased securities of the Company during the closure of trading window.
5. Whereas in terms of the provisions of Regulation Securities And Exchange Board Of India (Prohibition Of Insider Trading) Regulations, 2015, the intimation of trading of securities is required to be given by person within two trading days of transactions to the Company and the Company is required to intimate the same to the Stock Exchange(s) within two trading days of the receipt of the same. There was delay in submission of the above disclosures in certain cases.
6. The Company has not submitted annual return on Foreign Liabilities and Assets and Annual Performance Report for the year ended 31st March, 2018 as per the provisions of the Foreign Exchange Management Act, 1999.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, Agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while wherever required, the dissenting member's views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, there were no instances of:

(i) Public / Rights / Preferential issue of shares /debentures / sweat equity.

(ii) Redemption / buy-back of securities.

(iii) Major decisions taken by the Members in pursuance to Section 180 of the Companies Act, 2013.

(iv) Foreign Technical collaborations.

I further report that during the audit period the Company has not undertaken events/ actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For Nilesh A. Pradhan & Co., LLP
Company Secretaries

Nilesh A. Pradhan
Partner
FCS No: 5445.
COP No: 3659

Place: Mumbai
Date: May 17, 2019

Note: This report should be read with our letter which is annexed as Annexure - I and forms integral part of this report.

Director's Report *(Contd.)*

ANNEXURE - I

To,
The Members,
Onward Technologies Limited,
Sterling Centre, 2nd Floor,
Dr. A.B. Road, Worli,
Mumbai- 400018

Our report of even date is to be read along with this letter

1. Maintenance of Secretarial record was the responsibility of the management of the Company. Our responsibility was to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices that we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts and internal Control System of the company.
4. Where ever required, more specifically with respect to the all other applicable laws , except as stated in Secretarial Audit Report we have obtained and relied upon the Management representation letter about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For Nilesh A. Pradhan & Co., LLP
Company Secretaries

Nilesh A. Pradhan
Partner
FCS No: 5445.
COP No: 3659

Place: Mumbai
Date: May 17, 2019

Director's Report *(Contd.)*

Annexure - 4

Particulars of Loan, Guarantee, Security and Investment for the financial year 2018-19

A Guarantee(s)/Security(s) provided during financial year 2018-19: ***(Amount in Lakhs)***

Sr. No.	Name of the Company for whom guarantee is provided	Name of the Party in whose favour guarantee is given	Purpose of Guarantee	Amount for which guarantee is given
1	Onward Technologies, Inc.	Bank of America	Line of Credit	103,983,000
		Total		**103,983,000**

B Investments made during the financial year 2018-19:

Sr. No.	Particulars	Opening Balance	During FY 2018-19		
			Acquisition	Sale	Closing Balance
1	Onward eServices Limited	157,316,000	-	-	157,316,000
2	Onward eServices Limited	93,491,000	-	-	93,491,000
3	Onward Properties Private Limited	10,693,000	-	-	10,693,000
4	Onward Technologies GmbH	21,968,000	-	-	21,968,000
5	Onward Technologies, Inc.	104,852,663	-	-	104,852,663
	Total	**388,320,663**	**-**	**-**	**388,320,663**

C There was no loan given by Company during the financial year under review.

Director's Report *(Contd.)*

Annexure - 5
Form No. MGT 9

Extract of annual return as on financial year ended March 31, 2019
Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company (Management & Administration) Rules, 2014

I Registration and other details:

i	CIN	L28920MH1991PLC062542
ii	Registration date	18/Jul/1991
iii	Name of the Company	Onward Technologies Limited
iv	Category/sub-category of the Company	Company having share capital
v	Address of the registered office and contact details	2nd Floor, Sterling Centre, Dr. A.B. Road, Worli, Mumbai - 400018 Tel. No.: +91 22 2492 6570
vi	Whether listed Company	Yes
vii	Name, address and contact details of the registrar and transfer agent, if any	Link Intime India Pvt. Ltd ,C 101, 247 Park, L.B.S. Marg, Vikhroli (West),Mumbai,Maharashtra,400083 Tel: +91 22 25963838 Fax: +91 22 25962691 e-mail: rnt.helpdesk@linkintime.co.in Contact person: Ms. Nayna Shashikant Wakle

II Principal business activities of the Company

Sr. No.	Name and description of main products/services	NIC code of the product/service	% to total turnover of the Company
1	Consultancy services	722	100%

III Particulars of holding, subsidiary and associate companies

Sr. No.	Name and address of the Company	CIN/GIN	Holding/ subsidiary/ associate	% of shares held	Applicable Section
1	Onward eServices Limited	U72900MH2003PLC140979	Subsidiary	100.00%	2(87) of Companies Act, 2013
2	Onward Properties Private Limited	U99999MH1987PTC045115	Subsidiary	100.00%	2(87) of Companies Act, 2013
3	Onward Technologies, Inc.		Subsidiary	100.00%	2(87) of Companies Act, 2013
4	Onward Technologies GmbH		Subsidiary	100.00%	2(87) of Companies Act, 2013

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IV Shareholding pattern (Equity share capital break-up as % to total equity)

Category of Shareholders	Shareholding at the beginning of the year -2018				Shareholding at the end of the year -2019				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	%of Total Shares	
(A) Promoters									
[1] Indian									
(a) Individuals / Hindu Undivided Family	761,160	0	761,160	4.90	971,758	0	971,758	6.15	1.25
(b) Central Government / State Government(s)	0	0	0	0.00	0	0	0	0	0
(c) Financial Institutions / Banks	0	0	0	0.00	0	0	0	0	0
(d) Any Other (Specify)									
Bodies Corporate	7,791,895	0	7,791,895	50.13	8,350,695	0	8,350,695	52.84	2.71
Sub Total : (A)(1)	**8,553,055**	**0**	**8,553,055**	**55.03**	**9,322,453**	**0**	**9,322,453**	**58.99**	**3.96**
[2] Foreign									
(a) Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0
(b) Government	0	0	0	0.00	0	0	0	0.00	0
(c) Institutions	0	0	0	0.00	0	0	0	0.00	0
(d) Foreign Portfolio Investor	0	0	0	0.00	0	0	0	0.00	0
(e) Any Other (Specify)	0	0	0	0.00	0	0	0	0.00	0
Sub Total :(A)(2)	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0**
Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	**8,553,055**	**0**	**8,553,055**	**55.03**	**9,322,453**	**0**	**9,322,453**	**58.99**	**3.96**
(B) Public Shareholding									
[1] Institutions									
(a) Mutual Funds / UTI	150	3,600	3,750	0.02	150	3,600	3,750	0.02	(0.00)
(b) Central Government	0	0	0	0.00	0	0	0	0.00	0
(c) State Government(s)	0	0	0	0.00	0	0	0	0.00	0
(d) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0
(e) Alternate Investment Funds	0	0	0	0.00	0	0	0	0.00	0
(f) Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0
(g) Foreign Portfolio Investor	0	0	0	0.00	0	0	0	0.00	0
(h) Financial Institutions / Banks	55,300	100	55,400	0.36	1,150	100	1,250	0.01	(0.35)
(i) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0
(j) Provident Funds/ Pension Funds	0	0	0	0.00	0	0	0	0.00	0
(k) Any Other (Specify)									
Sub Total :(B)(1)	**55,450**	**3,700**	**59,150**	**0.38**	**1,300**	**3,700**	**5,000**	**0.03**	**-0.35**
[2] Central Government/ State Government(s)/President of India	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
Sub Total :(B)(2)	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**

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Category of Shareholders	Shareholding at the beginning of the year -2018				Shareholding at the end of the year -2019				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	%of Total Shares	
[3] Non-Institutions									
(a) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh.	3,131,570	197,829	3,329,399	21.42	3,215,355	179,279	3,394,634	21.48	0.06
(ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	1,683,490	0	1,683,490	10.83	2,114,068	0	2,114,068	13.38	2.55
(b) NBFCs registered with RBI	0	0	0	0.00	1,100	0	1,100	0.01	0.01
(c) Employee Trusts	0	0	0	0.00	0	0	0	0.00	0
(d) Overseas Depositories(holding DRs) (balancing figure)	0	0	0	0.00	0	0	0	0.00	0
(e) Any Other (Specify)									
Hindu Undivided Family	273,688	0	273,688	1.76	291,915	0	291,915	1.85	0.09
Non Resident Indians (Non Repat)	27,620	0	27,620	0.18	52,705	0	52,705	0.33	0.16
Non Resident Indians (Repat)	76,956	6,350	83,306	0.54	92,062	6,350	98,412	0.61	0.09
Overseas Bodies Corporates	1,250	0	1,250	0.01	1,250	0	1,250	0.01	(0.00)
Clearing Member	504,923	0	504,923	3.25	120,547	0	120,547	0.76	-2.49
Bodies Corporate	1,019,289	6,900	1,026,189	6.60	395,886	6,900	402,786	2.55	-4.05
Sub Total :(B)(3)	**6,718,786**	**211,079**	**6,929,865**	**44.58**	**6,284,888**	**192,529**	**6,477,417**	**40.98**	**-3.61**
Total Public Shareholding :(B)=(B)(1)+(B)(2)+(B)(3)	**6,774,236**	**214,779**	**6,989,015**	**44.97**	**6,286,188**	**196,229**	**6,482,417**	**41.01**	**-3.96**
Total :(A)+(B)	**15,327,291**	**214,779**	**15,542,070**	**100.00**	**15,608,641**	**196,229**	**15,804,870**	**100.00**	**-0.00**
(C) Non Promoter - Non Public									
[1] Custodian/DR Holder	0	0	0	0.00	0	0	0	0.00	0
[2] Employee Benefit Trust (under SEBI (Share based Employee Benefit Regulations, 2014)	0	0	0	0.00	0	0	0	0.00	0
Total :(A)+(B)+(C)	**15,327,291**	**214,779**	**15,542,070**	**100.00**	**15,608,641**	**196,229**	**15,804,870**	**100.00**	**-0.00**

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(ii) Share holding of promoters

Sr No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		Number of shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	NO.OF SHARES HELD	% of total Shares of the company	%of Shares Pledged/ encumbered to total shares	% change in shareholding during the year
1	Onward Network Technologies Private Limited	72,83,312	46.86	0	78,42,112	49.62	0	2.76
2	Desai Finwealth Investments and Securities Private Limited	508,583	3.27	0	508,583	3.22	0	-0.05
3	Harish Shantital Mehta	216,528	1.39	0	216,528	1.37	0	-0.02
4	Jigar Harish Mehta	215,944	1.39	0	426,542	2.70	0	1.31
5	Heral Harish Mehta	187,186	1.20	0	187,186	1.18	0	-0.02
6	Prachi Harish Mehta	141,502	0.91	0	141,502	0.90	0	-0.02
	Total	**85,53,055**	**55.03**	**0**	**93,22,453**	**58.98**	**0**	**3.95**

(iii) Change in promoters' shareholding (specify if there is no change)

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year		Changes during the year		Reason	Cumulative Shareholding at the end of the year	
		Number of shares	% of total shares of the Company	Date	Increase/ Decrease in share holding		Number of shares	% of total shares of the Company
1	**Onward Network Technologies Private Limited**							
	At the beginning of the year	7,283,312	46.08				7,283,312	46.08
	Change during the year			06 Jul 2018	6,000	Transfer	7,289,312	46.12
				13 Jul 2018	4,828	Transfer	7,294,140	46.15
				20 Jul 2018	5,005	Transfer	7,299,145	46.18
				24 Aug 2018	50,000	Transfer	7,349,145	46.50
				31 Aug 2018	87,998	Transfer	7,437,143	47.06
				07 Sep 2018	59,969	Transfer	7,497,112	47.44
				14 Sep 2018	20,000	Transfer	7,517,112	47.56
				21 Sep 2018	10,000	Transfer	7,527,112	47.63
				29 Sep 2018	97,000	Transfer	7,624,112	48.24
				05 Oct 2018	1,31,000	Transfer	7,755,112	49.07
				12 Oct 2018	87,000	Transfer	7,842,112	49.62
	At the end of the year						**7,842,112**	**49.62**

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Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year		Changes during the year		Reason	Cumulative Shareholding at the end of the year	
		Number of shares	% of total shares of the Company	Date	Increase/ Decrease in share holding		Number of shares	% of total shares of the Company
2	**Desai Finwealth Investments and Securities Private Limited**							
	At the beginning of the year	508,583	3.22				508,583	3.22
	Change during the year			-	-	-		
	At the end of the year						508,583	3.22
3	**Harish Mehta**							
	At the beginning of the year	216,528	1.37				216,528	1.37
	Change during the year			-	-	-		
	At the end of the year						216,528	1.37
4	**Jigar Mehta**							
	At the beginning of the year	215,944	1.36				215,944	1.39
	Change during the year			25 May 2018	74,500	Transfer	290,444	1.84
				01 Jun 2018	45,000	Transfer	335,444	2.12
				08 Jun 2018	17,906	Transfer	353,350	2.24
				15 Jun 2018	14,360	Transfer	367,710	2.33
				22 Jun 2018	3,319	Transfer	371,029	2.35
				30 Jun 2018	30,513	Transfer	401,542	2.54
				12 Oct 2018	25,000	Transfer	426,542	2.70
	At the end of the year						426,542	2.70
5	**Heral Mehta**							
	At the beginning of the year	187,186	1.18				187,186	1.18
	Change during the year			-	-	-		
	At the end of the year						187,186	1.18
6	**Prachi Mehta**							
	At the beginning of the year	141,502	0.90				141,502	0.90
	Change during the year			-	-	-		
	At the end of the year						141,502	0.90

Note: 1. Paid up Share Capital of the Company (Face Value Rs. 10.00) at the end of the year is 15,804,870 Shares.

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(iv) Shareholding pattern of top ten shareholders (other than directors, promoters and holders of GDRs and ADRs):

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year		Changes during the year		Reason	Cumulative Shareholding at the end of the year	
		Number of shares	% of total shares of the Company	Date	Increase/ Decrease in share holding		Number of shares	% of total shares of the Company
1	Meghani Parish Arun	121,318	0.77		121,318		0.77	0.77
	Change During the Year			06 Apr 2018	27,250	Transfer	148,568	0.94
				13 Apr 2018	12,000	Transfer	160,568	1.02
				11 May 2018	33,250	Transfer	193,818	1.23
				18 May 2018	42,100	Transfer	235,918	1.49
				25 May 2018	41,100	Transfer	277,018	1.75
				01 Jun 2018	8,900	Transfer	285,918	1.81
	At the end of the year						285,918	1.81
2	M V S S Narayanacharyulu	132,100	0.84				132,100	0.84
	Change During the Year			06 Apr 2018	-1,948	Transfer	130,152	0.82
				13 Apr 2018	-3,500	Transfer	126,652	0.80
				19 Oct 2018	10,000	Transfer	136,652	0.86
				25 Jan 2019	7,000	Transfer	143,652	0.91
	At the end of the year						143,652	0.91
3	Byna Murli	0	0		0		0	0.00
	Change During the Year			01 Jun 2018	20,175	Transfer	20,175	0.13
				08 Jun 2018	17,225	Transfer	37,400	0.24
				22 Jun 2018	8,200	Transfer	45,600	0.29
				13 Jul 2018	100	Transfer	45,700	0.29
				10 Aug 2018	3,262	Transfer	48,962	0.31
				24 Aug 2018	6,038	Transfer	55,000	0.35
				31 Aug 2018	15,000	Transfer	70,000	0.44
				07 Sep 2018	10,000	Transfer	80,000	0.51
				14 Sep 2018	5,998	Transfer	85,998	0.54
				05 Oct 2018	1,002	Transfer	87,000	0.55

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Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year		Changes during the year		Reason	Cumulative Shareholding at the end of the year	
		Number of shares	% of total shares of the Company	Date	Increase/ Decrease in share holding		Number of shares	% of total shares of the Company
				12 Oct 2018	200	Transfer	87,200	0.55
				26 Oct 2018	800	Transfer	88,000	0.56
				04 Jan 2019	240	Transfer	88,240	0.56
				11 Jan 2019	4,160	Transfer	92,400	0.58
				15 Feb 2019	9,647	Transfer	102,047	0.65
				22 Feb 2019	5,607	Transfer	107,654	0.68
				08 Mar 2019	3,088	Transfer	110,742	0.70
	At the end of the year						110,742	0.70
4	Ashish N Chowdhary	52,314	0.33				52,314	0.33
				18 May 2018	44,900	Transfer	97,214	0.62
				07 Sep 2018	10,000	Transfer	107,214	0.68
	At the end of the year						107,214	0.68
5	Rishi Kajaria	100,000	0.63				100,000	0.63
	At the end of the year						100,000	0.63
6	Raju Mohanlal Samtani	40,000	0.25				40,000	0.25
				21 Sep 2018	20,000	Transfer	60,000	0.61
				19 Oct 2018	32,708	Transfer	92,708	0.61
	At the end of the year						92,708	0.59
7	Yogesh Ghelabhai Desai	30,871	0.20				30,871	0.20
				20 Apr 2018	2,000	Transfer	32,871	0.21
				30 Nov 2018	4,500	Transfer	37,371	0.24
				07 Dec 2018	14,700	Transfer	52,071	0.33
				14 Dec 2018	10,800	Transfer	62,871	0.40
				04 Jan 2019	300	Transfer	63,171	0.40
				01 Feb 2019	1,000	Transfer	64,171	0.41
				08 Feb 2019	9,950	Transfer	74,121	0.47

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Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year		Changes during the year		Reason	Cumulative Shareholding at the end of the year	
		Number of shares	% of total shares of the Company	Date	Increase/ Decrease in share holding		Number of shares	% of total shares of the Company
				15 Feb 2019	5,000	Transfer	79,121	0.50
				22 Feb 2019	3,600	Transfer	82,721	0.52
	At the end of the year						82,721	0.52
8	Techpro Ventures LLP	96,794	0.61				96,794	0.61
				05 Oct 2018	-20,000	Transfer	76,794	0.49
	At the end of the year						76,794	0.49
9	Keyur B Manihar	0	0		0		0	0.00
				30 Nov 2018	8,150	Transfer	8,150	0.05
				07 Dec 2018	5,850	Transfer	14,000	0.09
				14 Dec 2018	15,366	Transfer	29,366	0.19
				21 Dec 2018	15,330	Transfer	44,696	0.28
				28 Dec 2018	13,554	Transfer	58,250	0.37
				31 Dec 2018	1,495	Transfer	59,745	0.38
				04 Jan 2019	5,255	Transfer	65,000	0.41
				01 Feb 2019	750	Transfer	65,750	0.42
				08 Feb 2019	1,000	Transfer	66,750	0.42
				22 Feb 2019	1,991	Transfer	68,741	0.43
				01 Mar 2019	4,500	Transfer	73,241	0.46
				08 Mar 2019	1,759	Transfer	75,000	0.47
				29 Mar 2019	1,000	Transfer	76,000	0.48
	At the end of the year						76,000	0.48
10	Manisha Ashok Chokani	74,828	0.47				74,828	0.47
	At the end of the year						74,828	0.47

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V Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured loans excluding deposits	Unsecured loans	Deposits	Total indebtedness
Indebtness at the beginning of the financial year				
i) Principal Amount	174,512,580	10,033,593		184,546,173
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	**174,512,580**	**10,033,593**		**184,546,173**
Change in indebtedness during the financial year				
Additions	837,865,436	24,750		837,890,186
Reduction	972,983,492	2,500		972,985,992
Net Change	**(135,118,056)**	**22,250**		**(135,095,806)**
Indebtedness at the end of the financial year				
i) Principal Amount	122,968,916	51,511,000		174,479,916
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	**122,968,916**	**51,511,000**		**174,479,916**

VI Remuneration of directors and key managerial personnel

A. Remuneration to Managing Director (MD), Whole Time Director (WTD) and/or Manager

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Key Managerial Personnel	
1	**Gross Salary**	**Mr. Jigar Mehta**	**Mr. Harish Mehta**	**Chief Financial Officer**	**Company Secretary**
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	7,785,516	15,481,204	4,561,086	362,908
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	1,312,652	969,250	119,775
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	as % of profit	-	-	-	-
	others, specify	-	-	-	-
5	Others, please specify	614,500	7,314	321,560	17,932
	Total (A)	8,400,016	16,801,170	5,852,334	500,615
	Overall ceiling as per the Act	**8,400,000**		**NA**	**NA**

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B. Remuneration to other directors:

Sr. No.	Particulars of remuneration	Name of the directors				Total
1	**Independent directors**	**Mr. Nandkumar Pradhan**	**Mr. Rahul Rathi**	**Mr. Parish Meghani**	**Mr. Pranay Vakil**	
	(a) Fee for attending board/ committee meetings	510,000	255,000	530,000	505,000	1,800,000
	(b) Commission	-	-		-	-
	(c) Others, please specify	-	-		-	-
	Total (1)	**510,000**	**255,000**	**530,000**	**505,000**	**1,800,000**
2	**Other Non-Executive directors**	**Mrs. Prachi Mehta**	-	-	-	**Total**
	(a) Fee for attending/board committee meetings	320,000	-	-	-	320,000
	(b) Commission	-	-	-	-	
	(c) Others, please specify.	-	-	-	-	
	Total (2)	**320,000**	**-**	**-**	**-**	**320,000**
	Total (B) = (1 + 2)	**830,000**	**255,000**	**530,000**	**385,000**	**2,120,000**
	Total managerial remuneration					**NA**
	Overall cieling as per the Act					**NA**

VII Penalties/Punishment/Compounding of Offences : None

VIII Officers In Default : None

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF ONWARD TECHNOLOGIES LIMITED

Harish Mehta
Executive Chairman
DIN : 00153549

Jigar Mehta
Managing Director
DIN : 06829197

Place: Mumbai
Date: May 17, 2019

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Annexure - 6

THE INFORMATION REQUIRED PURSUANT TO SECTION 197 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 IS FURNISHED HEREUNDER:

The Ratio of remuneration of each director to the median remuneration of employees:

Median remuneration (A)	Rs. 3,34,408
Remuneration of Mr. Harish Mehta (Executive Chairman) (B)	16,801,170
Remuneration of Mr. Jigar Mehta (Managing Director) (C)	8,400,016
Ratio of A to B	1:50
Ratio of A to C	1:25

The percentage increase in remuneration of each Director in the finanacial year:

Name of Director	Percentage increase in remuneration
Mr. Harish Mehta (Executive Chairman)	0.16%
Mr. Jigar Mehta (Managing Director)	0

The percentage increase in the median remuneration of employees in the financial year:

Percentage increase in median remuneration	4.50%

The number of permament employees on the rolls of the Company: 949

Explanation on the relationship between average increase in remuneration and the Company's performance:	Factors considered while recommending increase in compensation: 1. Financial performance of the Company 2. Industry benchmarking 3. Contribution made by the employee	
Comparison of the remuneration of the key managerial personnel (KMP) against the performance of the Company	The compensation of KMP (Directors) is in rational with the performance of the Company. The profit after tax of the company increased by 50.9% while remuneration to KMPs is paid as per the requirements and conditions specified under Companies Act, 2013.	
Variations in the market capitalization of the Company, price earing ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies.		
Particulars	**As on March 31, 2019**	As on March 31, 2018
Market capitalisation	**108.34**	135.84
Price to earning ratio	**11.52**	61.12
Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year:	**5%**	
The key parameters for variable component of remuneration availed by the directors	None of the directors' remuneration has variable components.	
Whether any employee is paid remuneration more the highest paid director of the Company:	No	
The ratio of the remuneration of the highest paid director to that of the employees who are not director but receive remuneraion in excess of the highest paid director during the year:	Not applicable	
Affirmation that the remuneration is as per the remuneration policy of the Company:	Yes	

MANAGEMENT DISCUSSION AND ANALYSIS

A. Management analysis

Engineering R&D (ER&D) services and products are the fastest growing segments of the tech industry in India today. Together, they are also bigger than the business process management (BPM) segment, prompting some to say it's time to change the industry nomenclature from IT-BPM to IT-ER&D.

ER&D involves work that Indian third-party outsourcers do for the core products of their customers, and work that MNC captive centres in the country do for their parents' core products. Engineers in India work on development of products such as driver assistance, safety, and anti-lock braking systems. Some work in core areas like electric vehicle development, graphics/VR, data analytics, artificial intelligence and mobile camera image processing software.

ER&D services and products constituted $36 billion of the total revenue of $177 billion of the Indian tech sector in 2018-19, according to a report by NASSCOM and consulting firm Zinnov. BPM revenue was at $35 billion. About $18 billion of the ER&D revenue came from the 1,567 Global Competence Centres (or MNC captive Centres) in India, and about $14.5 billion from Indian service providers and remaining are product revenue.

The report said global R&D spends grew significantly (about 11%) in 2018 across industries to $1.8 trillion, as companies tried to use new-age digital technologies to improve operations and increase customer engagement. About 5% of R&D is globally sourced, and India is the biggest beneficiary of that, accounting for 30% of the total in 2018, up from 28% in 2017. Compared to the $18 billion of work that MNC tech centres in India do, it's $12.5 billion in China. While Indian talent is good in a variety of areas, especially software, Chinese talent is particularly good in areas that require hardware-software integration.

R&D spend in automotive is focused on electronics, software and autonomous vehicles; semiconductor firms are focused on AI, IoT and cloud; healthcare firms in personalized medicine, AI in drug discovery; consumer electronics in connected and smart devices; industrial in predictive maintenance and in-flight connectivity; banking/insurance in payments technology and telematics based insurance; and retail in transformation of instore shopping. That opened up enormous opportunities and winning sizable deals.

Your Company current capabilities, global presence and investments in new/emerging areas helped increase client relevance, and building right business model. As we look back at fiscal 2019, this strategic direction has yielded strong results. Our clients have increased their trust in us. As our clients seek to transform their businesses, they are increasingly engaging with us to help them achieve their business objectives. Our deep capabilities in Engineering R&D and IT have helped us become one of the preferred service delivery organizations. We expanded our approach to engaging with clients via a larger team of client-facing individuals and a stronger team that drives strategic partnerships. This resulted in a significant increase in our ability to engage with clients for their large programmes. We expanded our offices across thereby gaining access and direct engagement with our clients. All these focus areas, combined with our strong operational discipline, resulted in exceptional margin levels for fiscal 2019.

We consciously adjust our service and solution offerings to reflect emerging and disruptive industry trends. The Company has nurtured domain expertise and quality focus in its workforce in line with the stringent process and quality standards. The teams in the Company have also developed solutioning capability through their extensive experience and domain knowledge to be able to best meet customer needs at optimal cost, thus making its offerings competitive in the market.

B. Industry overview and developments

Technology and markets are moving today with a lightning speed, thus causing disruption in established business models and giving birth to entire new industries. The intensity of industry disruption and rate-of-change of consumer needs today necessitates staying ahead of market demand. In these challenging times, not the fittest,

Management Discussion And Analysis *(Contd.)*

but the most amateur visionary will survive.

One of the biggest trends that is currently shaping the IT and ER&D sector is the digital disruption of Product Engineering value chain, both the product itself and process, in the form of Big Data, IoT, Engineering and Data Analytics, 3D Printing, Artificial Intelligence, Blockchain, AR/VR, etc. This disruption is pushing large corporations to focus a larger part of their IT and ER&D spends on 'Digital'. This trend is overlaying on other imperatives that are driving this sector such as sustainability , miniaturization, connectivity and localization. Smart products with embedded software and connectivity are increasingly commanding attention, and more over that data and cyber security will be one of the big focus areas for IT and ER&D spends in the coming days.

At Onward Technologies, we are enabling some of the world's leading organizations to transform into the new areas of servicing – Big Data, Data Analytics, Embedded, Electronics, PLM and 3D experience. Not only serving in our vanilla offerings: design, engineering analysis, engineering documentation, technical publication, application maintenance, testing, are we exploring the vistas of new and disruptive business models for product manufacturers, technology firms, financial service sector, etc. Being trust advisor to many other Fortune 1000 companies, we recognize that to achieve digital transformation at scale is well beyond. Every day, we internalize the spirit of the customer first in its purest sense, which helps us power our clients forward with their ambitions to reinvent at scale in today's age of technology disruption.

The company is focused on achieving growth with its strategy of investing in competency development, industry specializations and pursuing OEM and large Tier-1s for long term contracts and mining them into a large potential. Having added significant capabilities to put the Company in a favorable position for high-end projects from existing clientele.

In addition to its largest market of North America, Europe (including UK) and India which will continue to remain the key growth markets for the Company on account of the large share of global IT and ER&D spends contributed by these regions. Thus helping the Company to capture a larger wallet share from existing customer spends and also open up newer markets. We are committed to investing and delivering on the breadth and depth of our IT and ER&D capabilities. Global engineering centres are integral to the Company's business model to deliver proximity benefits, lower costs and sustainable innovation to its customers.

C. Segment/Product wise performance:

Company's engineering operations can broadly be categorized under following groups:

- Product Design
- Simulation Engineering
- Automation Solutions
- Engineering Change Management

While cost arbitrage remains a key in ER&D outsourcing, following other important Distinct Differentiators in your Company's services that are attracting the global ER&D sourcing:

- Design to Cost / Quality / Time
- Design driven manufacturing culture
- Commitment to R&D, Innovation, Value-add deliverables
- Collaborative Engineering to reduce "time to market"
- Flexible and cost effective Business models

The Company provides services in Mechanical, Electrical & Controls Engineering, Embedded Products & Systems Development, Mobile & Enterprise Software Development Data Analytics & Digital Transformation, Robotic Business Process Automation, and Enterprise Managed Services for Infrastructure, Applications & Databases.

The Company employs more than 2500 Engineers and Consultants who are dedicated to provide expert consulting and value-added services to customers in the Automotive, Aerospace, Off-Highway, Industrial Equipment &

Management Discussion And Analysis *(Contd.)*

Machinery, Healthcare & Laboratory Equipment, Pharmaceutical & Life Sciences, Banking, Financial Services & Insurance industry domains. Its strategic alliances with large enterprise software OEMs help in providing a comprehensive range of end-to-end solutions and services.

D. Opportunities, Threats, Risks and Concerns

The business landscape is continuously changing with increasing focus on innovation and technology. This transition lays before us immense opportunities. As an organization we will strive towards our aspirations without compromising on our core values.

Following are few risks and uncertainties include, but are not limited to:

- Currency fluctuation in foreign exchange rates
- Unforeseen escalations in wages, statutory mandates, project cost overruns, liabilities, disasters
- Relevance of offerings and ability of investments meeting fast pace of change in the industry and disruptive technologies
- Misuse or loss of Company's confidential Data/IP
- Restrictions on visa & immigration policies, regulatory non-compliance
- Increased competitive pressure from peers local and global
- Economic uncertainty in any of the markets, regional trade wars may lead to decline in demand
- Failure of infra-systems, natural disasters, cyber-attacks, riots

E. Achievements/Testimonials

Company undergone re-certification for ISO 9001-2015 & ISMS: ISO 27001-2013 standards by TUV Nord and resulted in retaining the status for another term of three years.

Company completed prestigious TISAX (Trusted Information Security Assessment Exchange) assessment by ENX association (https://enx.com/tisax) on behalf of VDA the German association of Automotive Industry which demonstrates the extensive measures taken by company on protection of data or information.

With exceptional domain and technical expertise, our teams have delivered successfully on large scale and complex design and development projects.

'CEO Insights' Magazine featured Your company amongst best 25 engineering services companies.

F. Operations Performance – including Subsidiaries

For the FY 18-19, the Company reaffirmed its commitment and position in the Engineering and IT segments.

Consolidated Performance: The Company's top line grew by 5.2% to Rs. 262.21 Crores from Rs. 249.21 Crores Net Profit Margins also improved by 50.9% to Rs 10.13 Crores from Rs. 6.72 Crores in FY 17-18. As already mentioned before, Company has further invested and strengthened its state of the art facility by expanding in US & India.

Subsidiaries Performance: Each subsidiary has increased the contribution to the performance of the company. This has been due to the customer-first attitude and operational discipline with right business strategy, and Right People @ Right Role @ Right Job.

With the management depth on board, it is capable of generating value for all its stakeholders on a sustainable basis.

Management Discussion And Analysis *(Contd.)*

G. Significant Changes In Financial Ratios:

During the year, the significant changes in the financial ratios of the Company, which are more than 25% as compared to the previous year are summarized below:

Financial Ratio	2017-18	2018-19	Change (%)
Interest Coverage Ratio	2.54	7.34	-65%
Debt Equity Ratio	0.36	0.29	25%
Operating Profit Margin (%)	3.1%	11.3%	-72%
Net Profit Margin (%)	2.0%	7.7%	-74%
Return On Net Worth	4.1%	14.7%	-72%

H. Outlook

Global engineering R&D services outsourcing market is expected to reach more than USD 500 billion by 2025 based on multiple market reports. Engineering services being one of the key vertical, this indicator will influence the company positively. Besides the engineering services, company has been investing in digital transformation services and has signed up multiple partnerships with large enterprise software companies. The digital transformation side of business is expected to start contributing positively with enormous growth potential.

Some of the specific areas of investment are Embedded software, data analytics and robotic process automation. Company expected to maintain and capitalize on new investment for its growth in coming year

I. Human Resources

As a business partner, Human Capital Management has been the key driver during the year by Centralising HR operations at Pune, in ensuring Right People @ Right Role @ Right Place.

Company continued to make investments in strengthening of delivery expertise in India by addition of Experienced talent & enhanced Delivery capabilities; Specialist for roles across the functions to provide a frame work for scalability & support to revenue growth. Improved revenue cost ratio by correct pyramid. Culture of Transparency & Strong Compliance align the human capital to company's core values and encourage positive minds.

There has been focus on Performance based culture with Predefined Objectives & Regular review of objective (Goals Vs Achieved), Standardized Appraisal Processes & motivation through various rewards & recognition programs and Structured Variable compensation scheme for performance based rewards. Prevalent ESOP scheme is a way to recognize the efforts put in by the top performers towards the organization's success.

Many initiatives were driven towards Employee Engagement & Employee Welfare to ensure high employee motivation and morale.

With a vibrant and highly motivated workforce & better retention rate has created strong experienced team. Gender Diversity has gone up by 50%.

IMC Life Achievement Award conferred to Executive Chairman.

Growth is never by mere change, It is a result of positive forces working together.

For and on behalf of the Board of Directors

Harish Mehta
Executive Chairman

Place: Mumbai
Date: May 17, 2019

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2018-19

I Company's philosophy on corporate governance:

Corporate governance is maximizing the shareholder value in a corporation while ensuring fairness to all stakeholders, customers, employees, investors and other stakeholders of the Company. It is a system by which companies are directed and controlled by the management in the best interest of shareholders and other stakeholders of the Company. Corporate governance stands for responsible and value creating management and control of the Company. The Company believes that compliance with all rules and regulations should be done in true letter and spirit. It therefore has always stuck to such practices that lead to welfare of all the stakeholders.

The Company envisages that good governance goes beyond good financial results and propriety and is a pre-requisite to the attainment of excellent performance in terms of stakeholders' value creation. We believe Corporate Governance is an ethically driven business process that is committed to values, aimed at enhancing an organization's brand and reputation. Hence, it is imperative to establish, adopt and follow best corporate governance practices, thereby facilitating effective management and carrying out our business by setting principles, benchmarks and systems to be followed by the Board of Directors, Management and all Employees in their dealings with Customers, Stakeholders and Society at large.

The Company's policies and practices are not only consistent with the statutory requirements but also underline our commitment to operate in the best interest of the stakeholders in order to build an environment of trust and confidence among all components having conflicting as well as competing interest. The Company firmly believes that corporate governance is a powerful tool to sub-serve the long-term growth of the Company and such practices are founded upon the core values of transparency, professionalism, empowerment, equity and accountability. The Company makes best endeavors to uphold and nurture these core values in all facets of its operations and aim to increase and sustain its corporate value through growth and innovation.

The objective of your Company is not only to achieve excellence in Corporate Governance by conforming to prevalent mandatory guidelines on Corporate Governance, i.e. Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Obligations'), but also to improve on these aspects on an ongoing basis with a continuous attempt to innovate in adoption of business best practices.

II Board of Directors:

The composition of the Board of Directors, their attendance in Board Meetings and last Annual General Meeting, number of other Directorship(s) and Committee membership(s)/ chairmanship(s) are as follows:

A. Composition of the Board and other related information as on 31st March, 2019:

Name of the Director	Designation/ Category	No. of Directorships in other public companies in India[1]	No. of other committee memberships/ chairmanship[2]	No. of Board meetings attended	Percentage attendance	Last annual general meeting attended
Mr. Harish Mehta	Executive Chairman	3	--	4	100%	Yes
Mr. Jigar Mehta	Managing Director	2	1	3	75%	Yes
Mrs. Prachi Mehta	Non-Independent/ Non-Executive	1	1	4	100%	Yes
Mr. Pranay Vakil	Independent/ Non-Executive	4	2 (2)	4	100%	Yes
Mr. Nandkumar Pradhan	Independent/ Non-Executive	2	1	4	100%	Yes
Mr. Parish Meghani	Independent/ Non-Executive	2	1	4	100%	Yes
Mr. Rahul Rathi	Independent/ Non-Executive	4	1	2	50%	Yes

Report on corporate governance for the year 2018-19 *(Contd.)*

1 *Includes listed companies, including Onward Technologies Limited.*

2 *Includes membership/chairmanship (including Onward Technologies Limited) in Audit Committee and Stakeholders' Relationship Committee of Indian Public Companies (Listed or Unlisted) as required under Regulation 26 of Listing Obligations. Figures in brackets '()' indicate chairmanship.*

Note: Mrs. Prachi Mehta is daughter and Mr. Jigar Mehta is son of Mr. Harish Mehta, Executive Chairman of the Company. All other Directors of the Company are in no relationship with each other.

B. Name of other listed entities where Directors of the company are Directors and the category of Directorship:

Sl. No.	Name of Director	Name of listed entities in which the concerned Director is a Director	Category of Directorship
1	Mr. Pranay Vakil	Deepak Fertilisers and Petrochemicals Corporation Limited	Non-Executive Director
		Godrej Properties Limited	Director
2	Mr. Rahul Rathi	Plastiblends India Limited	Director

C. Skills / Expertise / Competencies of the Board of Directors

The following is the list of core skills / expertise / competencies identified by the Board of Directors as required in the context of the Company's business and that the said skills are available with the Board Members:

Knowledge on Company's businesses policies and culture (including the Mission, Vision and Values) major risks / threats and potential opportunities and knowledge of the industry in which the Company operates.

Behavioral skills - attributes and competencies to use their knowledge and to function well as a team member and to interact with key stakeholders contributing in company's growth.

Business Strategy, Sales & Marketing, Corporate Governance, Forex Management, Administration, Decision Making, leadership skills

Financial and Management skills

Technical and Professional skills and specialized knowledge to assist the Company's business.

D. Independent Directors:

Mr. Pranay Vakil, Mr. Nandkumar Pradhan , Mr. Parish Meghani and Mr. Rahul Rathi were the Independent Directors of the Company as on 31st March, 2019. All the Independent Directors have confirmed that they meet the criteria of 'independence' as mentioned under Listing Obligations. None of the Independent Directors of the Company serve as an Independent Director in more than 7 listed companies.

Meeting of the Independent Directors of the Company was held on 11th February, 2019, to review the performance of Non-Independent Directors (including the Chairman) and the Board as whole, where all the Independent Directors were present. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and it's Committees which is necessary to effectively and reasonably perform and discharge their duties. Also, the Company has designed a familiarization programme for the independent Directors of the Company. All details required for Independent Directors to familiarize themselves with the business and culture of the Company is also available on the website of the Company: www.onwardgroup.com.

Report on corporate governance for the year 2018-19 *(Contd.)*

E. Board Meetings:

As a process of good corporate governance, all corporate affairs and matters requiring discussion/decisions by the Board, the Company has a policy for the meetings of Board of Directors and Committee thereof. This policy ensures to systematize the decision-making process at the meetings of Board/Committees, in an informed and most efficient manner.

The Board meetings are held at least once in every quarter with not more than a gap of one hundred and twenty days (120 days) between two meetings. The Board meetings are generally held at Mumbai and Pune. The dates of the Board meetings are fixed well in advance and intimated to the Board members so as to enable them to plan their schedule accordingly. The agenda items are comprehensive and informative in nature to facilitate deliberations and appropriate decisions at the meeting. On selective items, presentations are made to the Board. Information required as per Part A of Schedule II of the Listing Obligations are duly placed before the Board of Directors of the Company. Agenda items, inter alia, include the following:

- Annual operating plans and capital budgets
- Quarterly and annual financial results
- Recommendation of dividend
- Change in constitution of various committees
- Monitoring and noting business transacted by various committees by taking on record minutes of various committees
- The information on recruitment and remuneration of senior officers just one level below the board including appointment and removal of Chief Financial Officer and the Company Secretary.
- Proposal for amalgamation, merger, acquisitions etc.
- Floating of subsidiaries in India as well as abroad
- Details of investment in joint ventures or collaboration
- New projects and expansion plans
- General notices of interest of Directors and various disclosure from Directors
- Laying down policies for code of conduct and prevention of insider trading and its implementation
- Laying down ESOP schemes
- Deciding managerial remuneration
- Litigation matters
- Quarterly details of foreign exchange exposures and steps taken to mitigate the risk of adverse exchange rate movements.
- Allotment of shares
- Application to Central Government in various matters relating to the Companies Act, 1956 & Companies Act, 2013
- Any other matters that require the approval of the shareholders.

Report on corporate governance for the year 2018-19 *(Contd.)*

Four Board meetings were held during the financial year 2018-2019. The Board meetings were held on: 11th May, 2018, 20th July, 2018, 26th October, 2018 and 24th January, 2019, respectively.

F. Code of conduct:

The Company has laid down a “Code of Conduct” for the members of the Board of Directors and the Senior Management which is also available at the website www.onwardgroup.com. The Code serves as a guide to the Board and Senior Management employees of the Company to make informed and prudent decisions and act on them. Also, annual affirmation of compliance with the Code has been made by the Directors and senior management of the Company. A declaration to this effect signed by the Managing Director of the Company is given along with this report.

The Managing Director has also certified to the Board with reference to the financial statement and other matters as required in the Listing Obligations.

G. Insider Trading Policy:

The Company has a Code of Conduct for Prevention of Insider Trading as required under Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 to regulate trading in securities by the Directors and designated employees of the Company.

The Code requires prior permission for dealing in the Company’s securities by the Directors and the designated employees and prohibits the purchase or sale of Company’s securities while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The company secretary of the Company is responsible for implementation of the Code. Accordingly, the company secretary announces closure of trading windows, free period, declaration of prohibited period, etc. Several forms and declarations are in place to receive periodical information from the Directors, Officers and Designated Employees of the Company, as required in terms of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. Timely disclosures are made to the Stock Exchanges of the transactions by any Designated Employee or Director or Promoter of the Company as per the provisions prescribed under said regulations.

H. Whistle Blower Policy:

Your Company has always considered employees as one of the most important part of the organization and showered great respect, security and affection towards each and every employee associated with the Company at different levels. However, the possibility of malpractices occurring in an organization’s operations can never be ruled out and ignorance of this possibility demonstrates poor corporate governance with potentially disastrous consequences. It is for this reason that the Company has come up with a robust whistle blower policy which is also available on the website www.onwardgroup.com, to support the voice and discontent of its employees against the malpractices and misconduct if any followed or witnessed in the organization. The said policy is designed and implemented in line with the relevant provisions of the Listing Obligations which provides for vigil mechanism entrusting adequate safeguards against victimization of employees, Directors or any other person who avail the mechanism.

As per the policy, the Company provides a medium to redress the complaints raised by the employees or report any wrong doings that they may notice in the organization. The machinery of the policy ensures that each complaint is treated on its merits and full confidentiality is provided wherever required. The policy also ensures that employees report certain events directly to the Chairman and the senior management of the Company.

Report on corporate governance for the year 2018-19 *(Contd.)*

I. Risk Management:

In today's challenging and competitive environment, strategies for mitigating inherent risks in accomplishing the growth plans of the Company are imperative. The common risks inter alia are: changes in regulations, competition, business environment, technology, investments, and retention of talent and expansion of facilities. The Company is well aware of risks associated with its business and various operations under execution. Comprehensive risk management system involving identification and classification of risk, adoption of risk mitigation plans and strong mechanism to deal with potential risk is in place, which is being reviewed and monitored periodically to meet the regulatory and other requirements.

The Board of Directors of the Company has designed risk management policy and guidelines to avoid events, situations or circumstances which may lead to negative consequences on the Company's businesses and define a structured approach to manage uncertainty and to make use of these in their decision-making pertaining to all business divisions and corporate functions.

J. Directors' membership in Board committees:

None of the Directors of the Company were members in more than ten committees or acted as the chairperson of more than five committees across all companies in which they were Directors. For the purpose of calculating the said limit chairmanship/membership has been considered only for audit committees and shareholders' grievance committees of the public limited companies, whether listed or not.

K. Shares held by Non-Executive Directors of the Company:

Details in relation to shares and convertible instruments held by Non-executive Directors of the Company as on 31st March, 2019 are as follows:

Sr. No.	Name of the Directors	Designation/ Category	Number of shares/ Convertible Instruments held
1	Mrs. Prachi Mehta	Non-Independent/Non-Executive	141,502 equity shares
2	Mr. Pranay Vakil	Independent/ Non-Executive	--
3	Mr. Nandkumar Pradhan	Independent/ Non-Executive	--
4	Mr. Parish Meghani	Independent/ Non-Executive	285,918 equity shares
5	Mr. Rahul Rathi	Independent/ Non-Executive	--

III Committees of the Board of Directors:

Your Company has constituted five committees of the Board of Directors. These are:

A. Audit Committee

B. Nomination and Remuneration Committee

C. Stakeholders' Relationship Committee

D. Banking Committee

E. Corporate Social Responsibility Committee

Report on corporate governance for the year 2018-19 *(Contd.)*

A. Audit committee:

1. Brief description of terms of reference:

The primary objective of the Audit Committee is to monitor and provide effective supervision of the management's financial reporting process and to ensure accurate, timely and proper disclosures and transparency, integrity and quality of financial reporting to the Board of Directors.

The Audit Committee functions on the role prescribed under Regulation 18 (3) of Listing Obligations with following broad terms of reference:

a) Overview of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

b) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of statutory auditor and the fixation of audit fee and also approval of payment for any other services rendered.

c) Reviewing with the management the annual financial statements before submission to the Board for approval, focusing primarily on:

   - Any changes in accounting policies and practices.
   - Major accounting entries based on exercise of judgment by management.
   - Qualification in draft audit report.
   - Significant adjustments made in the financial statements arising out of audit.
   - The going concern assumption.
   - Compliance with accounting standards.
   - Compliance with listing and legal requirements concerning financial statements.
   - Any related party transactions i.e., transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc., that may have potential conflict with the interests of the Company at large.

d) Reviewing with the management the performance of statutory and internal auditors, and the adequacy of internal control systems.

e) Reviewing with the management, the quarterly financial statements before submission to the Board for approval.

f) Discussion with internal auditors on any significant findings and follow up thereon.

g) Reviewing the findings of any internal investigations by the internal auditors into matters where there is a suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

h) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussions to ascertain any area of concern.

i) Reviewing the Company's financial and risk management policies.

j) To determine the reasons for any substantial defaults in payment to deposit holders, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

Report on corporate governance for the year 2018-19 *(Contd.)*

k) Reviewing inter-corporate loans and investments.

l) Valuation of undertakings or assets of the Company, if necessary.

m) Reviewing of financial statements and investments made by subsidiary companies.

n) Look into the reasons for any substantial defaults in payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividend) and creditors, if any;

o) Reviewing the effectiveness of the system for monitoring compliance with laws and regulations.

p) Approving the appointment of CS after assessing the qualification, experience and background etc. of the candidate.

2. Composition:

The Audit Committee comprised of four Non-Executive Directors with Independent Directors forming the majority. The Chairman of the Committee was an Independent Director. During the year under review, four meetings of the Committee were held on: 11th May, 2018, 20th July, 2018, 26th October, 2018 and 24th January, 2019, respectively.

The Directors who were members of the Committee as on 31st March, 2019 and the attendance of each of the members is given below:

Name of the Director	Designation	Category	No. of meetings attended
Mr. Pranay Vakil	Chairman	Independent and Non-Executive	4
Mr. Nandkumar Pradhan	Member	Independent and Non-Executive	4
Mr. Parish Meghani	Member	Independent and Non-Executive	4
Mr. Rahul Rathi	Member	Independent and Non-Executive	2

The statutory as well as internal auditors of the Company were also invited for the meetings. The Business and Operations Heads were also invited to the meetings, as and when required. The Company Secretary of the Company acts as the Secretary to the Committee. The Internal Audit function directly reports to the Committee to ensure its independence.

B. Nomination and Remuneration Committee:

1. Brief description of terms of reference:

The broad terms of reference of the Nomination and Remuneration Committee are as under:

a) Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to, the remuneration of the Directors, key managerial personnel and other employees;

b) Formulation of criteria for evaluation of performance of independent Directors and the Board of Directors;

c) Devising a policy on diversity of Board of Directors;

d) Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board of Directors their appointment and removal.

Report on corporate governance for the year 2018-19 *(Contd.)*

e) Whether to extend or continue the term of appointment of the independent Director, on the basis of the report of performance evaluation of independent Directors.

f) Administration of Employee Stock Option Scheme(s);

g) Such other matters as the Board may from time to time request the committee to examine and recommend/ approve.

2. Composition:

During the year under review, one meetings of the Nomination and Remuneration Committee was held on 24th January, 2019. Further, the Directors who were members of the Committee as on 31st March, 2019 and the attendance of each of the members is given below:

Name of the Director	Designation	Category	No. of meetings attended
Mr. Nandkumar Pradhan	Chairman	Independent and Non-Executive	1
Mr. Parish Meghani	Member	Independent and Non-Executive	1
Mr. Rahul Rathi	Member	Independent and Non-Executive	0

3. Non-executive Directors' remuneration details for the financial year ended 31st March, 2019:

The Non-executive Directors of the Company are paid remuneration by way of sitting fees for attending the meetings of the Board of Directors and its Committees. The sitting fees paid to the Non-executive Directors for attending meetings of Board of Directors and Audit Committee of the Board is Rs. 75,000/- and Rs. 50,000/- per meeting, respectively. Further, sitting fees for attending meetings of Nomination and Remuneration Committee, Stakeholders' Relationship Committee and other committee is Rs. 5,000/- per meeting. Besides sitting fees, they are also entitled to reimbursement of expenses. The Non-executive Directors of the Company are not paid any other remuneration or commission. The criteria for making above payments to Non-executive Directors is also available in Company's remuneration policy which is uploaded on the Company's website; www.onwardgroup.com.

Name of the Director	Sitting fees (Rs)	Total (Rs)
Mr. Pranay Vakil	5,05,000/-	5,05,000/-
Mr. Nandkumar Pradhan	5,10,000/-	5,10,000/-
Mrs. Prachi Mehta	3,20,000/-	3,20,000/-
Mr. Parish Meghani	5,30,000/-	5,30,000/-
Mr. Rahul Rathi	2,55,000/-	2,55,000/-

Further, details of remuneration paid to Mr. Harish Mehta, Executive Chairman and Mr. Jigar Mehta, Managing Director of the Company for FY 2018-19 has been disclosed separately herein below.

4. Performance evaluation criteria for Independent Directors:

Your Company has designed following criteria for performance evaluation of Directors including Independent Directors. Every Independent Director shall be evaluated on the basis of below mentioned criteria:

Report on corporate governance for the year 2018-19 *(Contd.)*

1. Attendance and contribution at Board and Committee meetings
2. His/her stature, appropriate mix of expertise, skills, behavior, experience, leadership qualities, sense of sobriety and understanding of business, strategic direction to align Company's value and standards.
3. His/her knowledge of finance, accounts, legal, investment, marketing, foreign exchange/ hedging, internal controls, risk management, assessment and mitigation, business operations, processes and corporate governance.
4. His/her ability to create a performance culture that drives value creation and a high quality of debate with robust and probing discussions.
5. Effective decisions making ability to respond positively and constructively to implement the same to encourage more transparency.
6. Open channels of communication with executive management and other colleague on Board to maintain high standards of integrity and probity.
7. Recognize the role which he/she is expected to play, internal Board Relationships to make decisions objectively and collectively in the best interest of the Company to achieve organizational successes and harmonizing the Board.
8. His/her global presence, rational, physical and mental fitness, broader thinking, vision on corporate social responsibility etc.
9. Quality of decision making on source of raw material/procurement of roughs, export marketing, understanding financial statements and business performance, raising of finance, best source of finance, working capital requirement, forex dealings, geopolitics, human resources etc.
10. His/her ability to monitor the performance of management and satisfy himself with integrity of the financial controls and systems in place by ensuring right level of contact with external stakeholders.
11. His/her contribution to enhance overall brand image of the Company.

5. Remuneration to Executive Directors:

Details of remuneration paid for the financial year ended 31st March, 2019 to Executive Directors:

Name of the Director	Salary and perquisites (Rs.)	Incentive (Rs.)	Sitting fees (Rs.)	Total (Rs.)
Mr. Harish Mehta - Executive Chairman	16,801,170/-	-	-	16,801,170/-
Mr. Jigar Mehta - Managing Director	8,400,016/-	-	-	8,400,016/-

C. Stakeholders' Relationship Committee:

1. Brief description of terms of reference:

The scope of Stakeholders' Relationship Committee is to review and address the grievances of the shareholders in respect of share transfers, transmission, and issue of duplicate share certificates, non-receipt of annual reports and declared dividend, dematerialization and re-materialization of shares and other shares related activities from time to time.

Report on corporate governance for the year 2018-19 *(Contd.)*

2. Composition:

The Stakeholders' Relationship Committee comprised of three members. During the year under review, four meetings of the Committee were held on: 11th May, 2018, 20th July, 2018, 26th October, 2018 and 24th January, 2019, respectively.

Mr. Parish Meghani, Non-executive Director of the Company was the Chairman of the Committee, in compliance with the provisions of Regulation 20(2) of the Listing Obligations. The composition of the Committee is as under:

Name of the Director	Designation	Category	No. of meetings attended
Mr. Parish Meghani	Chairman	Non-Executive Director	4
Mr. Jigar Mehta	Member	Executive Director	3
Mrs. Prachi Mehta	Member	Non-Executive Director	4

3. Status of investors' complaints received during the year ended 31st March, 2019:

Nature of complaints	Received	Resolved	Solved not to the satisfaction of Shareholder	Pending as on 31st March, 2019
Relating to transfer, transmission, etc.	07	04	--	3
Other/miscellaneous	07	06	--	01
Total	**14**	**10**	**--**	**04**

To facilitate the shareholders, an email id – info@onwardgroup.com has been activated for any communications on investor grievances.

Name and designation of the Compliance Officer: Ms. Dimple Chauhan, Company Secretary.

D) Banking Committee:

1. Brief description of terms of reference:

The scope of Banking Committee is to discuss the matter relating to banking transaction, i.e. opening of account, change in signatories, obtaining financial assistance from the banks, etc.

2. Composition:

The Banking Committee comprised of three members. During the year, meetings of the Committee were held on 08th August, 2018, 16th August, 2018, 23rd August 2018, 29th August, 2018, and 25th September, 2018, 12th November,2018, 27th November,2018 and 18th March,2019.

Report on corporate governance for the year 2018-19 *(Contd.)*

The composition of the banking committee is as under:

Name of the Director	Designation	Category
Mr. Harish Mehta	Chairman	Executive Director
Mr. Pranay Vakil	Member	Independent Director
Mr. Jigar Mehta	Member	Executive Director

E) Corporate Social Responsibility (CSR) Committee:

Brief description of terms of reference:

The scope of CSR Committee is to discuss the matter relating to applicability of CSR regulations and considering the areas of CSR expenditures and recommending the same to the Board of Directors.

3. Composition:

The CSR Committee comprised of three members. The composition of the CSR Committee was as under:

Name of the Director	Designation	Category
Mr. Pranay Vakil	Chairman	Independent Director
Mr. Harish Mehta	Member	Executive Director
Mrs. Prachi Mehta	Member	Non-Executive Director

IV General Body Meetings

Details of the last three annual general meetings are as under:

Financial year	Venue	Day & Date	Time	Special resolution passed, If any
2015-16	The Victoria Memorial School for the Blind,73, Tardeo Road, Mumbai – 400 034	Monday, 18th July, 2016	03.30 p.m.	Yes (2)
2016-17	The Victoria Memorial School for the Blind,73, Tardeo Road, Mumbai – 400 034	Friday, 21st July, 2017	11.00 a.m.	Yes (4)
2017-18	The Victoria Memorial School for the Blind,73, Tardeo Road, Mumbai – 400 034	Friday, 20th July, 2018	03.00 p.m.	No

There was no resolution passed by the shareholders through postal ballot in the last financial year.

There was no extra-ordinary general meeting held during the last three financial years.

Report on corporate governance for the year 2018-19 *(Contd.)*

V Reconciliation of Share Capital Audit:

A qualified Practicing Company Secretary carried out a Reconciliation of Share Capital Audit on a quarterly basis to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form. The above report on reconciliation of share capital is also duly submitted to the stock exchanges within time prescribed.

Further, pursuant to Regulation 40 (9) of the Listing Obligations, the Company submits to Stock Exchanges, on half yearly basis, a certificate issued by the Company Secretary in Practice for due compliance of share transfer formalities by the Company.

VI Dividend:

Your Company has declared and paid final dividend during the year under review in the 27th Annual General Meeting of the Company held on Friday, 20th July, 2018. The Company declared and paid dividend of Rs. 15,696,570 (Rupees One Crore Fifty Six Lakhs Ninety Six Thousand Five Hundred and Seventy only), excluding dividend distribution tax, at the rate of Re. 1 (Rupee One only) per equity share of Face Value Rs. 10 (Rupees Ten only) each.

Also, the Directors have recommended a dividend of Rs. 1.50 (15% per cent) per equity share of face value Rs. 10 each, for the financial year ended 31st March, 2019, which, if approved at the ensuing Annual General Meeting, will be paid to:

(i) All those equity shareholders whose names appear in the register of members as on 18th July, 2019 and

(ii) to those whose names appear as beneficial owners, as on 18th July, 2019 as furnished by the National Securities Depository Limited and Central Depository Services (India) Limited for the purpose.

VI Disclosures:

(a) There were no transactions having material significance between the Company and its Directors, Promoters, Management, their relatives etc., save and except transactions entered in the Register of Contracts, and the said transactions are not having potential conflict with the interest of the Company.

(b) The Company has complied with statutory compliances and no penalty or structure is imposed on the Company by the Stock Exchanges or SEBI and any other statutory authority on any matter related to the capital markets during the last three years.

(c) While preparing the financial statements of the Company for the year ended March 31, 2019, the management has ensured that all Accounting Standards have been properly followed and there has been no deviation from this practice.

(d) The management has evolved a risk assessment and minimization procedure code which is reviewed on quarterly basis.

(e) The Company has well established vigil mechanism and has adopted Whistle Blower Policy to support the voice and discontent of its employees (and ex-employees) against the malpractices and misconduct if any followed or witnessed in the organization. Further, no personnel have been denied access to the Chairperson of the Audit Committee of the Company.

(f) Your Company has complied with all the mandatory requirements, and the Company also endeavors to adopt majority of the non-mandatory requirements under the Listing Obligations.

Report on corporate governance for the year 2018-19 *(Contd.)*

(g) The Company has adopted policy on determining material subsidiaries. The web link to the said policy on the website of the Company is https://www.onwardgroup.com.

(h) Your Company has also adopted policy on dealing with related party transactions. The web link to the said policy on the website of the Company is https://www.onwardgroup.com.

(i) Certificate on Corporate Governance :

All the Directors of the Company have submitted a declaration stating that they are not debarred or disqualified by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority from being appointed or continuing as Directors of Companies. Nilesh A. Pradhan & Co., LLP Company Secretaries, has submitted a certificate to this effect. A compliance certificate from Nilesh A. Pradhan & Co., LLP, Company Secretaries pursuant to the requirements of Schedule V to the Listing Regulations regarding compliance of conditions of Corporate Governance is attached.

(j) During the financial year 2018-19, the Board has accepted all the recommendations of its Committees.

(k) Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part is given below:

Particulars	FY 2018-19 (Rs in Lakhs)
Audit Fees	9.75
Limited Review	6.00
Tax Audit Fees	0.50
Certificates	1.25
Other Services	5.00
Total	**22.50**

(l) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

a	number of complaints filed during the financial year	Nil
b	number of complaints disposed of during the financial year	Nil
c	number of complaints pending as on end of the financial year:	Nil

(m) The Company has complied with the requirements of Corporate governance as specified under regulation 17 to 27 and clauses (b) to (I) of sub regulation 46 of Listing Obligations.

VII Disclosure of Discretionary Requirements:

Disclosures of discretionary requirements as per Part E of Schedule II read with Regulation 27 (1) of the Listing Obligations are as under:

1. Mr. Harish Mehta is the Executive Chairman of the Company. Being an Executive Director of the Company, requirements of having separate office for a non-executive chairman at the expense of the Company shall

Report on corporate governance for the year 2018-19 *(Contd.)*

not be applicable.

2. Company shall endeavor to provide half yearly declarations on financial performance of the Company including significant events in last six months of operations as has been provided in the past.
3. Company strives towards having an unmodified audit opinion. Further, there has not been any modified audit opinions during the financial year 2018-19.
4. In our endeavor of having separate persons as chairman and managing director of the Company, the Board of Directors has re-appointed Mr. Harish Mehta as Executive Chairman and Mr. Jigar Mehta as Managing Director of the Company.
5. M/s. Mazars Business Advisors Private Limited, internal auditors of the Company for the financial year 2018-19 reported directly to the Audit Committee of the Company.

VIII Commodity Price Risk:

The Company is not involved into any activities relating to commodity price risks and hedging thereof. The Company is managing the foreign currency risk to limit the risks of adverse exchange rate movement by hedging the same as per the risk management policy of the Company.

VIII Means of Communication:

The Board of Directors of the Company approves and takes on record the quarterly, half yearly and annual financial results in accordance with the provisions prescribed under the Listing Obligations. These results are promptly submitted to the stock exchanges and the same are published in English and Marathi newspapers within 48 hours of such adoption by the Company. The same are usually published in English newspaper, 'Business Standard' or 'Mint' and Marathi newspaper 'Mumbai Lakshadweep' and 'Navshakti'. These results and the corporate governance reports are also posted on the Company's website; www.onwardgroup.com.

The Company also issues press releases on significant corporate decisions/activities including financial results and posts them on its website for wider dissemination.

The Company's website www.onwardgroup.com provides a separate section for investors where relevant shareholders information is available. The annual reports of the Company are available on the website in a user friendly and downloadable format.

Annual Report is circulated to members through prescribed modes. The Management Discussion and Analysis Report also forms part of this Annual Report. Presentations whenever made to the Institutional Investors/ Analysts at an investors' meets organized by the Company shall also be hosted on the website of the Company for wider dissemination.

The Company has M/s. Link Intime India Pvt. Ltd. as its Registrar and Transfer Agent who are also authorized to take care of investors' complaints. The secretarial department of the Company also assists in resolving various complaints of our investors. The Company has created a separate e-mail id, i.e. info@onwardgroup.com exclusively for resolving investors' grievances.

Report on corporate governance for the year 2018-19 *(Contd.)*

IX General Shareholders' information: CIN: L28920MH1991PLC062542

Annual general meeting:

Date	:	25th July, 2019
Time	:	03.00 PM
Venue	:	Victoria Memorial School for the Blind,73, Tardeo Road, Mumbai – 400 034
Registered office	:	Sterling Centre, 2nd Floor, Dr. A. B. Road, Worli, Mumbai - 400 018.
Stock exchange where equity shares listed	:	**BSE Limited,** Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001. **National Stock Exchange of India Ltd.** Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051.
Stock Code	:	BSE: 517536, NSE: ONWARDTEC
Group	:	B1
Demat ISIN no. for CDSL and NSDL	:	INE 229 A 01017
Listing fees	:	The Company has paid annual listing fees to the above Stock Exchanges for the financial year 2018-19 and 2019-20.

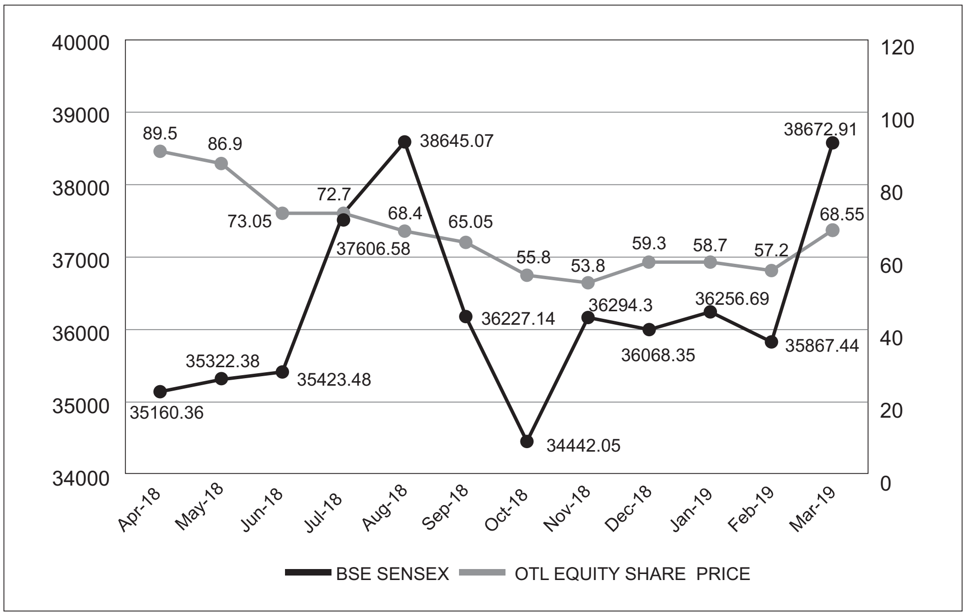
Market price data*: Monthly High/Low during each month in the financial year 2018–19 is as follows: (Rs.)

Month	BSE		NSE	
	High	Low	High	Low
April, 2018	99.25	86.10	99.50	86.20
May, 2018	98.00	71.05	98.60	70.70
June, 2018	88.95	68.00	89.70	69.00
July, 2018	80.85	66.55	81.50	73.50
August, 018	77.95	66.55	78.00	65.90
September, 2018	74.40	60.00	75.90	60.15
October, 2018	69.40	45.60	68.65	46.10
November, 2018	58.00	52.00	58.00	51.65
December, 2018	61.10	51.20	61.85	51.20
January, 2019	76.90	56.45	77.30	55.90
February, 2019	63.95	55.60	64.00	55.25
March, 2019	70.50	56.35	69.80	57.65

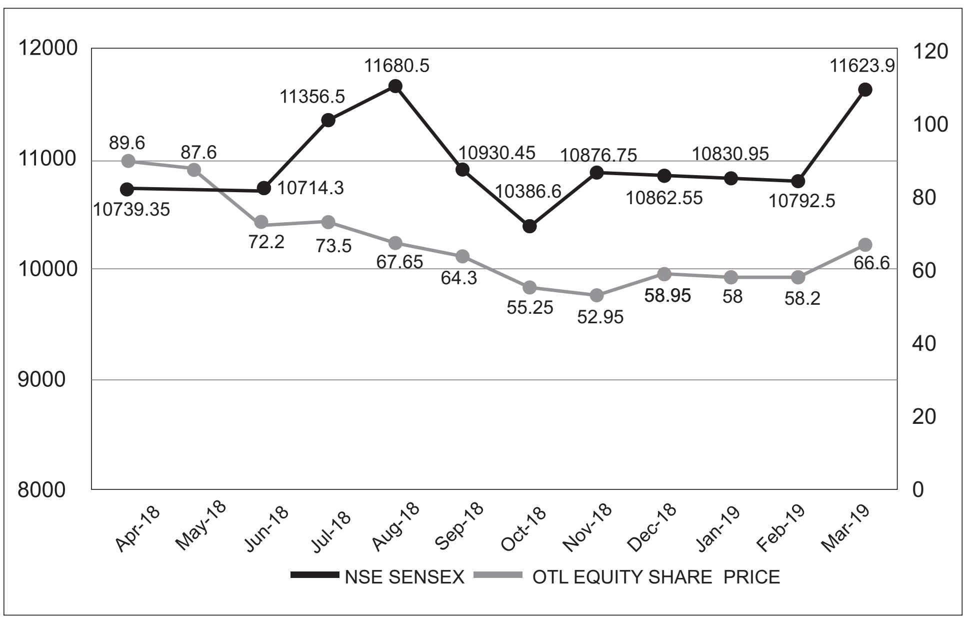
*Source: Website of BSE Ltd. and the National Stock Exchange of India Ltd.

Report on corporate governance for the year 2018-19 *(Contd.)*

Stock price performance in comparison to the BSE Nifty in the financial year 2018-19:



Stock price performance in comparison to the NSE Sensex in the financial year 2018- 19:



Note: The securities of the Company were not suspended from trading during the financial year 2018-19.

Report on corporate governance for the year 2018-19 *(Contd.)*

Registrar and share transfer agents (RTA)	Link Intime India Pvt. Ltd. C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400 083. Tel: +91 22 49186270 Fax: +91 22 49186060 E-mail: rnt.helpdesk@linkintime.co.in
Share transfer system	In order to expedite the process of share transfer and for administrative convenience, the authority for all physical share transfers is delegated to Company's RTA. The transferee is required to furnish the transfer deed, duly completed in all respects, together with the share certificates to RTA at the above said address in order to enable RTA to process the transfer. As regards transfers of dematerialized shares, the same can be effected through the de-mat accounts of the transferor/s and transferee/s maintained with the recognized Depository Participants.

Distribution of shareholding as on March 31, 2019:

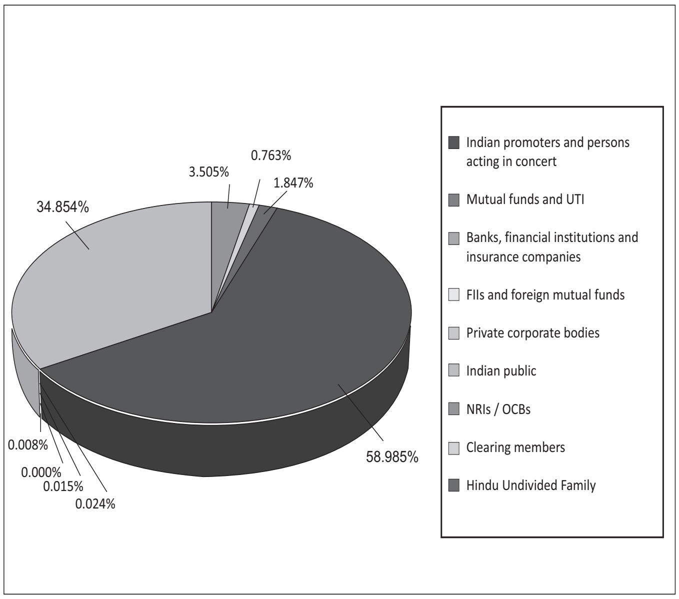
Shareholding of nominal value (Rs.)	No. of share holders	% of share holders	Share Amount (Rs.)	% of shareholding
1 to 5,000	7,660	83.5788	12,526,170	7.9255
5,001 to 10,000	674	7.3541	5,504,870	3.4830
10,001 to 20,000	394	4.2990	5,964,230	3.7737
20,001 to 30,000	131	1.4294	3,351,990	2.1290
30,001 to 40,000	80	0.8729	2,890,440	1.8288
40,001 to 50,000	65	0.7092	3,070,240	1.9426
50,001 to 100,000	77	0.8402	5,638,650	3.5677
100,001 to ------------	84	0.9165	119,102,110	75.3579
Total	**9,165**	**100**	**158,048,700**	**100**

Shareholding pattern as on March 31, 2019:

Categories	No. of shares held	Percentage of shareholding (%)
Indian promoters and persons acting in concert	9,322,453	58.9847
Mutual funds and UTI	3,750	0.0237
Banks, financial institutions and insurance companies	2,350	0.0149
FIIs and foreign mutual funds	0	0
Private corporate bodies	1,250	0.0079
Indian public	5,508,702	34.8545
NRIs/OCBs	553,903	3.5047
Clearing members	120,547	0.7627
Hindu Undivided Family	291,915	1.847
Total	**15,804,870**	**100.000**

Report on corporate governance for the year 2018-19 *(Contd.)*

Shareholding pattern as on March 31, 2019:



De-materialization of shares and liquidity	As on March 31, 2019, 15,608,641 shares representing 98.76% of the paid-up share capital of the Company were in de-materialized form
Outstanding GDR/ADR/Warrants or any convertible instruments, conversion dates and likely impact on equity	Since, the Company has not issued any GDR/ ADR/ Warrants or any convertible instruments this clause is not applicable
Plant location	The Company does not have any manufacturing plant. However, details with regards different office locations of the Company forms part of this Annual Report.
Address for correspondence	Link Intime India Pvt. Ltd. has been entrusted and appointed as registrars and share transfer agents of the Company. All queries pertaining to transfer, transmission, de-materialization and change of address be directed to them at their following address : Link Intime India Pvt. Ltd. C 101, 247 Park, L.B.S. Marg, Vikhroli (West) Mumbai - 400 083 Tel: +91 22 49186270 Fax: +91 22 49186060 Email: rnt.helpdesk@linkintime.co.in Contact person: Ms. Nayna Wakle

For and on behalf of the Board of Directors

Jigar Mehta
Managing Director
(DIN: 06829197)

Place : Mumbai
Date : May 17, 2019

CEO & CFO Certification

We, Jigar Mehta, Managing Director and MVSS Narayanacharyulu, Chief Financial Officer of Onward Technologies Limited ('the Company') to the best of my knowledge and belief, certify that:

1. We have reviewed the financial statements and the cash flow statement for the year 2018–19 and that to the best of our knowledge and belief
   (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the Auditors and the Audit Committee:
   (i) Significant changes in internal control over financial reporting during the year;
   (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
   (iii) There are no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Mumbai	**Jigar Mehta**	**MVSS Narayanacharyulu**
Date: May 17, 2019	Managing Director	Chief Financial Officer

DECLARATION

To,

The Members,

Onward Technologies Limited

I, Jigar Mehta, Managing Director of Onward Technologies Limited ("the Company"), hereby declare that all the Members of the Board of Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct, laid down and adopted by the Company, during the year ended 31st March, 2019.

For and on behalf of the Board of Directors

Jigar Mehta
Managing Director
(DIN: 06829197)

Place : Mumbai
Date : May 17, 2019

CERTIFICATE OF CORPORATE GOVERNANCE

To
The Members
Onward Technologies Limited,

We have examined the compliance of conditions of Corporate Governance by Onward Technologies Limited ("the Company"), for the year ended on March 31, 2019, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') pursuant to the Listing Agreement of the said Company with stock exchange (s).

The compliance of the conditions of Corporate Governance is a responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.

We further state that compliance is neither an assurance as to the future viability of the Company nor as to the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Nilesh A. Pradhan & Co., LLP
Company Secretaries

Nilesh A. Pradhan
Partner
C. P. No.: 3659
FCS No.: 5445

Place : Mumbai
Date : May 17, 2019

INDEPENDENT AUDITOR'S REPORT

To the Members of Onward Technologies Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Onward Technologies Limited (hereinafter referred to as the 'Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated Balance Sheet as at March 31, 2019, and the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated statement of changes in equity and the consolidated cash flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the consolidated financial statements").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company as at March 31, 2019, of consolidated total comprehensive income (comprising of profit/ loss and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 16 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
I. Appropriateness of recognition of revenue in respect of sales of licenses on principal basis : Refer note 1 (e) and note 20 in the ConsolidatedInd AS Financial Statements.	**Our audit procedures included the following:** • Obtaining an understanding of and testing the design and operating effectiveness of key controls around the revenue recognition

Independent Auditor's Report *(Contd.)*

The Group recognizes gross revenue from sale of licenses (including renewal of licenses), on transfer of the title to customer as per the assessment made under Ind-AS 115. The contracts with customers in case of licenses are non-standard and each contract requires assessment of the Group's position as to whether it is acting as the principal or as an agent on behalf of the supplier.	• Testing of sample contracts involving certain license sales transactions during the year to gain an understanding of the terms of the contracts including pattern of transfer of rights and obligations under the contract.
On adoption of Ind AS 115 by the Group w.e.f. April 1, 2018 through modified retrospective approach, the management has assessed its existing contracts and reassessed the appropriateness of revenue from license sales on gross basis and not on net basis as an agent on behalf of suppliers.	• In respect of the contracts tested, evaluation of the management's assessment against the indicators that demonstrates that an entity controls the specified good or service before it is transferred to the customer (and is therefore a principal) as specified under Ind AS 115 – Revenue from Contracts with Customers.
This has been determined as a KAM in view of the significant management judgement involved in assessment of primary risks and responsibilities and the right to pricing decision under the contracts, and related supplier's rights, for the purpose of recognition of revenue as principal (on gross basis) or as an agent (on net basis).	• Evaluated the adequacy of disclosures in the financial statements Based on the above procedures performed, we did not find any significant exceptions to management's assessment of recognition of revenue in respect of licence sale on principal basis.
II Assessment of Valuation of Employee Stock Options Scheme:	Our audit procedures included the following:
Refer note 1 (u) and note 37 in the Consolidated Ind AS Financial Statements.	• Obtaining an understanding of the Employee Stock Option Scheme, testing the design and operating effectiveness of the key controls around it.
The Company has an Employee Stock Option Plan 2009 (ESOP 2009) which is accounted for in accordance with Ind AS 102 "Share based payments".	• Evaluation of competency and capabilities of management's expert
The management has engaged an independent expert who determines the value of options granted using Black and Scholes valuation model. The valuation model requires certain significant judgements like expected life of share option, volatility and dividend yield etc.	• Discussing with the Management's Expert the appropriateness of significant assumptions used in the valuation. • Independently evaluating the appropriateness of the valuation model and the key assumptions used as inputs in the valuation. • Re-performing the related calculations to check the arithmetical accuracy. We focused on this area considering the Judgements involved in underlying assumptions. • Evaluating the adequacy of the disclosures in the financial statements Based on the above audit procedures, we did not note any significant exceptions in respect of assessment of valuation of Employee Stock Options Scheme.

Independent Auditor's Report *(Contd.)*

Other Information

5. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the consolidated financial statements and our auditor's report thereon.

6. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

7. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and the reports of the other auditors as furnished to us (Refer paragraph 16 below), we conclude that there is a material misstatement of this other information, we are required to report that fact.

   We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

8. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

9. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

10. The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

11. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

Independent Auditor's Report *(Contd.)*

12. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to vents or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
    - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
    - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

13. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent Auditor's Report *(Contd.)*

Other Matters

16. We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets of Rs 3,519 lacs and net assets of Rs 1,211 lacs as at March 31, 2019, total revenue of Rs. 6,149 lacs, total comprehensive income (comprising of profit/ loss and other comprehensive income) of Rs 113 lacs and net cash flows amounting to Rs 283 lacs for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated Ind AS financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

    Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

17. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

    (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

    (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.

    (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

    (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.

    (f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.

    (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

        i. The consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group– Refer Note 28 to the consolidated financial statements.

        ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts as at March 31, 2019.

Independent Auditor's Report *(Contd.)*

iii. During the year ended March 31, 2019, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies incorporated in India.

iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Group for the year ended March 31, 2019.

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration Number: 012754N/N500016

Neeraj Sharma
Partner
Membership Number : 108391

Place: Mumbai
Date: May 17, 2019

Independent Auditor's Report *(Contd.)*

Annexure A to Independent Auditors' Report

Referred to in paragraph 14 (f) of the Independent Auditors' Report of even date to the members of Onward Technologies Limited on the standalone financial statements for the year ended March 31, 2019

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls with reference to financial statements of Onward Technologies Limited (hereinafter referred to as "the Holding Company") and its subsidiary company, which are companies incorporated in India, as of that date. Reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is not applicable to one subsidiary company incorporated in India namely Onward Properties Private Limited, pursuant to MCA notification GSR 583(E) dated 13 June 2017.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding company and its subsidiary company, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the "Institute of Chartered Accountants of India (ICAI)".These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the"Guidance Note") issued by the ICAI and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

Independent Auditor's Report *(Contd.)*

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

6. A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that-receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Holding Company and its subsidiary company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to one subsidiary companies, which is company incorporated in India, is based on the corresponding reports of the auditors of such company incorporated in India. Our opinion is not qualified in respect of this matter.

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration Number: 012754N/N500016

Neeraj Sharma
Partner
Membership Number : 108391

Place: Mumbai
Date: May 17, 2019

CONSOLIDATED BALANCE SHEET

(All amounts in Rs. lakhs, unless otherwise stated)

	Notes	As at March 31, 2019	As at March 31, 2018
ASSETS			
I. Non-current assets			
Property, plant and equipment	3	**977.97**	856.24
Intangible assets	4	**566.00**	703.41
Intangible assets under development	4	**17.89**	10.50
Financial assets			
(a) Loans	5 (a)	**286.37**	227.53
(b) Other financial assets	5 (b)	**6.95**	4.51
Deferred tax assets	12 (a)	**169.69**	119.39
Income-tax assets (net)	12 (b)	**1,581.33**	1,318.70
Other non-current assets	10	**61.61**	5.15
Total non-current assets		**3,667.81**	3,245.43
II. Current assets			
Financial assets			
(a) Trade receivables	6	**4,891.25**	4,560.14
(b) Cash and cash equivalents	7	**434.04**	755.72
(c) Bank balances other than (b) above	8	**76.33**	30.76
(d) Contract assets		**855.04**	876.76
(e) Loans	5 (a)	**-**	41.99
(f) Other financial assets	9	**105.83**	15.87
Income-tax assets (net)	12 (b)	**194.28**	142.23
Other current assets	11	**441.82**	405.80
Total current assets		**6,998.59**	6,829.27
Total assets		**10,666.40**	10,074.70
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	13 (a)	**1,580.49**	1,554.21
Other equity	13 (b)	**4,521.48**	3,425.90
Total equity		**6,101.97**	**4,980.11**
LIABILITIES			
I. Non-Current liabilities			
Financial liabilities			
(a) Borrowings	14	**64.70**	231.20
Employee benefit obligations	18 (a)	**61.02**	121.02
Deferred tax liabilities	12 (a)	**51.95**	33.52
Total non-current liabilities		**177.67**	385.74

Consolidated Balance sheet *(Contd.)*

(All amounts in Rs. lakhs, unless otherwise stated)

	Notes	As at March 31, 2019	As at March 31, 2018
II. Current liabilities			
Financial liabilities			
(a) Borrowings	15	**1,545.44**	1,717.74
(b) Trade payables	16		
- Total outstanding dues of micro enterprises and small enterprises		**43.82**	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		**562.22**	780.16
(c) Other financial liabilities	17	**266.09**	332.60
Employee benefit obligations	18 (b)	**375.74**	249.66
Income-tax liabilities (net)	12 (b)	**-**	32.83
Contract Liabilities	19 (a)	**6.38**	74.07
Other current liabilities	19 (b)	**1,587.07**	1,521.79
Total current liabilities		**4,386.76**	4,708.85
Total liabilities		**4,564.43**	5,094.59
Total equity and liabilities		**10,666.40**	10,074.70

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

This is the consolidated balance sheet referred in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Neeraj Sharma
Partner
Membership No.: 108391

Place : Mumbai
Date : May 17, 2019

For and on behalf of the Board of Directors of
Onward Technologies Limited

Harish Mehta
Executive Chairman

Jigar Mehta
Managing Director

Pranay Vakil
Audit Committee Chairman

M.V.S.S Narayanacharyulu
Chief Financial Officer

Dimple Chauhan
Company Secretary

Place : Mumbai
Date : May 17, 2019

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(All amounts in Rs. lakhs, unless otherwise stated)

	Notes	As at March 31, 2019	As at March 31, 2018
Revenue from operations	20	**25,949.89**	24,446.02
Other income (net)	21	**270.80**	475.34
Total Income		**26,220.69**	24,921.36
Expenses			
Cost of software products	22	**440.00**	372.14
Employee benefits expense	23	**18,870.86**	18,582.05
Finance costs	24	**274.17**	302.98
Depreciation and amortisation expense	25	**565.99**	548.52
Other expenses	26	**4,549.71**	4,364.73
Total expenses		**24,700.73**	24,170.42
Profit before tax		**1,519.96**	750.94
Income tax expense			
Current tax	12(b)	**524.39**	214.30
Deferred tax	12(a)	**(17.84)**	(134.98)
Total tax expense		**506.55**	79.32
Profit for the year		**1,013.41**	671.62
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of post-employment benefit obligations	18(b)	**(67.90)**	3.31
Income tax relating to these items	12(b)	**19.65**	(0.77)
Items that may be reclassified to profit or loss			
Exchange differences on foreign operations	13(b)	**123.45**	4.16
Income tax relating to these items		**-**	-
Total other comprehensive income for the year, net of tax		**75.20**	6.70
Total comprehensive income for the year		**1,088.61**	678.32
Earnings per share			
Basic	27	**6.45**	4.35
Diluted	27	**6.17**	4.07

The above consolidated statement of profit and loss should be read in conjunction with the accompanying notes.
This is the consolidated statement of profit and loss referred in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Neeraj Sharma
Partner
Membership No.: 108391

Place : Mumbai
Date : May 17, 2019

For and on behalf of the Board of Directors of
Onward Technologies Limited

Harish Mehta	**Jigar Mehta**	**Pranay Vakil**
Executive Chairman	Managing Director	Audit Committee Chairman

M.V.S.S Narayanacharyulu
Chief Financial Officer

Dimple Chauhan
Company Secretary

Place : Mumbai
Date : May 17, 2019

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(All amounts in Rs. lakhs, unless otherwise stated)

A Equity share capital

	Notes	
As at April 1, 2017		**1,519.63**
Change in equity share capital	**13 (a)**	34.58
As at March 31, 2018		**1,554.21**
Change in equity share capital	**13 (a)**	26.28
As at March 31, 2019		**1,580.49**

B Other Equity

	Note	Securities premium account	Retained Earnings	Share option out-standing account	Foreign Currency Translation Reserve	Share Application Money pending allotment	Total
As at April 1, 2017		**1,182.67**	**1,249.77**	**303.97**	**(27.26)**	**13.27**	**2,722.42**
Profit for the year		-	671.62	-	-	-	671.62
Other Comprehensive Income		-	2.54	-	4.16	-	6.70
Total comprehensive income for the year		**-**	**674.16**	**-**	**4.16**	**-**	**678.32**
Additions on employee stock option plan	37	196.58	-	(196.58)	-	-	-
Employee stock option expenses	37	-	-	167.40	-	-	167.40
Employee stock option expenses (for employees of subsidiary)	37	-	-	45.21	-	-	45.21
Transactions with owners in their capacity as owners:							
Dividends paid	13 (b)	-	(153.65)	-	-	-	(153.65)
Dividend Distribution tax on above	13 (b)	-	(31.28)	-	-	-	(31.28)
Shares alloted against the share application money received	13 (b)	-	-	-	-	(13.27)	(13.27)
Shares application money received for allotment of shares	13 (b)	-	-	-	-	10.75	10.75
As at March 31, 2018		**1,379.25**	**1,739.00**	**320.00**	**(23.10)**	**10.75**	**3,425.90**

Consolidated statement of changes in equity *(Contd.)*

(All amounts in Rs. lakhs, unless otherwise stated)

	Note	Securities premium account	Retained Earnings	Share option out-standing account	Foreign Currency Translation Reserve	Share Ap-plication Money pending allotment	Total
Profit for the year		-	1,013.41	-	-	-	1,013.41
Other Comprehensive Income		-	(48.25)	-	123.45	-	75.20
Total comprehensive income for the year		**-**	**965.16**	**-**	**123.45**	**-**	**1,088.61**
Additions on employee stock option plan	37	162.71	-	(162.71)	-	-	-
Employee stock option expenses	37	-	-	166.76	-	-	166.76
Transactions with owners in their capacity as owners:							
Dividends paid	13 (b)	-	(156.97)	-	-	-	(156.97)
Dividend Distribution tax on above	13 (b)	-	-	-	-	-	-
Shares alloted against the share application money received	13 (b)	-	-	-	-	(26.28)	(26.28)
Shares application money received for allotment of shares	13 (b)	-	-	-	-	23.46	23.46
As at March 31, 2019		**1,541.96**	**2,547.19**	**324.05**	**100.35**	**7.93**	**4,521.48**

The above consolidated statement of changes in equity should be read in conjuction with the accompanying notes.
This is the consolidated statement of changes in equity referred in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Neeraj Sharma
Partner
Membership No.: 108391

Place : Mumbai
Date : May 17, 2019

For and on behalf of the Board of Directors of Onward Technologies Limited

Harish Mehta
Executive Chairman

Jigar Mehta
Managing Director

Pranay Vakil
Audit Committee Chairman

M.V.S.S Narayanacharyulu
Chief Financial Officer

Dimple Chauhan
Company Secretary

Place : Mumbai
Date : May 17, 2019

CONSOLIDATED STATEMENT OF CASH FLOWS

(All amounts in Rs. lakhs, unless otherwise stated)

		Year Ended March 31, 2019	Year Ended March 31, 2018
A)	**Cash flows from operating activities**		
	Profit before income tax	**1,519.96**	750.94
	Adjustments for		
	Depreciation and amortisation expense	**565.99**	548.52
	(Profit) / loss on disposal of property, plant and equipment	**-**	(0.10)
	Interest income	**(30.86)**	(2.08)
	Unwinding of discount on security deposit	**(15.23)**	(11.91)
	Amortisation of prepaid rent on security deposit	**11.86**	11.86
	Employee share based payment expenses	**166.76**	212.61
	Finance costs	**274.17**	302.98
	Allowance for doubtful debts	**(9.68)**	21.00
	Operating profit before working capital changes	**2,482.97**	1,833.82
	Changes in operating assets and liabilities		
	(Increase) / Decrease in trade receivables	**(249.36)**	274.92
	(Increase) / Decrease in other financial assets	**(92.40)**	43.48
	(Increase) / Decrease in other assets	**(78.96)**	(77.01)
	(Increase) / Decrease in Contract assets	**22.36**	(743.24)
	Loans and advances granted during the year	**(0.42)**	(0.86)
	Increase / (Decrease) in trade payables	**(168.28)**	449.60
	Increase / (Decrease) in other liabilities (including contract liabilities)	**10.13**	248.25
	Increase / (Decrease) in other financial liabilities	**2.48**	4.01
	Increase / (Decrease) in employee benefit obligations	**(1.82)**	64.70
	Cash generated from operations	**1,926.70**	2,097.67
	Income taxes paid (net of refunds received)	**(868.86)**	(456.53)
	Net cash inflow / (outflow) from operating activities	**1,057.84**	1,641.14
B)	**Cash flows from investing activities**		
	Payments for property, plant and equipment	**(428.56)**	(329.49)
	Payments for intangible assets	**(73.14)**	(169.03)
	Proceeds from sale of property, plant and equipment	**3.32**	12.79
	Bank balances not considered as cash and cash equivalents	**(45.57)**	(3.64)
	Interest income	**30.86**	2.08
	Net cash outflows from investing activities	**(513.09)**	(487.29)

Consolidated Statement of cash flows *(Contd.)*

(All amounts in Rs. lakhs, unless otherwise stated)

		Year Ended March 31, 2019	Year Ended March 31, 2018
C)	**Cash flows from financing activities**		
	Interest paid	**(263.73)**	(302.98)
	Proceeds from issue of shares	**26.28**	34.58
	Proceeds from share application money pending allotment	**(2.82)**	(2.52)
	Proceeds / (Repayment) from / (of) borrowings	**(305.36)**	(534.77)
	Payment of Dividend	**(156.97)**	(184.93)
	Net cash inflows / (outflow) from financing activities	**(702.60)**	(990.62)
	Net increase / (decrease) in cash and cash equivalents	**(157.85)**	163.23
	Cash and cash equivalents at the beginning of the year	**(962.02)**	(1,126.86)
	Effect of foreign exchange on cash and cash equivalents	**8.47**	1.61
	Cash and cash equivalents at the end of the year	**(1,111.40)**	(962.02)

Reconciliation of cash and cash equivalents as per the cash flow statement:

	Year Ended March 31, 2019	Year Ended March 31, 2018
Cash and cash equivalents (Note 7)	**434.04**	755.72
Bank overdraft (Note 15)	**(1,545.44)**	(1,717.74)
Balances as per statement of cash flows	**(1,111.40)**	(962.02)

The above consolidated statement of cash flow should be read in conjunction with the accompanying notes.

This is the consolidated statement of cash flow referred in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Neeraj Sharma
Partner
Membership No.: 108391

Place : Mumbai
Date : May 17, 2019

For and on behalf of the Board of Directors of
Onward Technologies Limited

Harish Mehta
Executive Chairman

Jigar Mehta
Managing Director

Pranay Vakil
Audit Committee Chairman

M.V.S.S Narayanacharyulu
Chief Financial Officer

Dimple Chauhan
Company Secretary

Place : Mumbai
Date : May 17, 2019

Notes to the consolidated financial statements

Background: Onward Technologies Limited ("the Group") is a public limited Group domiciled in India and was incorporated on July 18, 1991 under the provisions of the Companies Act, 1956. The Group is a leading global player in Mechanical Engineering Design and IT Consulting, listed at both Bombay Stock Exchange and National Stock Exchange. The Group has its registered office in Mumbai.

1. Significant accounting policies:

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

(i) Compliance with Ind AS

The consolidated financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The Board of Directors have authorized these financial statements for issue on May 17th, 2019.

(ii) Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities (including derivative instruments) which are measured at fair value;
- Defined benefit plans — Plant assets measured at fair value.

All assets and liabilities have been classified as current or non-current as per the Group's operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

(b) Principles of Consolidation

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date the control ceases.

The acquisition method of accounting is used to account for business combinations by the group.

The group combines the financial statements of the parent and its subsidiaries line by line adding

Notes to the consolidated financial statements *(Contd.)*

together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed wherever necessary to ensure consistency with the policies adopted by the group.

(c) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is the Group's Board of Directors. Refer note 30 for segment information presented.

(d) Foreign currency translation

(i) Functional and presentation currency

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates (`the functional currency'). The consolidated financial statements are presented in Indian rupee (INR), which is the Group's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions (including transaction of foreign branches) are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognized in profit or loss and are presented in the Statement of Profit and Loss on a net basis.

(iii) Group Companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

Assets and liabilities are translated at closing rates at the date of balance sheet;

Income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case, income and expenses are translated at the dates of transactions) and

All resulting exchange differences are recognized in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognized in other comprehensive income. When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

Notes to the consolidated financial statements *(Contd.)*

(e) Revenue recognition

Introduction

Ind AS 115 Revenue from contracts with customers has been issued with effect from April 1, 2018. The new standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a promised good or service and thus has the ability to direct the use and obtain the benefits from the good or service in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services.

A new five-step process must be applied before revenue can be recognised:

i. identify contracts with customers

ii. identify the separate performance obligation

iii. determine the transaction price of the contract

iv. allocate the transaction price to each of the separate performance obligations, and

v. recognise the revenue as each performance obligation is satisfied.

Transition

On transition to Ind AS 115, the Group has elected to adopt the new revenue standard as per modified retrospective approach. As per the modified retrospective approach, the Group is required to recognize the cumulative effect of initially applying the Ind AS 115 as at April 1, 2018 in retained earnings. The comparative financial statements for year ended March 31, 2018 are not restated. The effect on adoption of Ind AS 115 was insignificant.

Revenue recognition policy

The Group derives revenue primarily from engineering design services and sale of licenses. Amounts disclosed as revenue are net of trade allowances, rebates, discounts, value added taxes and other amounts collected on behalf of third parties.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognizes revenue when it transfers control over a product or a service to a customer and company expects to receive consideration in exchange for those products or services. The method for recognizing revenues and costs depends on the nature of the services rendered. The Group estimates its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. The Group assesses for the timing of revenue recognition in case of each distinct performance obligation. The Group first assesses whether the revenue can be recognized over time as it performs if any of the following criteria is met:

(a) The customer simultaneously consumes the benefits as the Group performs, or

(b) The customer controls the work-in-progress, or

(c) The Group's performance does not create an asset with alternative use to the Group and the Group has right to payment for performance completed till date

If none of the criteria above are met, the Company recognized revenue at a point-in-time.

Notes to the consolidated financial statements *(Contd.)*

The point-in-time is determined when the control of the goods or services is transferred which is generally determined based on when the significant risks and rewards of ownership are transferred to the customer. Apart from this, the Group also considers its present right to payment, the legal title to the goods, the physical possession and the customer acceptance in determining the point in time where control has been transferred.

(i) Sale of of services

a) Time and material contracts:

Revenues and costs relating to time and materials contracts are recognized as the related services are rendered.

b) Fixed- price contracts:

For fixed price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. This is determined based on the actual labour hours spent relarive to the total expected labour hours.

Estimates of revenues, costs or extent of progress towards completion are revised if circumstances change. Any resulting increase or decrease in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

(ii) Revenue from sale of user licenses/software products:

Revenue from the sale of user licenses for software applications is recognized at point in time on transfer of the title in the user license. Revenue is recognized on principal basis if the group controls a promised good or service before the entity transfers the good or service to a customer.

Revenues in excess of invoicing are classified as contract assets (which we refer as un billed revenue) while invoicing in excess of revenues and advance amount received from customers which are classified as contract liabilities (which we refer to as unearned revenues and advance from customers).

Revenue from sale of service is derived from service over the period of time and Revenue from Sale of traded software licenses is derived from services at a point in time'.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

(vi) Other Income

Dividend income is recognized in the Statement of Profit and Loss only when the Group's right to receive dividend is established which is generally when the shareholders approve the dividend.

Interest is recognized on time proportionate basis taking into account the amount outstanding and the rate applicable.

Notes to the consolidated financial statements *(Contd.)*

(f) Government Grant

Grants from the government are recognized at their fair value when there is a reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grant relating to income are deferred and recognized in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented with other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of related assets and presented within other income.

(g) Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements including temporary difference arising on account of undistributed profits of subsidiaries. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

(h) Leases

As a lessee

Leases of property, plant and equipment, where the Group, as lessee has substantially all the risks and rewards of ownership are classified as finance leases. Assets acquired under finance leases are recognized at the lower of the fair value of the leased assets at inception of the lease and the present value of minimum lease payments. Lease payments are apportioned between the finance charge and the reduction of the

Notes to the consolidated financial statements *(Contd.)*

outstanding liability. The finance charge is allocated to periods during the lease term at a constant periodic rate of interest on the remaining balance of the liability.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease, unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

(i) Impairment of assets

The management periodically assesses, using external and internal sources, whether there is an indication that an asset may be impaired. If an asset is impaired, the Group recognizes an impairment loss as the excess of the carrying amount of the asset over the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. An impairment loss is reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognized.

(j) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

(k) Trade receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

(l) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense in the year in which they are incurred.

(m) Investments and other Financial assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortized cost.

Notes to the consolidated financial statements *(Contd.)*

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss statement.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group classifies its debt instruments as follows:

- Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de recognized or impaired. Interest income from these financial assets is included in other income using the effective interest rate method.

Equity instruments

The Group subsequently measures equity investment at fair value. The Group's Management elects to present fair value gains and losses on equity investments in other comprehensive income on an instrument by instrument basis.

(iii) Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Refer Note 34 for details of credit risk.

For trade receivables, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

Notes to the consolidated financial statements *(Contd.)*

(iv) Derecognition of financial assets

A financial asset is derecognized only when

- The Group has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

  Where the entity has transferred an asset, the group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

  Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

(n) Derivatives

The Group enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss and are included in Other income or Other expenses, as the case may be.

The full fair value of a derivative is classified as a Non-current Asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

(o) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

(p) Property, plant and equipment

All items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset’s carrying amount or recognized as a consolidated asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a consolidated asset is de recognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Notes to the consolidated financial statements *(Contd.)*

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using straight –line method to allocate their cost, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements, the shorter lease term as follows:

Class of asset	Estimated economic useful life in years
Computers & networking	3 - 6 years
Furniture & Fixtures	7 - 10 years
Office Equipment	5 - 7 years
Electrical equipments	10 years
Vehicles	8 years

Leasehold improvements are depreciated over the period of the lease agreement.

The asset's residual values and useful lives are reviewed and adjusted if appropriate, at the end of the reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other income / other expenses respectively.

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognized as at April 1, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

(q) Intangible assets

Intangible assets are stated at acquisition cost net of tax/ duty credits availed, if any, and net of accumulated amortization. Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognized as income or expense in the profit or loss. Intangible assets are amortized on the straight line method as follows:

Asset	Useful life
Software	2 to 6 years

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of intangible assets recognized as at April 1, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

Notes to the consolidated financial statements *(Contd.)*

(r) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are unsecured and are presented as current liabilities unless payment is not due within twelve months determined by the Group after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

(s) Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any differences between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been distinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as other income/(expenses).

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the consolidated financial statements for issue, not to demand payment as a consequence of the breach.

(t) Provisions and contingent liabilities

Provisions are recognized when the Group has a present, legal or constructive obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are determined based on the best estimate required to settle the obligation at the Balance Sheet date. Provisions are reviewed at each Balance Sheet date and adjusted to reflect current best estimates. Provisions are not recognized for future operating losses.

Contingent liabilities are disclosed by way of a note to the consolidated financial statements when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Notes to the consolidated financial statements *(Contd.)*

(u) Employee Benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

The liabilities for privileged leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in profit or loss. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The Group operates the following post-employment schemes:

(a) Defined benefit plan–gratuity

(b) Defined contribution plans - provident fund, employee state insurance scheme.

(a) Defined benefit plans - Gratuity

The Group provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death or termination of employment, of an amount based on the respective employee's salary and the tenure of employment.

The liability or asset recognized in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive

Notes to the consolidated financial statements *(Contd.)*

income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

(b) Defined contribution Plans – Provident Fund, Employee State Insurance Scheme

The Group pays provident fund, employee state insurance for all employees to publicly administered funds as per local regulations. The Group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due.

(iv) Share-based payments

Employee options are provided to employees via the Onward ESOP Scheme 2009. The fair value of the options granted under the Onward ESOP Scheme is recognized as employee benefit expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g. the entity's share price)
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holding shares for specified period of time).

The total expenses is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognizes the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

(v) Contributed equity

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

(w) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

Notes to the consolidated financial statements *(Contd.)*

(x) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing

- the profit attributable to owners of the Group
- by the weighted average number of equity shares outstanding during the financial year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(y) Rounding of amounts:

All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

2. Critical judgements and estimates

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements:

i. Legal contingencies

The Group has received various orders and notices from tax authorities in respect of direct taxes. The outcome of these matters may have a material effect on financial position, results of operation of cash flows. Management regularly analyzes current information about these matters and provides provisions for probable contingent losses including the estimate of legal expenses to resolve the matters. In making the decisions regarding the need for loss provisions, management considers the degree of probability of an unfavorable outcome and the ability to make a sufficiency reliable estimate of the amount of loss. The filing of suit or formal assertion of a claim against the Group or the disclosure of any such suit or assertions, does not automatically indicate that a provision of a loss may be appropriate.

ii. Segment reporting

Ind-AS 108 Operating Segments requires management to determine the reportable segments for the purpose of disclosure in financial statements based on the internal reporting reviewed by Chief Operating Decision

Notes to the consolidated financial statements *(Contd.)*

Maker (CODM) to assess performance and allocate resources. The standard also requires management to make judgments with respect to aggregation of certain operating segments into one or more reportable segment.

The Group has determined that the Chief Operating Decision Maker (CODM) is the Board of Directors, based on its internal reporting structure and functions. Operating segments used to present segment information are identified based on the internal reports used and reviewed by the Board of Directors to assess performance and allocate resources.

iii. Revenue Recognition

The Group recognizes gross revenue from sale of licenses (including renewal of licenses), on transfer of the title to customer as per the assessment made under Ind-AS 115. The contracts with customers in case of licenses are non-standard and each contract requires judgement of the Group's position as to whether it is acting as the principal or as an agent on behalf of the supplier. Group assesses the contracts against the indicators that demonstrates that an entity controls the specified good or service before it is transferred to the customer (and is therefore a principal) as specified under Ind AS 115 – Revenue from Contracts with Customers.

Critical estimates

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

i. Share-based payments

The Group initially measures the cost of equity-settled transactions with employees using the Black-Scholes model to determine the fair value of the options. Estimating the fair value of the share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating the fair value for share-based payments are disclosed in Note 37.

ii. Useful lives of property, plant and equipment and intangible assets

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Increasing an asset's expected life or its residual value would result in a reduced depreciation charge in the statement of profit and loss.

The useful lives and residual values of assets are determined by management at the time the asset is acquired and reviewed annually for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events which may impact their life such as changes in technology.

iii. Impairment of Trade Receivables

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the

Notes to the consolidated financial statements *(Contd.)*

impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

iv. Defined benefit obligations

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on Indian Assured Lives Mortality (2006-08) Ultimate. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates. For further details about gratuity obligations are given in Note 18.

Notes to the consolidated financial statements *(Contd.)*

3. Property, plant and equipment

(All amounts in Rs. lakhs, unless otherwise stated)

Particulars	Leasehold Improvements	Furniture & Fixtures	Vehicles	Office Equipment	Electrical Equipments	Computers	Total
Opening gross carrying amount as on April 1, 2017	**386.32**	**302.08**	**146.10**	**75.71**	**16.92**	**373.51**	**1,300.64**
Additions	3.40	14.04	20.95	19.32	2.38	81.31	141.40
Disposals	-	(20.33)	-	(0.06)	(2.19)	(5.36)	(27.94)
Gross carrying amount as on March 31, 2018	**389.72**	**295.79**	**167.05**	**94.97**	**17.11**	**449.46**	**1,414.10**
Accumulated depreciation	**42.01**	**46.20**	**17.73**	**12.07**	**2.68**	**124.79**	**245.48**
Charge for the year	97.79	42.56	29.48	20.64	2.92	134.48	327.87
Disposals	-	(9.76)	-	(0.03)	(0.56)	(5.13)	(15.48)
Closing accumulated depreciation as at March 31, 2018	**139.80**	**79.00**	**47.21**	**32.68**	**5.04**	**254.14**	**557.87**
Net carrying amount as on March 31, 2018	**249.92**	**216.79**	**119.84**	**62.29**	**12.07**	**195.32**	**856.24**

Opening gross carrying amount as on April 1, 2018	**389.72**	**295.79**	**167.05**	**94.97**	**17.11**	**449.46**	**1,414.10**
Additions	41.61	79.53	-	50.52	0.71	338.85	511.22
Disposals	-	-	(25.19)	-	(2.16)	(0.55)	(27.90)
Effect of foreign currency exchange differences	1.61	5.83	-	0.75	-	1.87	10.06
Gross carrying amount as on March 31, 2019	**432.94**	**381.15**	**141.86**	**146.24**	**15.66**	**789.63**	**1,907.48**
Accumulated depreciation	**139.80**	**79.00**	**47.21**	**32.68**	**5.04**	**254.14**	**557.87**
Charge for the year	90.82	41.27	27.75	26.05	2.02	205.45	393.36
Disposals	-	-	(23.52)	-	(0.58)	(0.55)	(24.65)
Effect of foreign currency exchange differences	0.54	1.35	-	0.16	-	0.88	2.93
Closing accumulated depreciation as at March 31, 2019	**231.16**	**121.62**	**51.44**	**58.89**	**6.48**	**459.92**	**929.51**
Net carrying amount as on March 31, 2019	**201.78**	**259.53**	**90.42**	**87.35**	**9.18**	**329.71**	**977.97**

Notes:

1. Refer to note 28(b) for disclosure of contractual commitments for the acquisition of property, plant and equipment.
2. The additions and charge during the year includes an amount of 32.44 lakhs which are pertaining to assets of a subsidairy of the Group which are written off from books of accounts however as per management the same are still in use. Similarily, disposals also includes an amount of Rs.0.90 lakhs on account of same.

Notes to the consolidated financial statements *(Contd.)*

4. Intangible assets

(All amounts in Rs. lakhs, unless otherwise stated)

Particulars	Computer Software	Total	Intangible assets under development
Opening gross carrying amount as on April 1, 2017	**949.65**	**949.65**	**-**
Additions	158.53	158.53	10.50
Disposals	(4.53)	(4.53)	-
Gross carrying amount as on March 31, 2018	**1,103.65**	**1,103.65**	**10.50**
Accumulated Amortisation			
Balance as at April 1, 2017	**183.89**	**183.89**	**-**
Amortisation charge for the year	220.65	220.65	-
Disposals	(4.30)	(4.30)	-
Closing accumulated amortisation as at March 31, 2017	**400.24**	**400.24**	**-**
Net carrying value as on March 31, 2018	**703.41**	**703.41**	**10.50**
Opening gross carrying amount as on April 1, 2018	**1,103.65**	**1,103.65**	**10.50**
Additions	77.04	77.04	17.89
Disposals	(4.19)	(4.19)	(10.50)
Effect of foreign currency exchange differences	3.19	3.19	-
Gross carrying amount as on March 31, 2019	**1,179.69**	**1,179.69**	**17.89**
Accumulated Amortisation			
Balance as at April 1, 2018	**400.24**	**400.24**	**-**
Amortisation charge for the year	216.36	216.36	-
Disposals	(4.12)	(4.12)	-
Effect of foreign currency exchange differences	1.21	1.21	-
Closing accumulated amortisation as at March 31, 2019	**613.69**	**613.69**	**-**
Net carrying value as on March 31, 2019	**566.00**	**566.00**	**17.89**

Notes:

1. Intangible assets under development mainly comprises of software under the process of implementation.
2. The additions and charge during the year includes an amount of 11.29 lakhs which are pertaining to assets of a subsidiary of the Group which are written off from books of accounts however as per management the same are still in use.

Notes to the consolidated financial statements *(Contd.)*

(All amounts in Rs. lakhs, unless otherwise stated)

5 (a) Loans

Non-current	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good		
Security deposits	**286.37**	227.53
Total	**286.37**	227.53

Current	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good		
Security deposits	**-**	41.99
Total	**-**	41.99

5 (b) other financial assets non-current

	As at March 31, 2019	As at March 31, 2018
Earmarked balances with banks	**6.95**	4.51
Total	**6.95**	4.51

6 Trade receivable

	As at March 31, 2019	As at March 31, 2018
Trade Receivables	**4,962.89**	4,641.46
Less: Allowance for doubtful debts	**(71.64)**	(81.32)
Total	**4,891.25**	4,560.14

Break-up of security details

	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good	**4,891.25**	4,560.14
Doubtful	**71.64**	81.32
Less: Allowance for doubtful debts	**(71.64)**	(81.32)
Total	**4,891.25**	4,560.14

Notes to the consolidated financial statements *(Contd.)*

(All amounts in Rs. lakhs, unless otherwise stated)

7 Cash and cash equivalents

	As at March 31, 2019	As at March 31, 2018
Cash in hand	**0.70**	0.67
Balances with banks		
In current accounts	**433.23**	755.00
Interest income accrued on bank guarantee margins	**0.11**	0.05
Total	**434.04**	755.72

8 Bank balances other than 7 above

	As at March 31, 2019	As at March 31, 2018
In earmarked accounts		
Balances held as security against borrowings	**76.33**	30.76
Total	**76.33**	30.76

9 Others financial assets - current

	As at March 31, 2019	As at March 31, 2018
Derivative financial instrument not designated as hedges		
Foreign exchange forward contracts	**77.05**	15.87
Others	**28.78**	-
Total	**105.83**	15.87

10 Other non-current assets

	As at March 31, 2019	As at March 31, 2018
Prepaid expenses	**52.36**	5.15
Capital advances	**9.25**	-
Total	**61.61**	5.15

11 Other current assets

	As at March 31, 2019	As at March 31, 2018
Prepaid expenses	**336.49**	316.14
Interest receivable on income-tax refund	**54.01**	63.27
Others	**51.32**	26.39
Total	**441.82**	405.80

Other inculude advance paid to suppliers' employee

Notes to the consolidated financial statements *(Contd.)*

(All amounts in Rs. lakhs, unless otherwise stated)

12 (a) Deferred tax assets (net)

The balance of deferred tax comprises temporary differences attributable to:

Particulars	As at March 31, 2019	As at March 31, 2018
Tax Credits available		
MAT Entitlement	**39.78**	-
Tax Losses	**44.15**	98.91
Deferred tax assets		
Defined Benefit Obligation	**91.75**	62.22
Allowance for Doubtful debts	**21.66**	33.45
Disallowance u/s 43B	**31.87**	41.82
Others	**5.03**	12.36
	234.24	248.76
Deferred tax liability		
Property, plant and equipment and intangible assets	**23.00**	120.87
Interest on income tax refund	**8.94**	8.50
Fair value gain on Preference Shares	**10.17**	-
Fair value gain on Foreign exchange Forward contracts	**22.44**	-
	64.55	129.37
Total deferred tax assets (net)	**169.69**	119.39

The balance of deferred tax (foreign subsidiaries) comprises temporary differences attributable to:

Particulars	As at March 31, 2019	As at March 31, 2018
Tax Credits available		
Tax Losses	**1.62**	1.44
Deferred tax assets		
Others	**0.50**	-
	2.12	1.44
Deferred tax liability		
Property, plant and equipment and intangible assets	**32.19**	34.96
Undistributed earnings	**21.88**	-
	54.07	34.96
Total deferred tax (liabilities) (net)	**(51.95)**	(33.52)

Notes to the consolidated financial statements *(Contd.)*

(All amounts in Rs. lakhs, unless otherwise stated)

Movement in deferred tax assets/ (liabilities) in consolidated statement of profit and loss [(charged)/ credited during the year]

Particulars	Year Ended	
	March 31, 2019	March 31, 2018
MAT Entitlement	**39.78**	(10.55)
Tax Losses	**(54.76)**	98.91
Defined Benefit Obligation	**9.88**	19.24
Allowance for Doubtful debts	**(11.79)**	13.51
Disallowance u/s 43B	**(9.95)**	18.66
Others	**(7.33)**	0.14
Property, plant and equipment and intangible assets	**97.87**	(25.78)
Interest on income tax refund	**(0.44)**	(8.50)
Fair value gain on Preference Shares	**(10.17)**	-
Fair value gain on Foreign exchange Forward contracts	**(22.44)**	-
- Foreign subsidiaries		
Tax Losses	**(0.12)**	(0.76)
Others	**0.41**	-
Property, plant and equipment and intangible assets	**8.78**	30.11
On account of Exchange differences on translation of foreign operations		-
Undistributed earnings	**(21.88)**	-
Total	**17.84**	134.98

12 (b) Taxation

Income tax liabilities / (Income tax assets)

	As at March 31, 2019	As at March 31, 2018
Opening Balance		
- Income tax liabilities (Current)	**(32.83)**	(1.94)
- Income tax assets (Non-Current)	**1,318.70**	961.77
- Income tax assets (Current)	**142.23**	226.04
Add : Current tax payable for the year	**(524.39)**	(214.30)
Add/ (Less) : Refund Received/ (Taxes paid)	**(868.86)**	(456.53)
On account of Exchange differences on translation of foreign operations	**3.05**	-
Closing balance		
- Income tax liabilities (Current)	**-**	(32.83)
- Income tax assets (Non-Current)	**1,581.33**	1,318.70
- Income tax assets (Current)	**194.28**	142.23

The major components of income tax expense for the year ended March 31, 2019 and March 31, 2018

Notes to the consolidated financial statements *(Contd.)*

(All amounts in Rs. lakhs, unless otherwise stated)

Income Tax Expenses

Profit and Loss section	Year ended March 31, 2019	Year ended March 31, 2018
Current income tax charge		
Current income tax		
-Current tax on profit for the current year	**520.89**	223.44
-Adjustments for current tax of prior periods	**3.50**	(9.14)
Deferred tax	**(17.84)**	(134.98)
Income tax expense reported in the consolidated statement of profit or loss	**506.55**	79.31

Other comprehensive income section	Year ended March 31, 2019	Year ended March 31, 2018
Deferred tax related to items recognised in OCI during the year	**19.65**	(0.77)
Income tax charged to OCI	**19.65**	(0.77)

Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate for March 31, 2019 and March 31, 2018

Profit and Loss section	Year ended March 31, 2019	Year ended March 31, 2018
Accounting profit/ (loss) before tax	**1,519.96**	750.94
At Statutory income tax rate of 29.12% (March 31, 2018: 33.06%)	**442.61**	248.26
Adjustments in respect of current income tax of previous years	**3.50**	(9.14)
Tax Effects of amounts which are not deductible (taxable) in calculating taxable income	**21.74**	19.73
Current tax expenses not recognized due to accumulated losses of subsidiaries	**(12.16)**	(94.96)
Deferred Tax expenses on previously unrecognized tax losses now recognized	**-**	(141.04)
Others including undistributed earnings of subsidairies	**50.86**	56.47
Total	**506.55**	79.32
Income tax expense reported in the statement of profit or loss	**506.55**	79.32

Notes to the consolidated financial statements *(Contd.)*

(All amounts in Rs. lakhs, unless otherwise stated)

13 (a) Equity share capital

Particulars	As at March 31, 2019	As at March 31, 2018
Authorised share capital:		
18,000,000 (March 31, 2018 : 18,000,000) Equity shares of Rs. 10 each	**1,800**	1,800
1,000,000 (March 31, 2018 : 1,000,000) Preference shares of Rs. 10 each	**100**	100
1,000,000 (March 31, 2018 : 1,000,000) unclassified shares of Rs. 10 each	**100**	100
Total	**2,000**	2,000
Issued, subscribed and paid up :		
15,542,070 (March 31, 2018 : 15,542,070) Equity Shares of Rs. 10 each	**1,580.49**	1,554.21
Total	**1,580.49**	1,554.21

(i) Reconciliation of number of equity shares issued

Particulars	As at March 31, 2019	As at March 31, 2018
Issued, subscribed and paid up		
Shares outstanding at the beginning of the year (Nos.)	**15,542,070**	15,196,270
Shares issued during the year(Nos.) (Refer Note 37)	**262,800**	345,800
Shares outstanding at the end of the year	**15,804,840**	15,542,070

(ii) Reconciliation of issued equity share capital

Particulars	As at March 31, 2019	As at March 31, 2018
Issued, subscribed and paid up		
Shares outstanding at the beginning of the year	**1,554.21**	1,519.63
Shares issued during the year	**26.28**	34.58
Shares outstanding at the end of the year	**1,580.49**	1,554.21

(iii) Terms/ rights attached to equity shares

The company has only one class of shares referred to as equity shares having a par value of Rs. 10/. Each shareholder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

Notes to the consolidated financial statements *(Contd.)*

(All amounts in Rs. lakhs, unless otherwise stated)

569,400 (March 31, 2018: 904,000) equity shares are outstanding under ESOP 2009 scheme as at balance sheet date; each share being fully paid equity share of Rs. 10 each. Refer note 37 for further details of the ESOP scheme.

(iv) Share Application Money

The Company had received share application money in March 2019 towards allotment of 79,300 (March 31, 2018 : 107,500) shares at Rs. 10 per share under ESOP 2009 scheme amounting to Rs. 793,000 (March 31, 2018 :1,075,000).

(v) Shares held by ultimate holding Company

Particulars	As at March 31, 2019	As at March 31, 2018
Onward Network Technologies Private Limited	**7,842,112**	7,283,312

(vi) Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of the shareholder	As at March 31, 2019		As at March 31, 2018	
	% holding	No. of shares	% holding	No. of shares
Onward Network Technologies Private Limited	**49.62%**	7,842,112	46.86%	7,283,312

13 (b) Other equity

Particulars	As at March 31, 2019	As at March 31, 2018
Reserves and Surplus		
Securities premium account		
Opening Balance	**1,379.25**	1,182.67
Add : Additions on account of exercise of options under Employee Stock Option Plan	**162.71**	196.58
Closing Balance	**1,541.96**	1,379.25
Share option outstanding account		
Opening Balance	**320.00**	303.97
Less : Employee stock options exercised	**(162.71)**	(196.58)
Add : Employee stock option expenses	**166.76**	212.61
Closing Balance	**324.05**	320.00
Foreign currency translation reserve		
Opening Balance	**(23.10)**	(27.26)
Gain on translation of foreign currency balances	**123.45**	4.16
Closing Balance	**100.35**	(23.10)

Notes to the consolidated financial statements *(Contd.)*

(All amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
Share Application Money pending allotment		
Opening Balance	**10.75**	13.27
Less : Shares alloted against the share application money received	**(26.28)**	(13.27)
Add : Shares application money received for allotment of shares	**23.46**	10.75
Closing Balance	**7.93**	10.75
Retained earnings		
Opening balance	**1,739.00**	1,249.77
Net profit for the year	**1,013.41**	671.62
	2,752.41	1,921.39
Less: Dividend paid	**(156.97)**	(153.65)
Less: Dividend distribution tax on above	**-**	(31.28)
Items of other comprehensive income recognised directly in retained earnings		
Re-measurements of post-employment benefit obligations (net of tax)	**(48.25)**	2.54
Closing balance	**2,547.19**	1,739.00
Total	**4,521.48**	3,425.90

Nature and purpose of reserves

Securities premium account

Securities premium account is used to record the premium on issue of shares. The reserve is to be utilised in accordance with the provisions of the Companies Act, 2013.

Share option outstanding account

The share option outstanding account is used to record the value of equity settled share based payment transactions with employees. The amounts recorded in share options outstanding account are transferred to share capital and share premium upon exercise of stock options by employees.

Foreign currency translation reserve

Exchange differences arising on translation of foreign operations are recognized in other comprehensive income as decribed in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

Retained earnings

Retained earnings comprise of the Group’s undistributed earnings after taxes, kept aside to meet future (known or unknown) obligations.

Notes to the consolidated financial statements *(Contd.)*

(All amounts in Rs. lakhs, unless otherwise stated)

14 Non-current borrowings

	As at March 31, 2019	As at March 31, 2018
Secured		
Term Loans from banks		
Rupee Loan	**191.83**	462.83
Others	**38.70**	73.06
Total Non-Current Borrowings	**230.53**	535.89
Less : Current maturities of non-current borrowings (included in Note 17)	**165.83**	304.69
Total	**64.70**	231.20

(i) Terms of repayment for borrowings

	Name of the Company	Maturity Date	Terms of repayment	Coupon/ Interest rate
Secured *Term Loan from Bank* Rupee Loans	Onward Technologies Limited	Various from 2018-2020	Monthly Instalments	6m MCLR +0.45%
Secured *Term Loan from Bank* Rupee Loans	Onward e-Services Limited	March, 2020	Monthly Instalments	10.95%

15 Current borrowings

	As at March 31, 2019	As at March 31, 2018
Secured		
Cash credit	**445.44**	1,717.74
Working Capital Demand Loan	**1,100.00**	-
Total	**1,545.44**	1,717.74

Notes to the consolidated financial statements *(Contd.)*

(i) Terms of repayment for borrowings

	Name of the Company	Maturity Date	Terms of repayment	Coupon/ Interest rate
Loans repayable on demand				
Secured				
From Banks				
Cash Credit	Onward Technologies Limited	Payable on Demand	Payable on Demand	6m MCLR + 0.45%
Working Capital Demand Loan		Payable on Demand	Payable on Demand	10.30%
Secured				
From Banks				
Cash Credit	Onward e-Services Limited	Payable on Demand	Payable on Demand	10.50%
Secured				
From Banks				
Cash Credit	Onward Technologies, Inc. USA	Payable on Demand	Payable on Demand	Prime rate + 1%

(ii) Security details

- Onward Technologies Limited

  All the term loans and working capital demand loan are secured by exclusive charges on the properties situated at E-space, Nagar Road, Pune owned by Onward Network Technologies Private Limited, exclsusive charges on the entire current and fixed assets both present and future of the company excluding vehicles and letter of comfort from Onward Network Technologies Private Limited.

- Onward e-Services Limited

  Term loans including term loans sanctioned by Kotak Mahindra Bank Limited (KMBL) taken over by Yes Bank Limited (YBL) on 1st April 2018 are secured by exclusive charge on all existing and future current assets and movable property, plant and equipment of the Company , also secured by exclusive charge on the property situated at E-Space, Nagar Road, Pune (owned by Onward Network Technologies Private Limited).

- Onward Technologies, Inc.

  The cash credit facility is secured by first charge on all items of property, plant and equipment and intangible assets of the Company and corporate guarantee of Onward Technologies Limited.

Notes to the consolidated financial statements *(Contd.)*

(All amounts in Rs. lakhs, unless otherwise stated)

Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for March 31, 2019 and March 31, 2018

	March 31, 2019	March 31, 2018
Cash and cash equivalents	**434.04**	755.72
Current and Non-current borrowings	**1,775.97**	2,253.63
Interest accrued	**10.44**	-
Net Debt	**(1,352.37)**	(1,497.91)

	Other assets	**Liabilities from financing activities**
	Cash and Cash Equivalents	**Borrowings**
Net debt as on March 31, 2017	**329.90**	(2,527.42)
Cash flows	**425.82**	273.79
Interest expenses	**-**	302.98
Interest paid	**-**	(302.98)
Net debt as on March 31, 2018	**755.72**	(2,253.63)
Cash flows	**(321.68)**	456.77
Interest expenses	**-**	274.17
Interest paid	**-**	(263.73)
Net debt as on March 31, 2019	**434.04**	(1,786.42)

16 Trade payables

	As at March 31, 2019	As at March 31, 2018
Total outstanding dues of micro enterprises and small enterprises	**43.82**	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		
(i) Others	**562.22**	780.16
Total	**606.04**	780.16

Notes to the consolidated financial statements *(Contd.)*

(All amounts in Rs. lakhs, unless otherwise stated)

Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

	As at March 31, 2019	As at March 31, 2018
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	**42.89**	-
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	**0.08**	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	**462.10**	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	**-**	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	**-**	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	**0.85**	-
Further interest remaining due and payable for earlier years	**-**	-

The identification of suppliers as micro and small enterprises covered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act') was done on the basis of the information to the extent provided by the supplier of the company.

17 Other financial liabilities - current

	As at March 31, 2019	As at March 31, 2018
Capital creditors	**82.87**	23.40
Current maturities of non-current borrowings	**165.83**	304.69
Unpaid Dividend	**6.95**	4.51
Interest accrued	**10.44**	-
Total	**266.09**	332.60

18 (a) Non-current employee benefit obligations

	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits		
- Provision for compensated absences	**61.02**	121.02
Total	**61.02**	121.02

Notes to the consolidated financial statements *(Contd.)*

(All amounts in Rs. lakhs, unless otherwise stated)

18 (b) Current employee benefit obligations

	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits		
- Provision for Gratuity	**320.24**	219.77
- Provision for compensated absences	**55.50**	29.89
Total	**375.74**	249.66

A Defined contribution plan

Provident fund

The Group has certain defined contribution plans. Contributions are made to provident fund for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Group is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is Rs.455.23 lakhs (March 31, 2018 - Rs. 451.43 lakhs).

B Gratuity

The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and is administered through group gratuity scheme with Life Insurance Corporation of India.

The Payment of Gratuity (Amendment) Act, 2018 was notified by the Central Government on 29 March 2018. The amendment increases the existing ceiling limit of the amount of gratuity payable to employees who have completed five years of continuous service from rupees 10 lakhs to rupees 20 lakhs. The amendment has also increased the maximum maternity leave from 12 weeks to 26 weeks in the Payment of Gratuity Act 1972 consistent with the requirement in the Maternity Benefit Act, 1961. Maternity leave to the extent specified in the act shall be excluded while determining the period of continuous service for women employees.

Due to the change, the Company has recognized past service cost of Rs. 3.30 lakhs for the year ended March 31, 2018. Refer the table below for further details of the same.

Notes to the consolidated financial statements *(Contd.)*

(All amounts in Rs. lakhs, unless otherwise stated)

I The amounts recognised in balance sheet and movements in the net benefit obligation over the year are as follows :

	Present value of obligation	Fair value of plan assets	Net amount
April 1, 2017	**198.35**	**(5.77)**	**192.58**
Current service cost	63.04	2.72	65.76
Past service cost	3.30	-	3.30
Mortality Charges and Taxes	-	3.20	3.20
Interest expense/(income)	13.73	(1.10)	12.63
Total amount recognised in Profit or Loss	**80.06**	**4.82**	**84.88**
Return on plan assets	-	0.04	0.04
(Gain)/loss from experience change	16.64	-	16.64
(Gain)/loss from demographic change	-	-	-
(Gain)/loss from change in financial assumption	(20.06)	0.07	(19.99)
Total amount recognised in Other Comprehensive Income	**(3.42)**	**0.11**	**(3.31)**
Employer contributions	-	(54.38)	(54.38)
Benefits paid	(36.90)	36.90	-
March 31, 2018	**238.09**	**(18.32)**	**219.77**

April 1, 2018	**238.09**	**(18.32)**	**219.77**
Current service cost	67.40	2.54	69.94
Past service cost	-	-	-
Mortality Charges and Taxes	-	3.00	3.00
Interest expense/(income)	17.16	(1.60)	15.56
Total amount recognised in Profit or Loss	**84.56**	**3.94**	**88.50**
Return on plan assets	-	0.22	0.22
(Gain)/loss from experience change	(12.32)	-	(12.32)
(Gain)/loss from demographic change	26.57	-	26.57
(Gain)/loss from change in financial assumption	53.31	0.12	53.43
Total amount recognised in Other Comprehensive Income	**67.56**	**0.34**	**67.90**
Employer contributions	-	(55.93)	(55.93)
Benefits paid	(52.03)	52.03	-
March 31, 2019	**338.18**	**(17.94)**	**320.24**

Fair value of the planned assets represents the balance as confirmed by the insurer managed fund.

Notes to the consolidated financial statements *(Contd.)*

(All amounts in Rs. lakhs, unless otherwise stated)

II The net liability disclosed above relates to funded plans are as follows :

	March 31, 2019	March 31, 2018
Present value of funded obligation	**338.18**	238.07
Fair value of plan assets	**(17.95)**	(18.30)
Deficit	**320.24**	219.77

The Group has no legal obligation to settle the deficit in the funded plan with an immediate contribution or additional one-off contributions.

III Significant estimates

The significant actuarial assumptions were as follows :

	March 31, 2019	March 31, 2018
Discount rate	**7.30% - 7.10%**	7.90%
Salary growth rate	**5.00%**	3.00%
Expected return on plan assets	**7.90%**	7.60%
Withdrawal rate		
Service greater than 4 years	**5.00%**	2.00%
Service less than 4 years	**21.00%**	2.00%
Expected average remaining working lives of employees (in years)		
- for employees of Onward Technologies Limited	**6.47**	19.61
- for employees of Onward eServices Limited	**5.07**	21.41

IV Sensitivity of actuarial assumptions

The sensitivity of defined obligation to changes in the weighted principal assumptions is:

Assumption	Impact on defined benefit obligation	
	March 31, 2019	March 31, 2018
Discount rate		
1 % increase	**(25.14)**	(23.79)
1 % decrease	**29.06**	28.57
Salary growth rate		
1 % increase	**25.23**	26.55
1 % decrease	**(22.23)**	(22.43)
Withdrawal Rate		
1 % increase	**3.44**	16.66
1 % decrease	**(4.07)**	(18.94)

Notes to the consolidated financial statements *(Contd.)*

(All amounts in Rs. lakhs, unless otherwise stated)

The above sensitivity analyses are based on a change in an assumption while holding all the other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be corelated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

Projected benefits payable from the fund in future years from the date of reporting:

	March 31, 2019	March 31, 2018
Less than a year	**29.57**	24.34
Between 1 to 5 years	**153.15**	53.68
Between 6 to 10 years	**444.22**	249.40
Total	**626.94**	327.42

The weighted duration of the defined benefit obligation for Onward Technologies Limited is 9.35 years. (March 31, 2018 : 17.88 years)

The weighted duration of the defined benefit obligation for Onward e-Services Limited is 8.01 years. (March 31, 2018 : 21.73 years)

V The major categories of plan assets are as follows:

	March 31, 2019	March 31, 2018
Funds managed by insurer	100%	100%

VI Risk Exposure

Through its defined benefit plan, the group is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility

The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. All plan assets are maintained in a trust fund managed by a public sector insurer i.e., LIC of India. LIC has a sovereign guarantee and has been providing consistent and competitive returns over the years. The group has opted for a traditional fund wherein all assets are invested primarily in risk averse markets. The group has no control over the management of funds but this option provides a high level of safety for the total corpus. A single account is maintined for both the investment and claim settlement and hence, 100% liquidity is ensured. Also, interest rate and inflation risk are taken care of.

Changes in bond yields

A decrease in bond yields will increase plan liabilities, although this will be partially offset by an yields increase in the value of the plans' bond holdings.

Notes to the consolidated financial statements *(Contd.)*

(All amounts in Rs. lakhs, unless otherwise stated)

Future salary escalation and inflation risk

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in higher present value of liabilities. Further, unexpected salary increases provided at the discretion of the management may lead to uncertainties in estimating this increasing risk.

Asset-Liability mismatch risk

Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the group is successfully able to neutralize valuation swings caused by interest rate movements. Hence, companies are encouraged to adopt asset-liability management.

C Leave Encashment

The leave obligations cover the Group's liability for privilege leave which are as follows :

	March 31, 2019	March 31, 2018
Current leave obligations expected to be settled within the next 12 months	55.50	29.89

19 (a) Contract liabilities

	As at March 31, 2019	As at March 31, 2018
Advances from customers	**1.77**	55.23
Deferred Revenue	**4.61**	18.84
Total	**6.38**	74.07

19 (b) Other current liabilities

	As at March 31, 2019	As at March 31, 2018
Statutory dues payable	**439.76**	481.34
Employee Benefit Payables	**1,147.31**	1,040.45
Total	**1,587.07**	1,521.79

20 Revenue from operations

	Year ended March 31, 2019	Year ended March 31, 2018
Sale of services		
- Professional and consultancy services	**25,427.78**	23,881.72
Sale of products		
- Software products	**522.11**	564.30
Revenue from operations	**25,949.89**	24,446.02

Notes to the consolidated financial statements *(Contd.)*

(All amounts in Rs. lakhs, unless otherwise stated)

a) Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers year ended March 31, 2019 and March 31, 2018 by geographical region type. The Company believe that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

Revenue from customers	Year Ended March 31, 2019	Year Ended March 31, 2018
India	**13,447.37**	11,595.72
Outside India	**12,502.52**	12,850.30
Total	**25,949.89**	24,446.02

b) Contract assets - Unbilled revenue

	Year Ended March 31, 2019
Amount as on April 01, 2018	**876.76**
Changes on account of:	
Invoice raised during the year	**(876.76)**
Work performed, invoice to yet to be raised	**855.04**
Impairment	**-**
Total	**855.04**

c) Contract liability -

	Year Ended March 31, 2019
Amount as on April 01, 2018	**74.07**
Changes on account of:	
Contractual liability as it relates to revenue which will be recognised in next year	**6.38**
Revenue recognised in current year 2018-19 in relation to carried-forward contract liabilities	**(74.07)**
Others	**-**
Total	**6.38**

Notes to the consolidated financial statements *(Contd.)*

(All amounts in Rs. lakhs, unless otherwise stated)

21 Other income

	Year ended March 31, 2019	Year ended March 31, 2018
Interest income from financial assets carried at amortised cost		
Interest on bank deposits	**30.86**	2.08
Interest income on security deposits	**15.23**	11.90
Interest on income tax refunds	**-**	104.52
Profit on disposal of property, plant and equipment	**-**	0.10
Net gain on foreign currency transactions and translations	**-**	75.72
Government grant (Refer Note 1(f))	**152.32**	194.20
Miscellanous income	**72.39**	86.82
Total	**270.80**	475.34

22 Cost of software products

	Year ended March 31, 2019	Year ended March 31, 2018
Cost of software products	**440.00**	372.14
Total	**440.00**	372.14

23 Employee benefits expense

	Year ended March 31, 2019	Year ended March 31, 2018
Salaries, wages and bonus	**17,772.29**	17,423.36
Contributions to provident and other funds, if any	**577.89**	547.73
Social security and other benefit plans for overseas employees	**314.54**	309.18
Employee share based payment expense (Refer note 37)	**166.76**	212.61
Staff welfare expenses	**39.38**	89.17
Total	**18,870.86**	18,582.05

24 Finance costs

	Year ended March 31, 2019	Year ended March 31, 2018
Interest and finance charges on financial liabilities not at fair values through profit or loss		
Interest on borrowings	**246.65**	288.19
Other borrowing cost	**27.52**	14.79
Total	**274.17**	302.98

Notes to the consolidated financial statements *(Contd.)*

(All amounts in Rs. lakhs, unless otherwise stated)

25 Depreciation and amortization expense

	Year ended March 31, 2019	Year ended March 31, 2018
Depreciation on property, plant and equipment	**360.92**	327.87
Amortisation of intangible assets	**205.07**	220.65
Total	**565.99**	548.52

26 Other expenses

	Year ended March 31, 2019	Year ended March 31, 2018
Water power and fuel	**172.79**	152.26
Rent (Refer note 28)	**615.81**	554.19
Leasing and hiring charges	**456.63**	314.66
Director sitting fees (Refer note 29)	**24.95**	32.75
Allowance for doubtful debts (Refer Note 6)	**-**	21.00
Bad Debts written off	**89.16**	66.24
Communication	**92.42**	96.66
Rates and taxes	**57.94**	75.19
Insurance	**77.26**	88.87
Repairs and maintenance		
- Buildings	**89.48**	88.65
- Others	**62.56**	34.47
Travelling and conveyance	**946.39**	1,108.37
Legal and professional charges (includes payment to auditors)	**1,440.29**	1,359.48
Advertisement and sales promotion	**35.70**	102.45
Office Expenses	**78.02**	71.76
Marketing Expenses	**53.55**	23.62
Net loss on foreign currency transactions and translations	**63.45**	-
Miscellaneous Expenses	**193.31**	174.11
Total	**4,549.71**	4,364.73

Notes to the consolidated financial statements *(Contd.)*

(All amounts in Rs. lakhs, unless otherwise stated)

27 Earnings per share (EPS)

	Year ended March 31, 2019	Year ended March 31, 2018
(a) Basic earnings per share		
Net Profit attributable to equity shareholders of the company	**1,013.41**	671.62
Weighted average number of equity shares	**15,722,926**	15,424,879
Basic earnings per share	**6.45**	4.35
(b) Diluted earnings per share		
Net Profit attributable to equity shareholders of the company	**1,013.41**	671.62
Weighted average number of Equity Shares (including potential shares) - Refer note (c) below	**16,417,998**	16,514,765
Diluted earnings per share	**6.17**	4.07
(c) Weighted Average number of shares used as denominator		
Weighted average number of equity shares used as a denominator in calculating basic earnings per share	**15,722,926**	15,424,879
Adjustments for calculating diluted earnings per share :		
Options	**695,072**	1,089,886
Weighted average number of equity shares and potential shares used as a denominator in calculating diluted earnings per share	**16,417,998**	16,514,765

28 Contingencies and commitments

a) Contingent liabilities

	As at March 31, 2019	As at March 31, 2018
Claims against the Group not acknowledged as debts		
Income-tax matters	326.73	326.73
Total	**326.73**	326.73

Providend Fund impact analysis :

The Group is in the process of evaluating the impact of the recent Supreme Court Judgment in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-I/1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. In the assessment of the management which is supported by internal legal advice, the aforesaid matter is not likely to have a significant impact and accordingly, no provision has been made in these Financial Statements.

Notes to the consolidated financial statements *(Contd.)*

(All amounts in Rs. lakhs, unless otherwise stated)

b) Capital commitments

i) Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for is Rs. 29.68 lacs (March 31, 2018 : Nil)

c) Lease commitments

Operating lease: Group as lessee

The Group has taken certain office premises on lease for a term generally ranging from a period of 1 year to 5 years.

Future minimum lease rental payables under non-cancellable operating leases are as follows:

	March 31, 2019	March 31, 2018
Lease payments recognised during the year	**615.81**	554.19
Within one year	**735.15**	299.71
Later than one year but not later than five years	**1,762.17**	452.36
More than five years	**-**	-

29. Related party transactions

a. Parent Entity

Sr. No.	Name of the entity	Place of business/ Country of Incorporation	Ownership Interest March 31, 2019	Ownership Interest March 31, 2018	Relationship
1	Onward Network Technologies Private Limited	India	49.62%	46.86%	Ultimate Holding Company

b. Subsidiairies:

Interests in Subsidiaries are set out in note 36.

c. Fellow Subsidiaries:

1 Desai Finwealth Investments & Securities Private Limited

2 Onward Software Technolgies Private Limited

d. Key Managerial Personnel:

1 Mr. Harish Mehta (Executive Chairman)

2 Mr. Jigar Mehta (Managing Director)

3 Mrs. Prachi Mehta (Director)

4 Mr. Pradip Dubhashi (Director) (Upto April 5, 2017)

5 Mr. Arun Meghani (Director) (Upto April 27, 2017)

6 Mr. Pranay Vakil (Independent Director)

7 Mr. Nandkumar Pradhan (Independent Director)

Notes to the consolidated financial statements *(Contd.)*

(All amounts in Rs. lakhs, unless otherwise stated)

8 Mr. Monik Damania (Company Secretary) (Upto July 31, 2018)

9 Mr. Parish Meghani (Independent Director)

10 Mr. Rahul Rathi (Independent Director)

11 Mr. M.V.S.S Narayanacharyulu (Chief Financial Officer) (w.e.f October 16, 2017)

12 Ms. Dimple Chauhan (Company Secretary) (w.e.f January 24, 2019)

e. Other related Parties

Onward Foundation

29. Transactions with related parties:

I

Nature of transaction	Holding Company		Fellow subsidiaries		Key managerial personnel		Other	
	March31, 2019	March 31, 2018	March31, 2019	March 31, 2018	March31, 2019	March 31, 2018	March31, 2019	March 31, 2018
Rent paid	**87.32**	77.52		-			**-**	-
Reimbursement of Expenses received	**-**	-	**-**	-	**-**	-	**-**	-
Reimbursement of Expenses paid	**6.59**	8.48	**-**	-	**-**	-	**20.50**	-
Employee benefits (Refer note below)	**-**	-	**-**	-	**304.65**	227.79	**-**	-
Employee share-based payments	**-**	-	**-**	-	**10.89**	22.73	**-**	-
Director sitting fees	**-**	-	**-**	-	**22.45**	21.68	**-**	-

Note : Key Managerial Personnel who are under the employment of the Company are entitled to post employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

II Outstanding Balances from sale/ purchase of goods and services

	Holding Company		Fellow subsidiaries		Key management personnel	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Salary and Allowance payable	-	-	-	-	10.86	12.74
Deposits	40.31	40.31	-	-	-	-

Notes to the consolidated financial statements *(Contd.)*

(All amounts in Rs. lakhs, unless otherwise stated)

III Terms and conditions for outstanding balances

All outstanding balances are unsecured and payable in cash.

30 Segment reporting

(a) Description of segments and principal activities

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). Board of Directors have been identified as the chief operating decision maker.

The CODM evaluates the performance based on the revenues and operating profit for the two segments, the composition of which is explained below:

Segment	**Services Covered**
Mechanical Engineering Design Services	Product design, engineering analysis, engineering documentation and maintenance and manufacturing solutions
IT Consulting services	Application development and maintenance, Enterprise services and support, Infrastructure management support and Enterprise mobility solutions

(b) Information about business segments

Particulars	March 31, 2019	March 31, 2018
Segment Revenue (net of inter segment revenue)		
Engineering and designing services	19,800.88	18,841.00
Information technology services	6,149.01	5,605.02
Net Sales / Income From Operations	**25,949.89**	24,446.02
Segment results		
Engineering and designing services	1,478.68	692.70
Information technology services	315.45	361.22
Less: Finance Cost	(274.17)	(302.98)
Total Profit before tax	**1,519.96**	750.94
Segement Assets		
Engineering and designing services	7,247.55	6,942.60
Information technology services	3,418.85	3,132.10
Total Assets	**10,666.40**	10,074.70
Segement Liablities		
Engineering and designing services	2,256.54	3,847.19
Information technology services	2,307.89	1,247.40
Total Liabilities	**4,564.43**	5,094.59

Notes to the consolidated financial statements *(Contd.)*

(All amounts in Rs. lakhs, unless otherwise stated)

(c) Information about geographical segments

Revenue from external customers

Particulars	March 31, 2019	March 31, 2018
India	**13,447.37**	11,595.72
Outside India	**12,502.52**	12,850.30
Total	**25,949.89**	24,446.02

The total of non-current assets (other than certain financial instruments, deferred tax assets and income tax assets) are located in the Group entity's country of domicile.

Particulars	March 31, 2019	March 31, 2018
India	**1,495.65**	1,442.75
Other countries	**127.82**	132.56
Total	**1,623.47**	1,575.31

31 Fair value measurements

Financial instruments by category

	March 31, 2019		March 31, 2018	
	FVPL	**Amortised cost**	FVPL	Amortised cost
Financial assets				
Loans	-	286.37	-	269.52
Trade receivables	-	4,891.25	-	4,560.14
Cash and cash equivalents	-	434.04	-	755.72
Bank balances other than above	-	76.33	-	30.76
Derivative financial instrument not designated as hedges				
Foreign exchange forward contracts	77.05	-	15.87	-
Contract assets	-	855.04	-	876.76
Unclaimed Dividend	-	6.95	-	4.51
Others	-	28.78	-	-
Total financial assets	**77.05**	**6,578.76**	15.87	6,497.41
Financial liabilities				
Borrowings	-	1,775.97	-	2,253.63
Trade payables	-	606.04	-	780.16
Capital Creditors	-	82.87	-	23.40
Security deposits	-	-	-	-
Interest accrued	-	10.44	-	-
Unpaid Dividend	-	6.95	-	4.51
Total financial liabilities	-	**2,482.27**	-	**3,061.70**

Notes to the consolidated financial statements *(Contd.)*

(All amounts in Rs. lakhs, unless otherwise stated)

i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements	Level 1	Level 2	Level 3	Total
At March 31, 2019				
Financial assets				
Derivative financial instrument not designated as hedges				
Foreign exchange forward contracts	-	77.05	-	77.05

Financial assets and liabilities measured at fair value - recurring fair value measurements	Level 1	Level 2	Level 3	Total
At March 31, 2018				
Financial assets				
Derivative financial instrument not designated as hedges				
Foreign exchange forward contracts	-	15.87	-	15.87

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. However the group does not have any financial instruments that are measured using Level 1 inputs.

Level 2: The fair value of derivatives is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date

iii) Valuation process

Specific valuation techniques used to value financial instruments include the fair value of foreign exchange forward contracts using forward exchange rates at the balance sheet date.

iv) Fair value of financial assets and liabilities measured at amortised cost

The fair value of all financial instruments carried at amortised cost are not materially different from their carrying amounts, since they are either short-term in nature or the interest rate applicable are equal to the current market rate of interest.

Notes to the consolidated financial statements *(Contd.)*

(All amounts in Rs. lakhs, unless otherwise stated)

32 Financial risk management

The Group's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

(A) Credit risk

(i) Credit risk management

The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from deposits with banks and other financial instruments. For banks and other financial institutions, only high rated banks/ financial institutions are accepted. The balances with banks, security deposits are subject to low credit risk and the risk of default is negligible or nil. Hence, no provision has been created for expected credit loss for credit risk arising from these financial assets. The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in the credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information, for eg, external credit rating (to the extent available), actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to borrower's ability to meet its obligaitons.

Trade Receivables

The credit risk from customer receivables is recorded and monitored on an ongoing basis. Responsibilities and duties relating to credit risks are governed by an internal directive. This mainly concerns the stipulation of payment terms, fixing of credit limits, release of deliveries, and receivables monitoring. The credit risk is considered low given the sound credit ratings and past history of timely payments being made by the customers.

Reconciliation of loss allowance provision

Loss allowance on April 1, 2018	**-**
Changes in loss allowance	81.32
Loss allowance on March 31, 2018	**81.32**
Changes in loss allowance	(9.68)
Loss allowance on March 31, 2019	**71.64**

(B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the dynamic nature of the underlying business, the Group maintains flexibility in funding by maintaining availability under committed credit lines.

Notes to the consolidated financial statements *(Contd.)*

(All amounts in Rs. lakhs, unless otherwise stated)

(i) Maturities of financial liabilities

The tables below analyse the Group's financial liabilities into relevant maturity group based on their contractual maturities for :

March 31, 2019	< 1 year	> 1 year
Borrowings	1,545.44	64.70
Trade Payables	606.04	-
Payable for purchase of Property, Plant and Equipment	82.87	-
Security Deposits	-	-
Interest accrued	10.44	-
Unpaid Dividend	6.95	-
Current Maturities of Long-term Debt	165.83	-
Total	2,417.57	64.70

March 31, 2018	< 1 year	> 1 year
Borrowings	1,717.74	231.20
Trade Payables	780.16	-
Payable for purchase of Property, Plant and Equipment	23.40	-
Security Deposits	-	-
Unpaid Dividend	4.51	-
Current Maturities of Long-term Debt	304.69	-
Total	**2,830.50**	**231.20**

(C) Market risk

I) Foreign currency risk

The Group operates internationally and thereby exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD, Euro and GBP. Foreign exchange risk arises from future commercial transactions and recognised assets denominated in a currency that is not the Group's functional currency (INR). The Group uses foreign exchange forward contracts to hedge its exposure in foreign currency risk. The risk is measured through forecast of foreign currency transactions.

i) Foreign currency risk exposure

The Group's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows :

	March 31, 2019			March 31, 2018		
	USD	Euro	GBP	USD	Euro	GBP
Financial assets						
Trade receivables	8.21	-	251.04	-	-	295.55
Bank balance in EEFC account	-	-	39.28	-	-	-
Derivative instruments						
- Foreign exchange forward contracts - Sell foreign currency	77.05	-	-	15.87	-	-
Net exposure to foreign currency risk (assets)	**85.26**	**-**	**290.32**	**15.87**	**-**	**295.55**
Financial liabilities						
Trade payables	2.77	26.57	-	3.44	33.72	3.66
Net exposure to foreign currency risk (liabilities)	**2.77**	**26.57**	**-**	**3.44**	**33.72**	**3.66**

Notes to the consolidated financial statements *(Contd.)*

(All amounts in Rs. lakhs, unless otherwise stated)

ii) Sensitivity

The sensitivity of profit and loss to changes in the exchange rates arises mainly from foreign currency denominated financials instruments:

	Impact on Profit after tax	
	March 31, 2019	March 31, 2018
USD sensitivity		
INR/USD - Increase by 5% (31 March 2018 - 5%)	4.12	(5.35)
INR/USD - Decrease by 5% (31 March 2018 - 5%)	(4.12)	5.35
EURO sensitivity		
INR/Euro - Increase by 5% (31 March 2018 - 5%)	(1.33)	(1.69)
INR/Euro - Decrease by 5% (31 March 2018 - 5%)	1.33	1.69
GBP sensitivity		
INR/GBP - Increase by 5% (31 March 2018 - 5%)	14.52	14.59
INR/GBP - Decrease by 5% (31 March 2018 - 5%)	(14.52)	(14.59)

II) Interest rate risk

(i) The Group's interest rate risk arises from long-term and short-term borrowings. Borrowings obtained at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk.

Management closely tracks the base interest rate movements on regular basis. Based on regular review, Management assesses the need to hedge interest rate risk. Management reviews the future movement in base rate against different factors such as overall micro and macro economic factors, liquidity in the spending cycle. Further, on a regular basis, Management assesses the possibility of entering into new facilities which would reduce the future finance cost which helps the Management to mitigate risk related to interest rate movement.

The exposure of the Company's borrowings to interest rate changes at the end of the reporting period are as follows:

	March 31, 2019	March 31, 2018
Variable rate borrowings	1,775.97	2,253.63
Fixed rate borrowings	-	-
Total borrowings	**1,775.97**	2,253.63

Sensitivity

The Group's policy is to minimize the interest rate cash flow risk exposure on borrowing. The Group has exposure to local currency as well as foreign currency. The local currency loans are linked to bank base rate/ marginal cost of funds based lending (MCLR) while the foreign currency loans are linked to prime lending rate.

The sensitivity of profit or loss to changes in the interest rates is tabulated below:

	Impact on Profit after tax	
	March 31, 2019	March 31, 2018
Interest rate - Increase by 50 basis points (50bps) *	(10.07)	(11.69)
Interest rate - Decrease by 50 basis points (50bps) *	10.07	11.69

* Holding all other variables constant

Notes to the consolidated financial statements *(Contd.)*

33 Capital Management

a) Risk management

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital. For the purpose of the Group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximise the shareholders value. In order to achieve this objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2019 and March 31, 2018.

34 Recent accounting pronouncements:

a) Ind AS 116 – Leases

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application

The Group is in the process of evaluating the impact on the financial statements under the new standard.

b) Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition

- Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight

Notes to the consolidated financial statements *(Contd.)*

(All amounts in Rs. lakhs, unless otherwise stated)

- Retrospectively with cumulative - effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

  The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives. The Group is in the process of evaluating effect on adoption of Ind AS 12 Appendix C on the financial statements.

c) Amendment to Ind AS 12 – Income taxes

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Group is in process of evaluating the effect of this amendment on the financial statements.

d) Amendment to Ind AS 19 – plan amendment, curtailment or settlement

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

  Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Group is in process of evaluating the effects of this amendment on the financial statements.

35. Events after reporting period

a) The final dividend recommended by Directors is subject to the approval of shareholders in the ensuing annual general meeting

Dividends

	March 31, 2019	March 31, 2018
i) Equity shares		
Final Dividend for the year ended March 31, 2018 of Re. 1 (March 31, 2017 : Re. 1) per fully paid share	156.97	153.65
Dividend distribution tax thereon	-	31.28
i) Dividends not recognised at the end of reporting period	237.07	156.97
Dividend distribution tax thereon	50.19	-
The Directors have recommended the payment of a final dividend of Rs. 1.50 per fully paid equity share (March 31, 2018 Re. 1 per equity share). This proposed dividend is subject to approval of shareholders in the ensuing annual general meeting.		

Notes to the consolidated financial statements *(Contd.)*

(All amounts in Rs. lakhs, unless otherwise stated)

36. Interest in Other Entities

(a) Subsidiaries

The group's subsidiaries as on March 31, 2019 are set below. Unless otherwise stated, they have share capital consisiting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

Name of Entity	Place of business/ country of incorpora-tion	Ownership interests held by the Group		Ownership interests held by the non-controlling interests		Principal Activities
		March 31, 2019 %	March 31, 2018 %	March 31, 2019 %	March 31, 2018 %	
Onward e-Services Limited	India	100.00	100.00	-	-	IT Consulting services
Onward Technologies, Inc.	USA	100.00	100.00	-	-	Mechanical Engineering Design Services
Onward Technologies, GmbH	Germany	100.00	100.00	-	-	Mechanical Engineering Design Services
Onward Properties Private Limited	India	100.00	100.00	-	-	Mechanical Engineering Design Services

37. Share-based payments

Employee Stock Option Plan

The Company instituted the 2009 plan for all eligible employees in pursuance of a special resolution approved by the shareholders at the extraordinary general meeting held on August 31, 2009. Scheme covers grant of options to specified permanent employees of the Company as well as its subsidiaries.

Pursuant to scheme, the Company has granted options each to eligible employees at an exercise price of Rs. 10 per equity share of Rs. 10 each.

Under the term of scheme, the vesting period shall commence on the expiry of one year from the date of grant of the options to the employees and it will be spread equally over 4 years. 25% of the options will vest in the employees at the end of first year, 25% at the end of second year, 25% at the end of third year and balance 25% at the end of fourth year from the grant date.

The employee stock options granted shall be capable of being exercised within a period of one year from the date of vesting the options, they would be exercisable by the option holder and the shares arising on exercise of such

Notes to the consolidated financial statements *(Contd.)*

(All amounts in Rs. lakhs, unless otherwise stated)

options shall not be subject to any lock-in period. When exercisable, each option is convertible into four equity share of the Company. Further, in the case of termination of employment, all non-vested options would stand cancelled. Options that have vested but have not been exercised can be exercised within the time prescribed as mentioned above, failing which they would stand cancelled.

Set out below is the summary of the options granted under the plan :

Particulars	**March 31, 2019**	March 31, 2018
	No. of Options	No. of Options
Opening Balance	**226,000**	312,163
Granted during the year	**50,000**	67,900
Forfeited/ cancelled during the year	**45,350**	63,450
Lapsed during the year	**22,600**	4,163
Exercised during the year	**65,700**	86,450
Outstanding as at the end of the year	**142,350**	226,000
Shares vested and exercisable	**569,400**	904,000

The weighted average share price at the date of exercise of options exercised during the year ended March 31, 2019 was Rs. 77.41 (March 31, 2018 - Rs. 143.29)

Share options outstanding at the end of the year have the following expiry dates and exercise prices

Grant Date	**Expiry Date**	**Expiry Price**	**Share Options**	
			March 31, 2019	March 31, 2018
July 22, 2013	July 22, 2018	10	-	750
March 3, 2014	March 3, 2019	10	-	1,100
August 1, 2014	August 1, 2019	10	2,750	14,350
November 1, 2014	November 1, 2019	10	3,500	10,875
January 27, 2015	January 27, 2020	10	-	2,500
January 22, 2016	January 22, 2021	10	16,725	37,775
March 2, 2016	March 2, 2021	10	17,725	42,075
March 23, 2016	March 23, 2021	10	1,250	3,750
June 6, 2016	June 6, 2021	10	-	7,500
July 1, 2016	July 1, 2021	10	19,750	38,625
September 1, 2016	September 1, 2021	10	2,500	3,750
December 5, 2016	December 5, 2021	10	-	3,750
January 24, 2017	January 24, 2022	10	6,750	8,500
May 10, 2017	May 10, 2022	10	28,350	47,700
August 11, 2017	August 11, 2022	10	2,250	3,000
April 17, 2018	April 17, 2023	10	40,800	-
Weighted average remaining contractual life of options outstanding at the end of the period			**2.79 years**	**3.82 years**

Notes to the consolidated financial statements *(Contd.)*

(All amounts in Rs. lakhs, unless otherwise stated)

Fair value of the options granted

The fair value at the grant date is determined using the Black Scholes Model which takes into account the exercise price, the term of the options, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The model inputs for options granted during the year ended March 31, 2019 and March 31, 2018 included :

Particulars	**Inputs as on March 31, 2019**	Inputs as on March 31, 2018	
Exercise Price (Rs)	10	10	10
Grant Date	April 17, 2018	May 10, 2017	August 11, 2017
Expiry Date	April 17, 2023	May 10, 2022	August 11, 2022
Share Price as on Grant Date (Rs)	92.80	84.10	86.40
Fair value as on Grant Date (Rs)	81.54	76.29	78.58
Expected Volatility (%)	43.50%	59.00%	57.00%
Expected Dividend yield (%)	1.10%	0.00%	0.00%
Risk free interest rate (%)	7.20%	8.00%	8.00%

The expected price volatility is based on the historic volatility (based upon the remaining life of the options), adjusted for any expected changes to the future volatility due to publicly available information.

Expenses arising from share-based payment transactions

Particulars	**Year ended March 31, 2019**	Year ended March 31, 2018
Employee Option Plan	166.76	212.61
Total	166.76	212.61

Notes to the consolidated financial statements *(Contd.)*

(All amounts in Rs. lakhs, unless otherwise stated)

38. Additional information required by Schedule III

Name of the entity in the Group	Net assets (total assets minus total liabilities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated other comprehensive income	Amount	As a % of consolidated total comprehensive income	Amount
Parent								
Onward Technologies Limited								
March 31, 2019	100.28%	6,119.13	92.26%	935.02	-46.58%	(35.03)	82.67%	899.99
March 31, 2018	104.13%	5,185.89	32.78%	220.15	-114.33%	(7.66)	31.33%	212.49
Subsidiaries (group's share)								
Indian								
Onward e-Services Limited								
March 31, 2019	18.21%	1,110.91	12.46%	126.31	-17.59%	(13.23)	10.39%	113.08
March 31, 2018	20.04%	997.83	48.28%	324.29	134.48%	9.01	49.14%	333.30
Onward Properties Private Limited								
March 31, 2019	1.64%	99.93	-0.03%	(0.34)	0.00%	-	-0.03%	(0.34)
March 31, 2018	2.01%	100.27	-0.03%	(0.21)	0.00%	-	-0.03%	(0.21)
Foreign								
Onward Technologies, Inc.								
March 31, 2019	29.02%	1,770.72	12.36%	125.25	0.00%	-	11.51%	125.25
March 31, 2018	34.83%	1,734.57	18.71%	125.67	0.00%	-	18.53%	125.67
Onward Technologies GmbH								
March 31, 2019	-0.66%	(40.54)	-3.97%	(40.22)	0.00%	-	-3.69%	(40.22)
March 31, 2018	-0.04%	(1.86)	-6.19%	(41.60)	0.00%	-	-6.13%	(41.60)
Consolidation adjustments								
March 31, 2019	-48.48%	(2,958.18)	-13.08%	(132.61)	164.17%	123.46	-0.85%	(9.15)
March 31, 2018	-60.97%	(3,036.59)	6.45%	43.32	79.85%	5.35	7.17%	48.67
Total								
March 31, 2019	**100.00%**	**6,101.97**	**100.00%**	**1,013.41**	**100.00%**	**75.20**	**100.00%**	**1,088.61**
March 31, 2018	**100.00%**	**4,980.11**	**100.00%**	**671.62**	**100.00%**	**6.70**	**100.00%**	**678.32**

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Neeraj Sharma
Partner
Membership No.: 108391

Place : Mumbai
Date : May 17, 2019

For and on behalf of the Board of Directors of
Onward Technologies Limited

Harish Mehta
Executive Chairman

Jigar Mehta
Managing Director

Pranay Vakil
Audit Committee Chairman

M.V.S.S Narayanacharyulu
Chief Financial Officer

Dimple Chauhan
Company Secretary

Place : Mumbai
Date : May 17, 2019

INDEPENDENT AUDITOR'S REPORT

To the Members of Onward Technologies Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Onward Technologies Limited ("the Company"), which comprise the balance sheet as at March 31, 2019, and the statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and total comprehensive income (comprising of profit/ loss and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditor's Report *(Contd.)*

Key audit matter	How our audit addressed the key audit matter
I. Appropriateness of recognition of revenue in respect of sales of licenses on principal basis : Refer note 1 (d) and note 20 in the Standalone Ind AS Financial Statements. The Company recognizes gross revenue from sale of licenses (including renewal of licenses), on transfer of the title to customer as per the assessment made under Ind-AS 115. The contracts with customers in case of licenses are non-standard and each contract requires assessment of the Company's position as to whether it is acting as the principal or as an agent on behalf of the supplier. On adoption of Ind AS 115 by the Company w.e.f. April 1, 2018 through modified retrospective approach, the management has assessed its existing contracts and reassessed the appropriateness of revenue from license sales on gross basis and not on net basis as an agent on behalf of suppliers. This has been determined as a KAM in view of the significant management judgement involved in assessment of primary risks and responsibilities and the right to pricing decision under the contracts, and related supplier's rights, for the purpose of recognition of revenue as principal (on gross basis) or as an agent (on net basis)	**Our audit procedures included the following:** • Obtaining an understanding of and testing the design and operating effectiveness of key controls around the revenue recognition • Testing of sample contracts involving certain license sales transactions during the year to gain an understanding of the terms of the contracts including pattern of transfer of rights and obligations under the contract. • In respect of the contracts tested, evaluation of that the management's assessment against the indicators that demonstrates that an entity controls the specified good or service before it is transferred to the customer (and is therefore a principal) as specified under Ind AS 115 – Revenue from Contracts with Customers. • Evaluated the adequacy of disclosures in the financial statements Based on the above procedures performed, we did not find any significant exceptions to management's assessment of recognition of revenue in respect of licence sale on principal basis.

Independent Auditor's Report *(Contd.)*

Key audit matter	How our audit addressed the key audit matter
II Assessment of Valuation of Employee Stock Options Scheme: Refer note 1 (t) and note 36 in the Standalone Ind AS Financial Statements. The Company has an Employee Stock Option Plan 2009 (ESOP 2009) which is accounted for in accordance with Ind AS 102 "Share based payments". The management has engaged an independent expert who determines the value of options granted using Black and Scholes valuation model. The valuation model requires certain significant judgements like expected life of share option, volatility and dividend yield etc. We focused on this area considering the judgements involved in underlying assumptions.	Our audit procedures included the following: • Obtaining an understanding of the Employee Stock Option Scheme, testing the design and operating effectiveness of the key controls around it. • Evaluation of competency and capabilities of management's expert • Discussing with the Management's Expert the appropriateness of significant assumptions used in the valuation. • Independently evaluating the appropriateness of the valuation model and the key assumptions used as inputs in the valuation. • Re-performing the related calculations to check the arithmetical accuracy. • Evaluating the adequacy of the disclosures in the financial statements Based on the above audit procedures, we did not note any significant exceptions in respect of assessment of valuation of Employee Stock Options Scheme.
III Assessment of Valuation of Investment in Preference Shares Refer note 1 (l), note 5 and note 31 in the Standalone Ind AS Financial Statements. As at March 31, 2019 the Company has investment in preference shares of a subsidiary amounting to Rs. 934.91 lacs which are carried at fair value through profit and loss in accordance with requirements of Ind AS 109.	Our audit procedures included the following: • We understood from the management, evaluated and tested the design and operating effectiveness of the key controls in the investment valuation process. • We evaluated the competence, capabilities and objectivity of Management's expert (independent professional valuer).

Independent Auditor's Report *(Contd.)*

Key audit matter	How our audit addressed the key audit matter
These investments have been categorized as Level 3 in the fair value hierarchy. Valuation has been conducted by independent valuer. Valuation of level 3 investments is inherently subjective since these are valued using inputs, other than quoted prices in an active market, which are generally not observable. Key inputs used in the valuation of individual level 3 investments are cash flow projections, market multiples and growth rate, terminal rate, discount rate etc. Given the inherent subjectivity in the valuation of level 3 investments and the nature and extent of audit procedures involved, we determined this to be a key audit matter.	• We assessed the reasonableness of key assumptions / inputs used in the valuation, such as cash flow projections, market multiples and growth rate, discount rate etc. • Performing sensitivity analysis and evaluating whether any reasonably foreseeable change in assumptions. • We validated the source data on sample basis and tested the arithmetical accuracy of the calculation of valuation of investments. Based on above procedures we consider that the management's assessment of the fair valuation of investments in preference shares is reasonable.

Independent Auditor's Report *(Contd.)*

Key audit matter	How our audit addressed the key audit matter
IV Assessment of the impairment to the carrying value of investment in wholly owned subsidiaries Refer to note 1(h) of the accounting policies and note 5 in the Standalone Ind AS Financial Statements. The Company has investments amounting to Rs 2,727,75 lacs in Onward eServices Limited and Onward Technologies GmbH, which are the wholly owned subsidiaries of the Company. Management has made evaluation of impairment risk in carrying value of investment in subsidiaries using estimated discounted cash flows (value in use) model with the help of valuation expert and concluded that no impairment provision is required against these investments We considered this as a key audit matter in our audit considering the significant value of the investments and management judgements involved in assessing the appropriateness of the valuation methodology, estimates of future cash flows as well as assumptions like Weighted Average Cost of Capital (WACC), growth rate, terminal value etc. used in the valuation model.	Our audit procedures included the following: • Obtaining an understanding of the controls around the impairment assessment including the budgeting process and valuation workings, testing and evaluating the operating effectiveness; • Assessment of the appropriateness of the methodology and the valuation model used by management to value investments; • Assessing the historical accuracy of the Company's forecasts by comparing the forecasts of the prior year with the actual performance in the current year; • Testing the mathematical accuracy of the underlying calculations and comparing the forecasts with the latest Board-approved budgets; • Assessing the appropriateness of key assumptions like growth rate, terminal rate and WACC used by Management expert by comparing the same with historical results and economic and industry forecasts; • Evaluated the competency and capabilities of management's valuation expert. • Performing a sensitivity analysis over the key assumptions within a reasonable and foreseeable range in order to assess their potential impact on impairment results and ranges of possible outcomes of the recoverable amounts. • Evaluated adequacy of disclosures in the financial statements Based on the above procedures performed, we did not find any significant exceptions in the management's assessment of impairment to the carrying value of investments in wholly owned subsidiaries

Independent Auditor's Report *(Contd.)*

Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report, but does not include the financial statements and our auditor's report thereon.

   Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

   In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

   We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

6. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

7. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

   - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud

Independent Auditor's Report *(Contd.)*

or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

13. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

14. As required by Section 143(3) of the Act, we report that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

Independent Auditor's Report *(Contd.)*

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 28 (a) to the financial statements;

ii. The Company has long-term contracts including derivative contracts as at March 31, 2019 for which there were no material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2019.

iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2019.

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration Number: 012754N/N500016

Neeraj Sharma
Partner
Membership Number : 108391

Place: Mumbai
Date: May 17, 2019

Annexure A to Independent Auditors' Report

Referred to in paragraph 14(f) of the Independent Auditors' Report of same even date to the members of Onward Technology Ltd. on the Standalone Financial Statements for the year endeded March 31, 2019.

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of Onward Technologies Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the

Independent Auditor's Report *(Contd.)*

maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration Number: 012754N/N500016

Neeraj Sharma
Partner
Membership Number : 108391

Place: Mumbai
Date: May 17, 2019

Independent Auditor's Report *(Contd.)*

Annexure B to Independent Auditors' Report

i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

(b) The fixed assets of the Company have been physically verified by the Management during the year. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of account. In our opinion, the frequency of verification is reasonable.

(c) The Company does not own any immovable properties as disclosed in Note 3 on fixed assets to the financial statements. Therefore, the provisions of Clause 3 (i) (c)of the said Order are not applicable to the Company.

ii. The Company is in the business of rendering services, and consequently, does not hold any inventory. Therefore, the provisions of Clause 3(ii) of the said Order are not applicable to the Company.

iii. The Company has not granted any loans, secured or unsecured loans, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore provisions of Clause 3(iii),(iii)(a), (iii)(b), (iii)(c) of the said Order are not applicable to the Company.

iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.

v. The Company has not accepted any deposits from the public within the meaning of Section 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of profession tax, goods and service tax, Maharashtra labor welfare fund, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including Income tax, provident fund, employees' state insurance, duty of customs, less and other material statutory dues, as applicable, with the appropriate authorities.

Also refer note 28(a) to the financial statements regarding management's assessment on certain matters relating to provident fund.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of sales-tax, service-tax, duty of customs, and duty of excise, value added tax or goods and service tax which have not been deposited on account of any dispute. The particulars of dues of income tax as at March 31, 2019 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. In Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	116.90	FY 2006-07	ITAT, Mumbai
Income Tax Act, 1961	Income Tax	326.73	FY 2007-08	ITAT, Mumbai
Income Tax Act, 1961	Income Tax	606.31	FY 2008-09	ITAT, Mumbai
Income Tax Act, 1961	Income Tax	3.77	FY 2010-11	CIT (A), Mumbai

Independent Auditor's Report *(Contd.)*

viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.

ix. The Company has not raised any monies by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

xi. The Company has paid managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration Number: 012754N/N500016

Neeraj Sharma
Partner
Membership Number : 108391

Place: Mumbai
Date: May 17, 2019

STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2019

(All amounts in Rs. lakhs, unless otherwise stated)

	Notes	As at March 31, 2019	As at March 31, 2018
ASSETS			
I. Non-current assets			
Property, plant and equipment	3	745.01	574.08
Intangible assets	4	558.21	692.88
Intangible assets under development	4	17.89	10.50
Financial assets			
(a) Investments	5	3,883.21	3,942.17
(b) Loans	6 (a)	201.87	129.73
(c) Other financial assets	6 (b)	6.95	4.51
Deferred tax assets	12 (a)	47.76	-
Income-tax assets (net)	12 (b)	1,006.73	1,001.53
Other non-current assets	7	44.76	5.15
Total non-current assets		**6,512.39**	**6,360.55**
II. Current assets			
Financial assets			
(a) Trade receivables	8	2,152.90	1,902.65
(b) Cash and cash equivalents	9 (a)	213.91	180.32
(c) Bank balances other than (b) above	9 (b)	25.83	10.29
(d) Contract assets		356.76	257.46
(e) Loans	6 (a)	-	13.20
(f) Other financial assets	10	209.03	118.82
Other current assets	11	329.66	312.93
Total current assets		**3,288.09**	**2,795.67**
Total assets		**9,800.48**	**9,156.22**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	13 (a)	1,580.49	1,554.21
Other equity	13 (b)	4,538.64	3,631.68
Total equity		**6,119.13**	**5,185.89**
LIABILITIES			
I. Non-Current liabilities			
Financial liabilities			
(a) Borrowings	14	6.69	129.69
Employee benefit obligations	18 (a)	49.17	76.01
Deferred tax liabilities	12 (a)	-	28.54
Total non-current liabilities		**55.86**	**234.24**

Standoalone Balance sheet *(Contd.)*

(All amounts in Rs. lakhs, unless otherwise stated)

	Notes	**As at March 31, 2019**	As at March 31, 2018
II. Current liabilities			
Financial liabilities			
(a) Borrowings	15	1,615.11	1,451.17
(b) Trade payables	16		
- Total outstanding dues of micro enterprises and small enterprises		23.04	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		437.27	647.46
(c) Other financial liabilities	17	222.44	289.78
Employee benefit obligations	18 (b)	247.60	169.90
Contract Liabilities	19 (a)	242.35	230.02
Other current liabilities	19 (b)	837.68	947.75
Total current liabilities		**3,625.49**	**3,736.09**
Total liabilities		**3,681.35**	**3,970.33**
Total equity and liabilities		**9,800.48**	**9,156.22**

The above balance sheet should be read in conjunction with the accompanying notes.

This is the balance sheet referred in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Neeraj Sharma
Partner
Membership No.: 108391

Place : Mumbai
Date : May 17, 2019

For and on behalf of the Board of Directors of
Onward Technologies Limited

Harish Mehta
Executive Chairman

Jigar Mehta
Managing Director

Pranay Vakil
Audit Committee Chairman

M.V.S.S Narayanacharyulu
Chief Financial Officer

Dimple Chauhan
Company Secretary

Place : Mumbai
Date : May 17, 2019

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in Rs. lakhs, unless otherwise stated)

	Notes	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from operations	20	11,666.39	10,658.07
Other income (net)	21	653.90	651.96
Total Income		**12,320.29**	**11,310.03**
Expenses			
Cost of software products	22	429.07	329.93
Employee benefits expense	23	7,547.13	7,633.48
Finance costs	24	207.22	218.08
Depreciation and amortisation expense	25	481.23	455.94
Other expenses	26	2,341.65	2,337.62
Total expenses		**11,006.30**	**10,975.05**
Profit before tax		**1,313.99**	**334.98**
Income tax expense			
Current tax	12(b)	440.74	94.47
Deferred tax	12(a)	(61.77)	20.36
Total tax expense		**378.97**	**114.83**
Profit for the year		**935.02**	**220.15**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of post-employment benefit obligations	13(b)	(49.56)	(11.45)
Income tax relating to these items	12(b)	14.53	3.79
Total other comprehensive income for the year, net of tax		**(35.03)**	**(7.66)**
Total comprehensive income for the year		**899.99**	**212.49**
Earnings per share			
Basic	27	5.95	1.43
Diluted	27	5.70	1.33

The above statement of profit and loss should be read in conjunction with the accompanying notes.
This is the statement of profit and loss referred in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Neeraj Sharma
Partner
Membership No.: 108391

Place : Mumbai
Date : May 17, 2019

For and on behalf of the Board of Directors of
Onward Technologies Limited

Harish Mehta
Executive Chairman

Jigar Mehta
Managing Director

Pranay Vakil
Audit Committee Chairman

M.V.S.S Narayanacharyulu
Chief Financial Officer

Dimple Chauhan
Company Secretary

Place : Mumbai
Date : May 17, 2019

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in Rs. lakhs, unless otherwise stated)

A Equity share capital

	Notes	
As at April 1, 2017		1,519.63
Change in equity share capital	13	34.58
As at March 31, 2018		**1,554.21**
Change in equity share capital	**13**	**26.28**
As at March 31, 2019		1,580.49

B Other Equity

Particuars	Note	Securities premium account	Retained Earnings	Share option outstanding account	Share application money pending allotment	Total
As at April 1, 2017		**1,182.66**	**1,894.12**	**303.98**	**13.27**	**3,394.03**
Profit for the year		-	220.15	-	-	220.15
Other Comprehensive Income		-	(7.66)	-	-	(7.66)
Total comprehensive income for the year		**-**	**212.49**	**-**	**-**	**212.49**
Additions on employee stock option plan	36	196.58	-	(196.58)	-	-
Employee stock option expenses	36	-	-	167.40	-	167.40
Employee stock option expenses (for employees of subsidiary)	36	-	-	45.21	-	45.21

Statement of changes in equity *(Contd.)*

(All amounts in Rs. lakhs, unless otherwise stated)

Transactions with owners in their capacity as owners:						
Dividends paid	13 (b)	-	(153.65)	-	-	(153.65)
Dividend Distribution tax on above	13 (b)	-	(31.28)	-	-	(31.28)
Shares allotted against the share application money received	13 (b)	-	-	-	(13.27)	(13.27)
Shares application money received for allotment of shares	13 (b)	-	-	-	10.75	10.75
As at March 31, 2018		**1,379.24**	**1,921.68**	**320.01**	**10.75**	**3,631.68**
Profit for the year		-	935.02	-	-	935.02
Other Comprehensive Income		-	(35.03)	-	-	(35.03)
Total comprehensive income for the year		**-**	**899.99**	**-**	**-**	**899.99**
Additions on employee stock option plan	36	162.71	-	(162.71)	-	-
Employee stock option expenses	36		-	137.80	-	137.80
Employee stock option expenses (for employees of subsidiary)	36	-	-	28.96	-	28.96
Transactions with owners in their capacity as owners:						
Dividends paid	13 (b)	-	(156.97)	-	-	(156.97)
Dividend Distribution tax on above	13 (b)	-	-	-	-	-
Shares allotted against the share application money received	13 (b)	-	-	-	(26.28)	(26.28)
Shares application money received for allotment of shares	13 (b)	-	-	-	23.46	23.46
As at March 31, 2019		**1,541.95**	**2,664.70**	**324.06**	**7.93**	**4,538.64**

The above statement of changes in equity should be read in conjunction with the accompanying notes.
This is the statement of changes in equity referred in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Neeraj Sharma
Partner
Membership No.: 108391

Place : Mumbai
Date : May 17, 2019

For and on behalf of the Board of Directors of
Onward Technologies Limited

Harish Mehta
Executive Chairman

Jigar Mehta
Managing Director

Pranay Vakil
Audit Committee Chairman

M.V.S.S Narayanacharyulu
Chief Financial Officer

Dimple Chauhan
Company Secretary

Place : Mumbai
Date : May 17, 2019

STATEMENT OF CASH FLOWS AS AT MARCH 31, 2019

(All amounts in Rs. lakhs, unless otherwise stated)

		Year ended March 31, 2019	Year ended March 31, 2018
A)	**Cash flows from operating activities**		
	Profit before income tax	1,313.99	334.98
	Adjustments for		
	Depreciation and amortisation expense	481.23	455.94
	(Profit) / loss on disposal of property, plant and equipment	0.90	(0.10)
	Changes in fair value of investments at fair value through profit or loss	58.96	(38.07)
	Dividend and interest income classified as investing cash flow	(208.80)	(0.73)
	Unwinding of discount on security deposit	(9.46)	(7.05)
	Amortisation of prepaid rent on security deposits	9.90	6.87
	Corporate guarantee commission Income	-	(29.53)
	Employee share based payment expenses	137.80	167.40
	Finance costs	207.22	218.08
	Allowance for doubtful debts	11.32	-
	Operating profit before working capital changes	**2,003.06**	**1,107.79**
	Changes in operating assets and liabilities		
	(Increase) / Decrease in trade receivables	(261.57)	(236.07)
	(Increase) / Decrease in other financial assets	(63.69)	43.48
	(Increase) / Decrease in other assets	(56.34)	(92.27)
	Proceeds from loan and advances granted	(59.38)	1.89
	(Increase) / Decrease in Contract assets	(99.30)	(154.51)
	Increase / (Decrease) in trade payables	(187.15)	(173.34)
	Increase / (Decrease) in other liabilities (including contract liabilities)	(97.73)	440.01
	Increase / (Decrease) in other financial liabilities	2.41	4.01
	Increase / (Decrease) in employee benefit obligations	1.30	28.59
	Cash generated from operations	**1,181.61**	**969.58**
	Income taxes paid (net of refunds received)	(445.93)	(313.16)
	Net cash inflow/ (outflow) from operating activities	**735.68**	**656.42**
B)	**Cash flows from investing activities**		
	Payments for property, plant and equipment	(392.86)	(305.50)
	Payments for intangible assets	(73.14)	(163.56)
	Proceeds from sale of property, plant and equipment	2.42	1.78
	Bank balances not considered as cash and cash equivalents	(15.54)	(0.82)
	Interest received	5.79	0.73
	Dividend received	203.01	-
	Net cash outflows from investing activities	**(270.32)**	**(467.37)**

Statement of cash flows *(Contd.)*

(All amounts in Rs. lakhs, unless otherwise stated)

	Year ended March 31, 2019	Year ended March 31, 2018
C) Cash flows from financing activities		
Intercorporate deposits taken during the year	414.77	-
Interest paid	(197.60)	(218.08)
Proceeds from issue of shares	26.28	34.58
Proceeds from share application money pending allotment	(2.82)	(2.52)
Proceeds/ (Repayment) from/ (of) borrowings	(264.60)	(445.57)
Payment of Dividend	(156.97)	(184.93)
Net cash outflow from financing activities	**(180.94)**	**(816.52)**
Net increase / (decrease) in cash and cash equivalents	284.42	(627.47)
Cash and cash equivalents at the beginning of the year	(1,170.51)	(543.04)
Cash and cash equivalents at the end of the year	**(886.09)**	**(1,170.51)**

Reconciliation of cash and cash equivalents as per the cash flow statement:

	Year ended March 31, 2019	Year ended March 31, 2018
Cash and cash equivalents (Note 9)	213.91	180.32
Bank overdraft (Note 15)	(1,100.00)	(1,350.83)
Balances as per statement of cash flows	**(886.09)**	**(1,170.51)**

The above statement of cash flow should be read in conjunction with the accompanying notes.
This is the statement of cash flow referred in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Neeraj Sharma
Partner
Membership No.: 108391

Place : Mumbai
Date : May 17, 2019

For and on behalf of the Board of Directors of
Onward Technologies Limited

Harish Mehta
Executive Chairman

Jigar Mehta
Managing Director

Pranay Vakil
Audit Committee Chairman

M.V.S.S Narayanacharyulu
Chief Financial Officer

Dimple Chauhan
Company Secretary

Place : Mumbai
Date : May 17, 2019

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

(All amounts in Rs. lakhs, unless otherwise stated)

Background: Onward Technologies Limited ("the Company") is a public limited company domiciled in India and was incorporated on July 18, 1991 under the provisions of the Companies Act, 1956. Onward Technologies is a leading global player in Mechanical Engineering Design and IT Consulting, listed at both Bombay Stock Exchange and National Stock Exchange. The Company has its registered office in Mumbai and another office in Pune. The Company has a branch in United Kingdom.

1. Significant Accounting Policies:

This note provides a list of the significant accounting policies adopted in the preparation of these separate financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

(i) Compliance with Ind AS

The separate financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The Board of Directors have authorized these financial statements for issue on May 17, 2019.

(ii) Historical cost convention

The separate financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities (including derivative instruments) which are measured at fair value
- Defined benefit plans — plan assets measured at fair value;

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non - current classification of assets and liabilities.

(b) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker are the Board of Directors. Refer note 30 for segment information presented.

Notes to the separate financial statements *(Contd.)*

(c) Foreign currency translation

(i) Functional and presentation currency

Items included in the separate financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (`the functional currency'). The separate financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions (including transaction of foreign branches) are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognized in profit or loss and are presented in the Statement of Profit and Loss on a net basis.

(d) Revenue recognition

Introduction

Ind AS 115 Revenue from contracts with customers has been issued with effect from April 1, 2018. The new standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a promised good or service and thus has the ability to direct the use and obtain the benefits from the good or service in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services.

A new five-step process must be applied before revenue can be recognised:

i. identify contracts with customers

ii. identify the separate performance obligation

iii. determine the transaction price of the contract

iv. allocate the transaction price to each of the separate performance obligations, and

v. recognise the revenue as each performance obligation is satisfied.

Transition

On transition to Ind AS 115, the Company has elected to adopt the new revenue standard as per modified retrospective approach. As per the modified retrospective approach, the Company is required to recogniz the cumulative effect of initially applying the Ind AS 115 as at April 1, 2018 in retained earnings. The comparative financial statements for year ended March 31, 2018 are not restated. The effect on adoption of Ind AS 115 was insignificant.

Notes to the separate financial statements *(Contd.)*

Revenue recognition policy

The Company derives revenue primarily from engineering design services and sale of licenses. Amounts disclosed as revenue are net of trade allowances, rebates, discounts, value added taxes and other amounts collected on behalf of third parties.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognizes revenue when it transfers control over a product or a service to a customer and company expects to receive consideration in exchange for those products or services. The method for recognizing revenues and costs depends on the nature of the services rendered. The Company estimates its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. The Company assesses for the timing of revenue recognition in case of each distinct performance obligation. The Company first assesses whether the revenue can be recognized over time as it performs if any of the following criteria is met:

(a) The customer simultaneously consumes the benefits as the Company performs, or

(b) The customer controls the work-in-progress, or

(c) The Company's performance does not create an asset with alternative use to the Company and the Company has right to payment for performance completed till date. If none of the criteria above are met, the Company recognized revenue at a point-in-time.

The point-in-time is determined when the control of the goods or services is transferred which is generally determined based on when the significant risks and rewards of ownership are transferred to the customer. Apart from this, the Company also considers its present right to payment, the legal title to the goods, the physical possession and the customer acceptance in determining the point in time where control has been transferred.

(i) Sale of services

a) Time and material contracts:

Revenues and costs relating to time and materials contracts are recognized as the related services are rendered.

b) Fixed- price contracts:

For fixed price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. This is determined based on the actual labour hours spent relative to the total expected labour hours.

Estimates of revenues, costs or extent of progress towards completion are revised if circumstances change. Any resulting increase or decrease in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

(ii) Revenue from sale of user licenses/software products:

Revenue from the sale of user licenses for software applications is recognized at point in time on transfer of the title in the user license. Revenue is recognized on principal basis if the company controls a promised good or service before the entity transfers the good or service to a customer.

Notes to the separate financial statements *(Contd.)*

Revenues in excess of invoicing are classified as contract assets (which we refer as unbilled revenue) while invoicing in excess of revenues and advance amount received from customers which are classified as contract liabilities (which we refer to as unearned revenues and advance from customers).

Revenue from sale of service is derived from service over the period of time and Revenue from Sale of traded software licenses is derived from services at a point in time'.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

(iii) Other Income

Dividend income is recognized in the Statement of Profit and Loss only when the Company's right to receive dividend is established which is generally when the shareholders approve the dividend.

Interest is recognized on time proportionate basis taking into account the amount outstanding and the rate applicable.

(e) Government Grant

Grants from the government are recognized at their fair value when there is a reasonable assurance that the grant will be received and the Company will comply with all the attached conditions.

Government grant relating to income are deferred and recognized in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented with other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of related assets and presented within other income.

(f) Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the separate financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have

Notes to the separate financial statements *(Contd.)*

been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized, or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

(g) Leases

As a lessee

Leases of property, plant and equipment, where the Company, as lessee has substantially all the risks and rewards of ownership are classified as finance leases. Assets acquired under finance leases are recognized at the lower of the fair value of the leased assets at inception of the lease and the present value of minimum lease payments. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to periods during the lease term at a constant periodic rate of interest on the remaining balance of the liability.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease, unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

(h) Impairment of assets

The management periodically assesses, using external and internal sources, whether there is an indication that an asset may be impaired. If an asset is impaired, the Company recognises an impairment loss as the excess of the carrying amount of the asset over the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. An impairment loss is reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

(i) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

Notes to the separate financial statements *(Contd.)*

(j) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

(k) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the year in which they are incurred.

(l) Investments and other Financial assets

(i) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss statement.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company classifies its debt instruments as follows:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not

Notes to the separate financial statements *(Contd.)*

part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in other income using the effective interest rate method.

Equity instruments

The Company subsequently measures equity investment at fair value. The Company's Management elects to present fair value gains and losses on equity investments in other comprehensive income on an instrument by instrument basis.

(iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Refer Note 34 for details of credit risk.

For trade receivables, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(iv) Derecognition of financial assets

A financial asset is derecognised only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised. Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(m) Derivatives

The Company enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss and are included in Other income or Other expenses, as the case may be.

The full fair value of a derivative is classified as a Non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

Notes to the separate financial statements *(Contd.)*

(n) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

(o) Property, plant and equipment

All items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

Depreciation is provided on the straight-line method over the useful lives of assets as prescribed in Schedule II to the Companies Act, 2013 (Act).

Leasehold improvements are depreciated over the period of the lease agreement.

The asset's residual values and useful lives are reviewed and adjusted if appropriate, at the end of the reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other income/ other expenses respectively.

(p) Intangible assets

Intangible assets are stated at acquisition cost net of tax/ duty credits availed, if any, and net of accumulated amortisation. Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the profit or Loss. Intangible assets are amortized on the straight line method as follows:

Asset	Useful life
Software	2 to 6 years

(q) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are unsecured and are presented as current liabilities unless payment is not due within twelve months determined by the Company after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Notes to the separate financial statements *(Contd.)*

(r) Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any differences between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawn down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been distinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as other income/(expenses).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the separate financial statements for issue, not to demand payment as a consequence of the breach.

(s) Provisions and contingent liabilities

Provisions are recognised when the Company has a present, legal or constructive obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are determined based on the best estimate required to settle the obligation at the Balance Sheet date. Provisions are reviewed at each balance sheet date and adjusted to reflect current best estimates. Provisions are not recognised for future operating losses.

Contingent liabilities are disclosed by way of a note to the separate financial statements when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

(t) Employee Benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Notes to the separate financial statements *(Contd.)*

(ii) Other long-term employee benefit obligations

The liabilities for privileged leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The Company operates the following post-employment schemes:

(a) Defined benefit plans – gratuity

(b) Defined contribution plans - Provident fund, employee state insurance scheme.

(a) Defined benefit plans - Gratuity

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death or termination of employment, of an amount based on the respective employee's salary and the tenure of employment.

The liability or asset recognised in the balance sheet in respect of defined benefit pension and gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

(b) Defined contribution plans – Provident fund, Employee state insurance scheme

The Company pays provident fund, employee state insurance for all employees to publicly administered funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due.

Notes to the separate financial statements *(Contd.)*

(iv) Share-based payments

Share-based compensation benefits are provided to employees via the Onward ESOP Scheme 2009. The fair value of the options granted under the Onward ESOP Scheme is recognized as an employee benefit expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- Including any market performance conditions (e.g. the entity's share price)
- Excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- Including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holding shares for specified period of time).

The total expenses are recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognizes the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

(u) Contributed equity

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

(v) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(w) Rounding of amounts:

All amounts disclosed in the separate financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

Notes to the separate financial statements *(Contd.)*

2. Critical judgements and estimates

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements:

i. Legal contingencies

The Company has received various orders and notices from tax authorities in respect of direct taxes. The outcome of these matters may have a material effect on financial position, results of operation of cash flows. Management regularly analyzes current information about these matters and provides provisions for probable contingent losses including the estimate of legal expenses to resolve the matters. In making the decisions regarding the need for loss provisions, management considers the degree of probability of an unfavorable outcome and the ability to make a sufficiency reliable estimate of the amount of loss. The filing of suit or formal assertion of a claim against the Company or the disclosure of any such suit or assertions, does not automatically indicate that a provision of a loss may be appropriate.

ii. Revenue Recognition

The Company recognizes gross revenue from sale of licenses (including renewal of licenses), on transfer of the title to customer as per the assessment made under Ind-AS 115. The contracts with customers in case of licenses are non-standard and each contract requires judgement of the Company's position as to whether it is acting as the principal or as an agent on behalf of the supplier. Company assesses the contracts against the indicators that demonstrates that an entity controls the specified good or service before it is transferred to the customer (and is therefore a principal) as specified under Ind AS 115 – Revenue from Contracts with Customers.

Critical estimates

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

i. Share-based payments

The Company initially measures the cost of equity-settled transactions with employees using the Black-Scholes model to determine the fair value of the options. Estimating the fair value of the share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating the fair value for share-based payments are disclosed in Note 36.

Notes to the separate financial statements *(Contd.)*

ii. Fair value measurement of unquoted financial instrument

When the fair values of the financial assets and financial liabilities recorded in the balance sheet cannot be measured based on the quoted prices in active markets, their fair value is measured using the valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Estimates include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair values of financial instruments. Refer note 31 for further disclosures.

iii. Impairment to the carrying value of investment

The Company has investments in various subsidiaries. The Company makes evaluation of impairment risk in carrying value of investment in subsidiaries using estimated discounted cash flows (value in use) model with the help of valuation expert. Company's significant judgements involves assessing the appropriateness of the valuation methodology, estimates of future cash flows as well as assumptions like Weighted Average Cost of Capital (WACC), growth rate, terminal value etc.

iv. Useful lives of property, plant and equipment and intangible assets

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Increasing an asset's expected life or its residual value would result in a reduced depreciation charge in the statement of profit and loss.

The useful lives and residual values of assets are determined by management at the time the asset is acquired and reviewed annually for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events which may impact their life such as changes in technology.

v. Impairment of Trade Receivables

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

vi. Defined benefit obligations

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on Indian Assured Lives Mortality (2006-08) Ultimate. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates. For further details about gratuity obligations are given in Note 18.

Notes to the separate financial statements *(Contd.)*

(All amounts in Rs. lakhs, unless otherwise stated)

3 Property, plant and equipment

Particulars	Leasehold Improvements	Furniture & Fixtures	Vehicles	Office Equipment	Electrical Equipments	Computers	Total
Opening gross carrying amount as on April 1, 2017	**161.97**	**190.90**	**146.10**	**63.07**	**16.92**	**321.07**	**900.03**
Additions	3.41	11.43	20.95	16.51	2.38	75.18	129.86
Disposals	-	(0.71)	-	-	(2.19)	(0.45)	(3.35)
Gross carrying amount as on March 31, 2018	**165.38**	**201.62**	**167.04**	**79.58**	**17.12**	**395.80**	**1,026.55**
Accumulated depreciation	33.65	32.29	17.73	9.69	2.68	110.37	206.41
Charge for the year	58.86	23.84	29.48	17.23	2.92	115.43	247.76
Disposals	-	(0.71)	-	-	(0.56)	(0.44)	(1.72)
Closing accumulated depreciation as at March 31, 2018	**92.51**	**55.42**	**47.21**	**26.92**	**5.04**	**225.36**	**452.46**
Net carrying amount as on March 31, 2018	**72.88**	**146.20**	**119.84**	**52.66**	**12.08**	**170.44**	**574.08**

Particulars	Leasehold Improvements	Furniture & Fixtures	Vehicles	Office Equipment	Electrical Equipments	Computers	Total
Opening gross carrying amount as on April 1, 2018	**165.38**	**201.62**	**167.04**	**79.58**	**17.12**	**395.80**	**1,026.55**
Additions	41.61	69.72	-	46.41	0.71	296.61	455.06
Disposals	-	-	(25.19)	-	(2.16)	(0.55)	(27.90)
Gross carrying amount as on March 31, 2019	**206.99**	**271.34**	**141.85**	**125.99**	**15.66**	**691.86**	**1,453.70**
Accumulated depreciation	**92.51**	**55.42**	**47.21**	**26.92**	**5.04**	**225.36**	**452.46**
Charge for the year	49.40	24.14	27.75	22.30	2.02	155.26	280.87
Disposals	-	-	(23.52)	-	(0.58)	(0.55)	(24.66)
Closing accumulated depreciation as at March 31, 2019	**141.91**	**79.56**	**51.44**	**49.22**	**6.47**	**380.07**	**708.68**
Net carrying amount as on March 31, 2019	**65.08**	**191.79**	**90.41**	**76.77**	**9.19**	**311.79**	**745.01**

Notes:

1 Refer to note 28 (b) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

Notes to the separate financial statements *(Contd.)*

(All amounts in Rs. lakhs, unless otherwise stated)

4 Intangible assets

Particulars	Computer Software	Total	Intangible assets under development
Opening gross carrying amount as on April 1, 2017	**919.13**	**919.13**	**-**
Additions	153.07	153.07	10.50
Disposals	(2.33)	(2.33)	-
Gross carrying amount as on March 31, 2018	**1,069.87**	**1,069.87**	**10.50**
Accumulated Amortisation			
Balance as at April 1, 2017	171.09	171.09	-
Amortisation charge for the year	208.18	208.18	-
Disposals	(2.29)	(2.29)	-
Closing accumulated amortisation as at March 31, 2018	**376.98**	**376.98**	**-**
Net carrying value as on March 31, 2018	**692.88**	**692.88**	**10.50**

Particulars	Computer Software	Total	Intangible assets under development
Opening gross carrying amount as on April 1, 2018	**1,069.87**	**1,069.87**	**10.50**
Additions	65.75	65.75	17.89
Disposals / Capitalised	(4.19)	(4.19)	(10.50)
Gross carrying amount as on March 31, 2019	**1,131.42**	**1,131.42**	**17.89**
Accumulated Amortisation			
Balance as at April 1, 2018	376.98	376.98	-
Amortisation charge for the year	200.36	200.36	-
Disposals	(4.12)	(4.12)	-
Closing accumulated amortisation as at March 31, 2019	**573.22**	**573.22**	**-**
Net carrying value as on March 31, 2019	**558.21**	**558.21**	**17.89**

Notes:

1 Intangible assets under development mainly comprises of software under the process of implementation.

Notes to the separate financial statements *(Contd.)*

(All amounts in Rs. lakhs, unless otherwise stated)

5 Investment

	AS at March 31, 2019	AS at March 31, 2018
Investment in equity instruments of subsidiaries		
Unquoted		
Investment in Onward e-Services Limited		
15,620,000 (March 31, 2018 : 15,620,000) equity shares of Rs. 10 per share	**1,562.00**	1,562.00
Equity Contribution in the nature of employee stock option issued to the employees of subsidiary	**11.16**	11.16
	1,573.16	**1,573.16**
Investment in Onward Technologies, Inc.		
114,000 (March 31, 2018 : 114,000) equity shares of US$ 20 per share	**951.70**	951.70
Equity Contribution in the nature of employee stock option issued to the employees of subsidiary	**96.83**	96.83
	1,048.53	**1,048.53**
Investment in Onward Technologies, GmbH		
Investment in Onward Technologies, GmbH	**215.99**	215.99
Equity Contribution in the nature of employee stock option issued to the employees of subsidiary	**3.69**	3.69
	219.68	**219.68**
Investment in Onward Properties Private Limited		
5,000 (March 31, 2018 : 5,000) equity shares of Rs. 100 per share	**106.93**	106.93
	106.93	**106.93**
Total (equity instruments)	**2,948.30**	**2,948.30**
Investment in Preference Shares		
Unquoted		
Investment in Onward e-Services Limited		
900,000 (March 31, 2018 : 900,000) optionally convertible redeemable preference shares of Rs. 100 per share	**934.91**	993.87

Total non-current investments	**3,883.21**	**3,942.17**
Aggregate amount of quoted investments	-	-
Aggregate amount of unquoted investments	3,883.21	3,942.17
Aggregate amount of impairment in the value of investments	-	-

Notes to the separate financial statements *(Contd.)*

(All amounts in Rs. lakhs, unless otherwise stated)

6 (a) Loans

Non-current	**AS at March 31, 2019**	AS at March 31, 2018
Unsecured, considered good		
Security deposits	**201.87**	129.73
Total	**201.87**	129.73

Current	**AS at March 31, 2019**	AS at March 31, 2018
Unsecured, considered good		
Security deposits	-	13.20
Total	**-**	13.20

6 (b) Others financial assets - non-current

	AS at March 31, 2019	AS at March 31, 2018
Earmarked balances with banks*	**6.95**	4.51
Total	**6.95**	4.51

* Amount represents unclaimed dividend account held for dividend remittance and hence are not available for use.

7 Other non-current assets

	AS at March 31, 2019	AS at March 31, 2018
Prepaid expenses	**35.51**	5.15
Capital Advances	**9.25**	
Total	**44.76**	5.15

8 Trade receivable

	AS at March 31, 2019	AS at March 31, 2018
Trade Receivables	**2,112.62**	1,727.35
Receivables from related parties (Refer Note 29)	**111.92**	235.62
Subtotal	**2,224.54**	1,962.97
Less: Allowance for doubtful debts	**(71.64)**	(60.32)
Total	**2,152.90**	1,902.65

Notes to the separate financial statements *(Contd.)*

(All amounts in Rs. lakhs, unless otherwise stated)

Break-up of security details

	AS at March 31, 2019	AS at March 31, 2018
Unsecured, considered good	**2,152.90**	1,902.65
Doubtful	**71.64**	60.32
Less: Allowance for doubtful debts	**(71.64)**	(60.32)
Total	**2,152.90**	1,902.65

9 (a) Cash and cash equivalents

	AS at March 31, 2019	AS at March 31, 2018
Cash in hand	**0.39**	0.38
Balances with banks		
In current accounts	**213.42**	179.89
Interest income accrued on bank guarantee margins	**0.10**	0.05
Total	**213.91**	180.32

9 (b) Bank balances other than 9 (a) above

	AS at March 31, 2019	AS at March 31, 2018
In earmarked accounts		
Balances held as security against bank guarantees	**25.83**	10.29
Total	**25.83**	10.29

10 Others financial assets - current

	AS at March 31, 2019	AS at March 31, 2018
Derivative financial instrument not designated as hedges		
- Foreign exchange forward contracts	**77.05**	15.87
Receivable from related party for employee stock options provided (Refer note 29)	**74.24**	45.21
Receivable from related party for Corporate Guarantee provided (Refer note 29)	**57.74**	57.74
Total	**209.03**	118.82

Notes to the separate financial statements *(Contd.)*

(All amounts in Rs. lakhs, unless otherwise stated)

11 Other current assets

	AS at March 31, 2019	AS at March 31, 2018
Prepaid expenses	**271.63**	225.69
Interest receivable on income-tax refund	**30.70**	63.27
Advance to Subsidiary (Refer note 29)	**-**	1.36
Others	**27.32**	22.61
Total	**329.66**	**312.93**

Others include advances paid to suppliers and employees.

12 (a) Deferred tax assets (net)

The balance of deferred tax comprises temporary differences attributable to:

Particulars	**As at March 31, 2019**	As at March 31, 2018
Deferred tax assets		
Defined Benefit Obligation	**59.49**	50.58
Allowance for Doubtful debts	**20.86**	19.94
Disallowance u/s 43B	**26.93**	30.74
Others	**5.03**	12.22
	112.31	**113.48**
Deferred tax liability		
Property, plant and equipment and intangible assets	**23.00**	102.48
Interest on income tax refund	**8.94**	8.50
Fair value gain on Preference Shares	**10.17**	31.04
Fair value gain on Foreign exchange Forward contracts	**22.44**	-
	64.55	142.02
Total deferred tax assets/ (liabilities) (net)	**47.76**	**(28.54)**

Notes to the separate financial statements *(Contd.)*

(All amounts in Rs. lakhs, unless otherwise stated)

Movement in Deferred tax assets/ (liabilities) in Statement of profit and loss [(charged)/ credited during the year]

Particulars	**Year ended March 31, 2019**	Year Ended March 31, 2018
Defined Benefit Obligation	**(5.62)**	1.87
Allowance for Doubtful debts	**0.92**	-
Disallowance u/s 43B	**(3.81)**	7.58
Property, plant and equipment and intangible assets	**79.48**	(7.40)
Interest on income-tax refund	**(0.44)**	(8.50)
Fair value gain on Preference Shares	**20.87**	(12.59)
Fair value gain on Foreign exchange Forward contracts	**(22.44)**	9.23
Write-off of MAT entitlement	**-**	(10.55)
Others	**(7.19)**	-
Total	**61.77**	(20.36)

12 (b) Taxation

Income tax liabilities / (Income tax assets)

	As at March 31, 2019	As at March 31, 2018
Opening Balance		
- Income tax assets	**1,001.53**	782.84
Less : Current tax payable for the year	**(440.74)**	(94.47)
Add/ (Less) : Refund Received/ (Taxes paid)	**445.93**	313.16
Closing balance		
- Income tax assets	**1,006.73**	1,001.53

The major components of income tax expense for the year ended March 31, 2019 and March 31, 2018

Notes to the separate financial statements *(Contd.)*

(All amounts in Rs. lakhs, unless otherwise stated)

Income Tax Expenses

Profit and Loss section	**Year ended March 31, 2019**	Year Ended March 31, 2018
Current income tax charge		
Current income tax		
-Current tax on profit for the current year	**437.24**	103.61
-Adjustments for current tax of prior periods	**3.50**	(9.14)
Deferred tax	**(61.77)**	20.36
Income tax expense reported in the statement of profit or loss	**378.97**	114.83

Other comprehensive income section	**Year ended March 31, 2019**	Year Ended March 31, 2018
Deferred tax related to items recognised in OCI during the year	**14.53**	**3.79**
Income tax charged to OCI	**14.53**	**3.79**

Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate for March 31, 2019 and March 31, 2018

	Year ended March 31, 2019	Year Ended March 31, 2018
Accounting profit/ (loss) before tax	**1,313.99**	334.98
At Statutory income tax rate of 29.12% (March 31, 2018: 33.06%)	**382.63**	110.74
Adjustments in respect of current income tax of previous years	**3.50**	(9.14)
Tax Effects of amounts which are not deductible (taxable) in calculating taxable income	**4.06**	9.43
Tax effect of Income chargeable at lower tax rate	**(23.65)**	-
Others	**12.43**	3.80
Total	**378.97**	114.83
Income tax expense reported in the statement of profit or loss	**378.97**	114.83

Notes to the separate financial statements *(Contd.)*

(All amounts in Rs. lakhs, unless otherwise stated)

13 (a) Equity share capital

	As at March 31, 2019	As at March 31, 2018
Authorised share capital:		
18,000,000 (March 31, 2018 : 18,000,000) Equity shares of Rs. 10 each	**1,800**	1,800
1,000,000 (March 31, 2018 : 1,000,000) Preference shares of Rs. 10 each	**100**	100
1,000,000 (March 31, 2018 : 1,000,000) unclassified shares of Rs. 10 each	**100**	100
Total	**2,000**	2,000
Issued, subscribed and paid up :		
15,804,840 (March 31, 2018 :15,542,070) Equity Shares of Rs. 10 each	**1,580.49**	1,554.21
Total	**1,580.49**	1,554.21

(i) Reconciliation of number of equity shares issued

	As at March 31, 2019	As at March 31, 2018
Issued, subscribed and paid up		
Shares outstanding at the beginning of the year (Nos.)	**15,542,070**	15,196,270
Shares issued during the year(Nos.) (Refer Note 36)	**262,800**	345,800
Shares outstanding at the end of the year	**15,804,870**	15,542,070

(ii) Reconciliation of Issued equity shares capital

	As at March 31, 2019	As at March 31, 2018
Issued, subscribed and paid up		
Shares outstanding at the beginning of the year	**1,554.21**	1,519.63
Shares issued during the year	**26.28**	34.58
Shares outstanding at the end of the year	**1,580.49**	1,554.21

Notes to the separate financial statements *(Contd.)*

(All amounts in Rs. lakhs, unless otherwise stated)

(iii) Terms/ rights attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of Rs. 10/-. Each shareholder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company.The distribution will be in proportion to the number of equity shares held by the shareholders.

569,400 (March 31, 2018 : 904,000) equity shares are outstanding under ESOP 2009 scheme as at balance sheet date; each share being fully paid equity share of Rs. 10 each. Refer note 36 for further details of the ESOP scheme.

(iv) Share Application Money

The Company had received share application money in March 2019 towards allotment of 79,300 (March 31, 2018 : 107,500) shares at Rs. 10 per share under ESOP 2009 scheme amounting to Rs. 793,000 (March 31, 2018 : 1,075,000).

(v) Shares held by ultimate holding Company

	As at March 31, 2019	As at March 31, 2018
Onward Network Technologies Private Limited	**78,42,112**	7,283,312

(vi) Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of the shareholder	**As at March 31, 2019**		As at March 31, 2018	
	% holding	**No. of shares**	% holding	No. of shares
Onward Network Technologies Private Limited	49.62%	7,842,112	46.86%	7,283,312

Notes to the separate financial statements *(Contd.)*

(All amounts in Rs. lakhs, unless otherwise stated)

13 (b) Other Equity

	As at March 31, 2019	As at March 31, 2018
Reserves and Surplus		
Securities premium account		
Opening Balance	1,379.24	1,182.66
Add : Additions on account of exercise of options under Employee Stock Option Plan	162.71	196.58
Closing Balance	1,541.95	1,379.24
Share option outstanding account		
Opening Balance	320.01	303.98
Less : Employee stock options exercised	(162.71)	(196.58)
Add : Employee stock option expenses	166.76	212.61
Closing Balance	324.06	320.01
Share Application Money pending allotment		
Opening Balance	10.75	13.27
Less : Shares allotted against the share application money received	(26.28)	(13.27)
Add : Shares application money received for allotment of shares	23.46	10.75
Closing Balance	7.93	10.75
Retained earnings		
Opening balance	1,921.68	1,894.12
Net profit for the year	935.02	220.15
	2,856.70	2,114.27
Less: Dividend paid	(156.97)	(153.65)
Less: Dividend distribution tax on above	-	(31.28)
Items of other comprehensive income recognised directly in retained earnings		
Re-measurements of post-employment benefit obligations (net of tax)	(35.03)	(7.66)
Closing Balance	2,664.70	1,921.68
Total	**4,538.64**	**3,631.68**

Nature and purpose of reserves

Securities premium account

Securities premium account is used to record the premium on issue of shares. The reserve is to be utilised in accordance with the provisions of the Companies Act, 2013.

Share option outstanding account

The share option outstanding account is used to record the value of equity settled share based payment transactions with employees. The amounts recorded in share options outstanding account are transferred to share capital and share premium upon exercise of stock options by employees.

Retained earnings

Retained earnings comprise of the Company's undistributed earnings after taxes, kept aside to meet future (known or unknown) obligations.

Notes to the separate financial statements *(Contd.)*

(All amounts in Rs. lakhs, unless otherwise stated)

14 Non-Current borrowings

	AS at March 31, 2019	AS at March 31, 2018
Secured		
Term Loans from banks		
Rupee Loan	**90.99**	321.23
Others	**38.70**	73.06
Total Non-Current Borrowings	**129.69**	394.29
Less : Current maturities of non-current borrowings (included in Note 17)	**123.00**	264.60
Total	**6.69**	129.69

(i) Terms of repayment for non-current borrowings

	Maturity	**Terms of repayment**	**Coupon/ Interest rate**
Secured			
Term Loan from Bank			
Rupee Loans	Various from 2018-2020	Monthly Instalments	6m MCLR +2.60%

15 Current borrowings

	AS at March 31, 2019	AS at March 31, 2018
Secured		
Cash credit	-	1,350.83
Working Capital Demand Loan	1,100.00	-
Unsecured		
Inter corporate deposits from related parties (Refer Note 29)	515.11	100.34
Total	1,615.11	1,451.17

Notes to the separate financial statements *(Contd.)*

(All amounts in Rs. lakhs, unless otherwise stated)

(i) Terms of repayment for current borrowings

	Terms of repayment	Coupon/ Interest rate
Loans repayable on demand		
Secured		
From Banks		
Cash credit	Payable on Demand	6m MCLR + 0.45%
Working Capital Demand Loan	Payable on Demand	10.30%
Unsecured		
From Related Parties		
Intercorporate Deposits from Related Parties	Payable on Demand	0% - 10.2%

Security details for current and non-current borrowings

All the term loans and working capital demand loan are secured by exclusive charges on the properties situated at E-space, Nagar Road, Pune owned by Onward Network Technologies Private Limited, exclusive charges on the entire current and fixed assets both present and future of the company excluding vehicles and letter of comfort from Onward Network Technologies Private Limited.

Net debt reconciliation

An analysis of net debt and the movements in net debt for March 31, 2019 and March 31, 2018

	March 31, 2019	March 31, 2018
Cash and cash equivalents	**213.91**	180.32
Current and Non-current borrowings	**1,744.80**	1,845.46
Interest accrued	**9.62**	-
Net Debt	**(1,540.51)**	(1,665.14)

	Other assets	Liabilities from financing activities
	Cash and Cash Equivalents	Borrowings
Net debt as on 31st March, 2017	**205.37**	(1,688.61)
Cash flows	**(25.05)**	(156.85)
Interest expenses	**-**	218.08
Interest paid	**-**	(218.08)
Net debt as on March 31, 2018	**180.32**	(1,845.46)
Cash flows	**33.59**	81.41
Interest expenses	**-**	207.22
Interest paid		(197.60)
Net debt as on March 31, 2019	**213.91**	(1,754.43)

Notes to the separate financial statements *(Contd.)*

(All amounts in Rs. lakhs, unless otherwise stated)

16 Trade payables

	AS at March 31, 2019	AS at March 31, 2018
Total outstanding dues of micro enterprises and small enterprises	**23.04**	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		
(i) Related Parties (Refer Note 29)	**97.63**	291.49
(ii) Others	**339.64**	355.97
Total	**460.31**	647.46

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

	AS at March 31, 2019	AS at March 31, 2018
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	**22.31**	-
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	**0.18**	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	**68.83**	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	**0.55**	-
Further interest remaining due and payable for earlier years	-	-

The identification of suppliers as micro and small enterprises covered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act') was done on the basis of the information to the extent provided by the supplier of the company.

17 Other financial liabilities - current

	AS at March 31, 2019	AS at March 31, 2018
Capital creditors	**82.87**	20.67
Current maturities of non-current borrowings	**123.00**	264.60
Unpaid Dividend	**6.95**	4.51
Interest accrued	**9.62**	-
Total	**222.44**	289.78

Notes to the separate financial statements *(Contd.)*

(All amounts in Rs. lakhs, unless otherwise stated)

18 (a) Non-current employee benefit obligations

	AS at March 31, 2019	AS at March 31, 2018
Provision for employee benefits		
- Provision for compensated absences - non current	**49.17**	76.01
Total	**49.17**	76.01

18 (b) Current employee benefit obligations

	AS at March 31, 2019	AS at March 31, 2018
Provision for employee benefits		
- Provision for Gratuity	**204.28**	152.95
- Provision for compensated absences	**43.32**	16.95
Total	**247.60**	169.90

A Defined contribution plan

(i) Provident fund

The Company has certain defined contribution plans. Contributions are made to provident fund for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is Rs. 229.74 lakhs (March 31, 2018 - Rs. 238.91 lakhs).

B Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and is administered through group gratuity scheme with Life Insurance Corporation of India.

The Payment of Gratuity (Amendment) Act, 2018 was notified by the Central Government on 29 March 2018. The amendment increases the existing ceiling limit of the amount of gratuity payable to employees who have completed five years of continuous service from rupees 10 lakhs to rupees 20 lakhs. The amendment has also increased the maximum maternity leave from 12 weeks to 26 weeks in the Payment of Gratuity Act 1972 consistent with the requirement in the Maternity Benefit Act, 1961. Maternity leave to the extent specified in the act shall be excluded while determining the period of continuous service for women employees.

Due to the change, the Company has recognized past service cost of Rs. 3.30 lakhs for the year ended March 31, 2018. Refer the table below for further details of the same.

Notes to the separate financial statements *(Contd.)*

(All amounts in Rs. lakhs, unless otherwise stated)

I The amounts recognised in balance sheet and movements in the net benefit obligation over the year are as follows :

	Present value of obligation	Fair value of plan assets	Net amount
April 1, 2017	**139.63**	**(3.78)**	**135.85**
Current service cost	35.38	-	35.38
Past service cost	3.30	-	3.30
Mortality Charges and Taxes	-	3.20	3.20
Interest expense/(income)	9.50	(0.88)	8.62
Total amount recognised in Profit or Loss	**48.17**	**2.32**	**50.49**
Return on plan assets	-	0.04	0.04
(Gain)/loss from experience change	16.64	-	16.64
(Gain)/loss from demographic change	-	-	-
(Gain)/loss from change in financial assumption	(5.23)	-	(5.23)
Total amount recognised in Other Comprehensive Income	**11.41**	**0.04**	**11.45**
Employer contributions	-	(44.84)	(44.84)
Benefits paid	(29.32)	29.32	-
March 31, 2018	**169.89**	**(16.94)**	**152.95**

April 1, 2018	**169.89**	**(16.94)**	**152.95**
Current service cost	37.83	-	37.83
Past service cost	-	-	-
Mortality Charges and Taxes	-	3.00	3.00
Interest expense/(income)	11.55	(1.43)	10.12
Total amount recognised in Profit or Loss	**49.38**	**1.57**	**50.95**
Return on plan assets	-	0.22	0.22
(Gain)/loss from experience change	(12.32)	-	(12.32)
(Gain)/loss from demographic change	26.54	-	26.54
(Gain)/loss from change in financial assumption	35.10	-	35.10
Total amount recognised in Other Comprehensive Income	**49.32**	**0.22**	**49.54**
Employer contributions	-	(45.90)	(45.90)
Benefits paid	(47.35)	43.65	(3.70)
March 31, 2019	**221.24**	**(17.40)**	**203.84**

Fair value of the planned assets represents the balance as confirmed by the insurer managed fund.

Notes to the separate financial statements *(Contd.)*

(All amounts in Rs. lakhs, unless otherwise stated)

II The net liability disclosed above relates to funded plans are as follows :

	AS at March 31, 2019	AS at March 31, 2018
Present value of funded obligation	**221.24**	169.89
Fair value of plan assets	**(17.40)**	(16.94)
Deficit	**203.84**	152.95

The Company has no legal obligation to settle the deficit in the funded plan with an immediate contribution or additional one-off contributions.

III Significant estimates

The significant actuarial assumptions were as follows :

	AS at March 31, 2019	AS at March 31, 2018
Discount rate	**7.30%**	7.90%
Salary growth rate	**5.00%**	3.00%
Expected return on plan assets	**7.90%**	7.60%
Withdrawal rate		
Service greater than 4 years	**5.00%**	2.00%
Service less than 4 years	**21.00%**	2.00%
Expected average remaining working lives of employees (in years)	**6.47**	19.61

IV Sensitivity of actuarial assumptions

The sensitivity of defined obligation to changes in the weighted principal assumptions is:

Assumption	**Impact on defined benefit obligation**	
	AS at March 31, 2019	AS at March 31, 2018
Discount rate		
1 % increase	(15.97)	(15.63)
1 % decrease	19.23	18.53
Salary growth rate		
1 % increase	16.48	16.84
1 % decrease	(13.85)	(14.44)
Withdrawal rate		
1 % increase	3.02	10.03
1 % decrease	(2.54)	(11.33)

Notes to the separate financial statements *(Contd.)*

(All amounts in Rs. lakhs, unless otherwise stated)

The above sensitivity analyses are based on a change in an assumption while holding all the other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be corelated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

Projected benefits payable from the fund in future years from the date of reporting:

	March 31, 2019	March 31, 2018
Less than a year	23.17	23.22
Between 2 to 5 years	99.92	53.68
Between 6 to 10 years	283.99	147.70
Total	**407.08**	224.60

The weighted duration of the defined benefit obligation is 9.35 years. (March 31, 2018 : 17.88 years)

V The major categories of plan assets are as follows:

	March 31, 2019	March 31, 2018
Funds managed by insurer	**100%**	100%

VI Risk Exposure

Through its defined benefit plan, the Company is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility

The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. All plan assets are maintained in a trust fund managed by a public sector insurer i.e., LIC of India. LIC has a sovereign guarantee and has been providing consistent and competitive returns over the years. The Company has opted for a traditional fund wherein all assets are invested primarily in risk averse markets. The Company has no control over the management of funds but this option provides a high level of safety for the total corpus. A single account is maintained for both the investment and claim settlement and hence, 100% liquidity is ensured. Also, interest rate and inflation risk are taken care of.

Changes in bond yields

A decrease in bond yields will increase plan liabilities, although this will be partially offset by an yields increase in the value of the plans' bond holdings.

Notes to the separate financial statements *(Contd.)*

(All amounts in Rs. lakhs, unless otherwise stated)

Future salary escalation and inflation risk

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in higher present value of liabilities. Further, unexpected salary increases provided at the discretion of the management may lead to uncertainties in estimating this increasing risk.

Asset-Liability mismatch risk

Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the Company is successfully able to neutralize valuation swings caused by interest rate movements. Hence, companies are encouraged to adopt asset-liability management.

C Leave Encashment

The leave obligations cover the Company's liability for privilege leave which are as follows :

	March 31, 2019	March 31, 2018
Current leave obligations expected to be settled within the next 12 months	43.32	16.95

19 (a) Contract Liabilities

	AS at March 31, 2019	AS at March 31, 2018
Advance from customers		
- From related party (Refer note 29)	**242.35**	163.92
- From Others	**-**	55.23
Deferred Revenue	**-**	10.87
Total	**242.35**	**230.02**

19 (b) Other current liabilities

	AS at March 31, 2019	AS at March 31, 2018
Statutory dues payable	**274.14**	375.73
Employee benefit payables	**563.54**	572.02
Total	**837.68**	947.75

Notes to the separate financial statements *(Contd.)*

(All amounts in Rs. lakhs, unless otherwise stated)

20 Revenue from operations

	AS at March 31, 2019	AS at March 31, 2018
Sale of services		
- Professional and consultancy services	**11,149.89**	10,124.04
Sale of products		
- Software products	**516.50**	534.03
Revenue from Operations	**11,666.39**	**10,658.07**

(a) Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers period ended March 31, 2019 by geographical region type. The Company believe that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors

Revenue from customers	Year ended March 31, 2019	Year ended March 31, 2018
India	**7,298.37**	6,004.62
Outside India	**4,368.02**	4,653.45
Total	**11,666.39**	10,658.07

(b) Contract assets - Unbilled revenue

	Year ended March 31, 2019
Amount as on April 01, 2018	257.46
Changes on account of :	
Invoice raised during the year	(257.46)
Work performed, invoice to yet to be raised	356.76
Impairment	-
Total	**356.76**

Notes to the separate financial statements *(Contd.)*

(All amounts in Rs. lakhs, unless otherwise stated)

(c) Contract liability

	Year ended March 31, 2019
Amount as on April 01, 2018	230.02
Changes on account of:	
Contractual liability as it relates to revenue which will be recognised in next year	242.35
Revenue recognised in current year 2018-19 in relation to carried-forward contract liabilities	(230.02)
Others	-
Total	**242.35**

21 Other income

	Year ended March 31, 2019	Year ended March 31, 2018
Interest income from financial assets carried at amortised cost		
Interest on bank deposits and loan to related parties	**5.79**	0.73
Interest income on security deposits	**9.46**	7.05
Interest on income tax refunds	**-**	69.85
Dividend income from subsidiary	**203.01**	-
Profit on disposal of property, plant and equipment	**-**	0.10
Net gains on foreign currency transactions and translations	**-**	75.70
Government grant (Refer Note 1(e))	**152.32**	194.20
Commission income on corporate guarantee	**20.24**	29.53
Net gain on investment in Preference Shares measured at FVTPL	**-**	38.07
Management fees from related parties (Refer note 29)	**209.26**	214.35
Recruitment fees from related parties (Refer note 29)	**11.33**	-
Miscellaneous income	**42.49**	22.38
Total	**653.90**	651.96

22 Cost of software products

	Year ended March 31, 2019	Year ended March 31, 2018
Cost of software products	**429.07**	329.93
Total	**429.07**	329.93

Notes to the separate financial statements *(Contd.)*

(All amounts in Rs. lakhs, unless otherwise stated)

23 Employee benefits expense

	Year ended March 31, 2019	Year ended March 31, 2018
Salaries, wages and bonus	7,042.65	7,094.24
Contributions to provident and other funds, if any	232.29	246.80
Social security and other benefit plans for overseas employees	108.25	87.83
Employee share based payment expense (Refer note 36)	137.80	167.40
Staff welfare expenses	26.14	37.21
Total	**7,547.13**	7,633.48

24 Finance costs

	Year ended March 31, 2019	Year ended March 31, 2018
Interest and finance charges on financial liabilities not at fair values through profit or loss		
Interest on borrowings	**195.45**	206.69
Other borrowing cost	**11.76**	11.39
Total	**207.22**	218.08

25 Depreciation and amortization expense

	Year ended March 31, 2019	Year ended March 31, 2018
Depreciation on property, plant and equipment	**280.87**	247.76
Amortisation of intangible assets	**200.36**	208.18
Total	**481.23**	455.94

Notes to the separate financial statements *(Contd.)*

(All amounts in Rs. lakhs, unless otherwise stated)

26 Other expenses

	Year ended March 31, 2019	Year ended March 31, 2018
Water power and fuel	**141.73**	122.67
Rent (Refer note 28)	**371.06**	290.14
Leasing and hiring charges	**452.51**	309.85
Director sitting fees (Refer note 29)	**21.20**	21.40
Allowance for doubtful debts (Refer Note 8)	**11.32**	-
Bad debts written off	**-**	9.20
Communication	**48.87**	50.30
Rates and taxes	**38.26**	70.18
Insurance	**18.86**	32.16
Repairs and maintenance		
- Buildings	**66.28**	65.67
- Others	**31.47**	25.50
Travelling and conveyance	**425.90**	586.73
Legal and professional charges	**255.63**	344.85
Advertisement and sales promotion	**16.26**	29.44
Payment to auditors (Refer note 26(a))	**20.33**	23.45
Office Expenses	**46.50**	43.00
Marketing Fees Expenses Related Parties	**169.92**	248.94
Net loss on investment in Preference Shares measured at FVTPL	**58.96**	-
Net loss on foreign currency transactions and translations	**36.21**	-
Miscellaneous Expenses	**110.36**	64.14
Total	**2,341.65**	2,337.62

26 (a) Payment to auditors

	Year ended March 31, 2019	Year ended March 31, 2018
As auditor		
Statutory Audit	**9.75**	9.75
Limited reviews	**6.00**	6.00
Tax audit fee	**0.50**	0.50
In other capacities		
Fees for certificates and other services	**1.25**	6.75
Reimbursement of out of pocket expenses	**2.83**	0.45
Total	**20.33**	23.45

Notes to the separate financial statements *(Contd.)*

(All amounts in Rs. lakhs, unless otherwise stated)

27 Earnings per share (EPS)

	Year ended March 31, 2019	Year ended March 31, 2018
(a) Basic earnings per share		
Net Profit attributable to equity shareholders of the company	**935.02**	220.15
Weighted average number of Equity Shares	**15,722,926**	15,424,879
Basic Earnings per share	**5.95**	1.43
(b) Diluted earnings per share		
Net Profit attributable to equity shareholders of the company	**935.02**	220.15
Weighted average number of Equity Shares (including potential shares) - Refer note (c) below	**16,417,998**	16,514,765
Diluted Earnings per share	**5.70**	1.33

(c) Weighted Average number of shares used as denominator

Weighted average number of equity shares used as a denominator in Adjustments for calculating diluted earnings per share :	**15,722,926**	15,424,879
Options	**695,072**	1,089,886
Weighted average number of equity shares and potential shares used as a denominator in calculating diluted earnings per share	**16,417,998**	16,514,765

28 Contingencies and commitments

a) Contingent liabilities

	AS at March 31, 2019	AS at March 31, 2018
Claims against the Company not acknowledged as debts		
Income-tax matters	**326.73**	326.73
Total	**326.73**	326.73

The Company is in the process of evaluating the impact of the recent Supreme Court Judgment in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-I/1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. In the assessment of the management which is supported by internal legal advice, the aforesaid matter is not likely to have a significant impact and accordingly, no provision has been made in these Financial Statements.

Notes to the separate financial statements *(Contd.)*

(All amounts in Rs. lakhs, unless otherwise stated)

b) Capital commitments

i) Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for is Rs. 29.68 Lakhs (March 31, 2018 : NIL)

c) Lease commitments

Operating lease: Company as lessee

The Company has taken certain office premises on lease for a term generally ranging from a period of 1 year to 5 years. Future minimum lease rental payables under non-cancellable operating leases are as follows:

	March 31, 2019	March 31, 2018
Lease payments recognised during the year	**371.06**	290.14
Within one year	**564.57**	230.69
Later than one year but not later than five years	**1,478.63**	227.26
More than five years	**-**	-

d) Corporate Guarantee issued to Subsidiaries

The Company has provided Corporate Guarantee for the loans availed by its subsidiary, Onward Technologies, Inc. amounting to Rs.1,039.83 Lakhs (March 31, 2018 : Rs. 507.54 lakhs)

29 Related party transactions

a. Holding Company

Sr. No	Name of the entity	Place of business/ Country of Incorporation	Ownership Interest		Relationship
			March 31, 2019	March 31, 2018	
1	Onward Network Technologies Private Limited	India	49.62%	46.86%	Ultimate Holding Company

b. Subsidiaries

Sr. No	Name of the entity	Place of business/ Country of Incorporation	Ownership Interest	
			March 31, 2019	March 31, 2018
1	Onward Technologies, Inc., USA	USA	100.00%	100.00%
2	Onward Technologies GmbH, Germany	Germany	100.00%	100.00%
3	Onward e-Services Limited, India	India	100.00%	100.00%
4	Onward Properties Private Limited, India	India	100.00%	100.00%

Notes to the separate financial statements *(Contd.)*

(All amounts in Rs. lakhs, unless otherwise stated)

c. Fellow Subsidiaries:

1. Desai Finwealth Investments & Securities Private Limited
2. Onward Software Technologies Private Limited

d. Key Managerial Personnel:

1. Mr. Harish Mehta (Executive Chairman)
2. Mr. Jigar Mehta (Managing Director)
3. Mrs. Prachi Mehta (Director)
4. Mr. Pradip Dubhashi (Director) (Upto April 5, 2017)
5. Mr. Arun Meghani (Director) (Upto April 27, 2017)
6. Mr. Pranay Vakil (Independent Director)
7. Mr. Nandkumar Pradhan (Independent Director)
8. Mr. Monik Damania (Company Secretary) (Upto July 31, 2018)
9. Mr. Parish Meghani (Independent Director)
10. Mr. Rahul Rathi (Independent Director)
11. Mr. M.V.S.S Narayanacharyulu (Chief Financial Officer)
12. Ms. Dimple Chauhan (Company Secretary)

e. Other related Parties

Onward Foundation

Notes to the separate financial statements *(Contd.)*

(All amounts in Rs. lakhs, unless otherwise stated)

I Transactions with related parties:

Nature of transaction	Holding Company		Subsidiaries		Fellow subsidiaries		Key managerial personnel		Other	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Rent paid	81.40	77.52	-	-	-					
Reimbursement of expenses received/ receivable	0.03	-	34.48	14.04	0.05	-	-	-	-	-
Reimbursement of expenses paid/ payable	6.59	8.48	49.39	110.84	0.05	-	-	-	20.50	-
Deposits paid	-	-	-	-	-	-	-	-	-	-
Offshore services income	-	-	2,993.35	3,036.68	-	-	-	-	-	-
Income from management fees	-	-	209.26	214.35	-	-	-	-	-	-
Income from recruitment fees	-	-	11.33	-	-		-		-	
Corporate Guarantee Commission income	-	-	20.24	29.53	-	-	-	-	-	-
Dividend on shares	-	-	203.01	-	-	-	-	-	-	-
Marketing fees	-	-	169.92	248.94	-	-	-	-	-	-
Net gain/(loss) on investment in Preference Shares measured at FVTPL	-	-	(58.96)	38.07	-	-	-	-	-	-
ESOP expenses for employees of subsidiary	-	-	28.96	45.21	-	-	-	-	-	-
Unsecured loans taken	-	-	1,365.00	175.00	-	-	-	-	-	-
Interest charged on loans taken	-	-	32.68	9.22	-	-	-	-	-	-
Repayment of unsecured loans	-	-	-	175.00	-	-	-	-	-	-
Repayment of Inter corporate deposits	-	-	950.00	-	-	-	-	-	-	-
Employee benefits (refer note below)	-	-	-	-	-	-	304.65	227.79	-	-
Employee share-based payments	-	-	-	-	-	-	10.89	22.73	-	-
Director sitting fees	-	-	-	-	-	-	21.20	21.40	-	-

Note : Key Managerial Personnel who are under the employment of the Company are entitled to post employment benefits and other long term employee benefits recognised as per Ind AS 19 Employee Benefits' in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

Notes to the separate financial statements *(Contd.)*

(All amounts in Rs. lakhs, unless otherwise stated)

II Outstanding Balance from Sale/purchase of good and serivices :

Nature of transaction	Holding Company		Subsidiaries		Fellow subsidiaries		Key managerial personnel	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Trade Receivables	-	-	111.92	235.62	-	-	-	-
Trade Payables	-	-	97.63	291.49	-	-	-	-
Inter Corporate Deposits Payable	-	-	415.00	-	-	-	-	-
Corporate Guarantee commission receivable	-	-	57.74	57.74	-	-	-	-
Unsecured Loans availed	-	-	100.11	100.34	-	-	-	-
Advance from customers	-	-	242.35	163.92	-	-	-	-
Advance to Supplier	-	-	-	1.36	-	-	-	-
Unsecured Loans granted	-	-	-	-	-	-	-	-
Receivable for employee stock options provided	-	-	74.24	45.21	-	-	-	-
Salary and Allowance payable	-	-	-	-	-	-	10.86	12.74
Security Deposits Paid	37.97	37.97	-	-	-	-	-	-

III Terms and conditions for outstanding balances

All outstanding balances are unsecured and payable in cash.

30 Segment reporting

As per Ind AS 108 Operating Segments, when a financial report contains both consolidated financial statements and separate financial statements for the parent, segment information needs to be presented only in case of consolidated financial statements. Accordingly, segment information has been provided only in the consolidated financial statements.

Notes to the separate financial statements *(Contd.)*

(All amounts in Rs. lakhs, unless otherwise stated)

31 Fair value measurements

Financial instruments by category

Nature of transaction	March 31, 2019		March 31, 2018	
	FVPL	Amortised cost	FVPL	Amortised cost
Financial assets				
Loans	-	201.87	-	142.93
Trade receivables	-	2,152.90	-	1,902.65
Cash and cash equivalents	-	213.91	-	180.32
Other bank balances	-	25.83	-	10.29
Derivative financial instrument not designated as hedges				
Foreign exchange forward contracts	77.05	-	15.87	-
Contract assets	-	356.76	-	257.46
Unclaimed Dividend	-	6.95	-	4.51
Other financial assets	-	131.98	-	102.95
Investments in preference shares (Refer note)	934.91	-	993.87	-
Total financial assets	**1,011.96**	**3,090.20**	**1,009.74**	**2,601.11**
Financial liabilities				
Borrowings	-	1,744.80	-	1,845.46
Trade payables	-	460.31	-	647.46
Payable for purchase of property, plant and equipment	-	82.87	-	20.67
Unpaid Dividend	-	6.95	-	4.51
Interest accrued	-	9.62	-	-
Total financial liabilities	**-**	**2,304.55**	**-**	**2,518.10**

Note: Excludes investments in subsidiaries accounted as per cost model as prescribed under paragraph 10 of Ind AS 27 'Separate Financial Statements.

Notes to the separate financial statements *(Contd.)*

(All amounts in Rs. lakhs, unless otherwise stated)

i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements	Level 1	Level 2	Level 3	Total
At March 31, 2019				
Financial assets				
Derivative financial instrument not designated as hedges				
Foreign exchange forward contracts	-	77.05	-	77.05
Investments in preference shares	-	-	934.91	934.91

Financial assets and liabilities measured at fair value - recurring fair value measurements	Level 1	Level 2	Level 3	Total
At March 31, 2018				
Financial assets				
Derivative financial instrument not designated as hedges				
Foreign exchange forward contracts	-	15.87	-	15.87
Investments in preference shares	-	-	993.87	993.87

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. However the Company does not have any financial instruments that are measured using Level 1 inputs.

Level 2: The fair value of derivatives is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

This is the case for unlisted preference shares included in Level 3.

Notes to the separate financial statements *(Contd.)*

(All amounts in Rs. lakhs, unless otherwise stated)

ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date

All of the resulting fair value estimates are included in Level 2 except for unlisted preference shares where the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.

iii) Fair value measurement using significant unobservable inputs (Level 3)

The following table presents the changes in level 3 items for the periods ended March 31, 2019 and March 31, 2018 :

Particulars	Amount
Unlisted Preference Shares	
As at March 31, 2017	**955.80**
Gain/(losses) recognized in Statement of Profit or loss	38.07
As at March 31, 2018	**993.87**
Gain/(losses) recognized in Statement of Profit or loss	(58.96)
As at March 31, 2019	**934.91**

iv) Valuation Inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

	Impact on profit or loss	
	March 31, 2019	March 31, 2018
Unquoted Preference Shares		
Significant Unobservable Input - volatility - 56% (March 31, 2018 : 58%)		
Increase by 5%	15.85	22.13
Decrease by 5%	(15.80)	22.87
Significant Unobservable Input - WACC - 14.00% (March 31, 2018 : 15.50%)		
Increase by 1%	(17.88)	(20.87)
Decrease by 1%	18.43	21.13

Notes to the separate financial statements *(Contd.)*

v) Valuation process

Specific valuation techniques used to value financial instruments include the fair value of foreign exchange forward contracts using forward exchange rates at the balance sheet date

The main level 3 inputs for unlisted preference shares used by the Company are derived and evaluated as under :

- Risk free rate of return is calculated based on the yield on 3 year Government Securities yield as at the valuation date.
- Share price volatility is determined on the basis of historical prices of shares of the peer companies as adjusted for any expected changes to the future volatility due to publicly available information.

vi) Fair value of financial assets and liabilities measured at amortised cost

The fair value of all financial instruments carried at amortised cost are not materially different from their carrying amounts, since they are either short-term in nature or the interest rate applicable are equal to the current market rate of interest.

32 Financial risk management

The Company's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

(A) Credit risk

(i) Credit risk management

The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from deposits with banks and other financial instruments. For banks and other financial institutions, only high rated banks/ financial institutions are accepted. The balances with banks, security deposits are subject to low credit risk and the risk of default is negligible or nil. Hence, no provision has been created for expected credit loss for credit risk arising from these financial assets. The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in the credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information, for eg, external credit rating (to the extent available), actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to borrower's ability to meet its obligations.

Trade Receivables

The credit risk from customer receivables is recorded and monitored on an ongoing basis. Responsibilities and duties relating to credit risks are governed by an internal directive. This mainly concerns the stipulation of payment terms, fixing of credit limits, release of deliveries, and receivables monitoring. The credit risk is considered low given the sound credit ratings and past history of timely payments being made by the customers.

Notes to the separate financial statements *(Contd.)*

(All amounts in Rs. lakhs, unless otherwise stated)

Reconciliation of loss allowance provision

Loss allowance on April 1, 2017	**60.32**
Changes in loss allowance	-
Loss allowance on March 31, 2018	**60.32**
Changes in loss allowance	11.32
Loss allowance on March 31, 2019	**71.64**

(B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the dynamic nature of the underlying business, the Company maintains flexibility in funding by maintaining availability under committed credit lines.

(i) Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity group based on their contractual maturities for :

March 31, 2019	**< 1 year**	**> 1 year**
Borrowings	**1,615.11**	6.69
Unpaid Dividend	**6.95**	-
Trade Payables	**460.31**	-
Payable for purchase of Property, Plant and Equipment	**82.87**	-
Interest accrued	**9.62**	-
Current Maturities of Long-term Debt	**123.00**	-
Total	**2,297.86**	6.69

March 31, 2018	**< 1 year**	**> 1 year**
Borrowings	**1,451.17**	129.69
Unpaid Dividend	**4.51**	-
Trade Payables	**647.46**	-
Payable for purchase of Property, Plant and Equipment	**20.67**	-
Current Maturities of Long-term Debt	**264.60**	-
Total	**2,388.41**	129.69

(C) Market risk

I) Foreign currency risk

The company operates internationally and thereby exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD, Euro and GBP. Foreign exchange risk arises from future commercial transactions and recognised assets denominated in a currency that is not the company's functional currency (INR). The company uses foreign exchange forward contracts to hedge its exposure in foreign currency risk. The risk is measured through forecast of foreign currency transactions.

Notes to the separate financial statements *(Contd.)*

(All amounts in Rs. lakhs, unless otherwise stated)

i) Foreign currency risk exposure

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows :-

	March 31, 2019			March 31, 2018		
	USD	**Euro**	**GBP**	USD	Euro	GBP
Financial assets						
Trade receivables	8.21	108.69	251.04	-	235.61	295.55
Bank balance in EEFC account	-	-	39.28	-	-	-
Derivative instruments						
- Foreign exchange forward contracts - Sell foreign currency	77.05	-	-	15.87	-	-
Other Receivable from related party	103.93	1.96	-	77.78	1.34	-
Net exposure to foreign currency risk (assets)	**189.19**	**110.65**	**290.32**	93.65	236.95	295.55
Financial liabilities						
Trade payables	100.39	26.57	-	122.80	41.92	3.66
Borrowings	-	-	-	-	-	-
Net exposure to foreign currency risk (liabilities)	**100.39**	**26.57**	**-**	122.80	41.92	3.66

ii) Sensitivity

The sensitivity of profit and loss to changes in the exchange rates arises mainly from foreign currency denominated financials instruments:

	Impact on Profit after tax	
	March 31, 2019	March 31, 2018
USD sensitivity		
INR/USD - Increase by 5% (31 March 2018 - 5%)	**4.44**	(1.46)
INR/USD - Decrease by 5% (31 March 2018 - 5%)	**(4.44)**	1.46
EURO sensitivity		
INR/Euro - Increase by 5% (31 March 2018 - 5%)	**4.20**	9.75
INR/Euro - Decrease by 5% (31 March 2018 - 5%)	**(4.20)**	(9.75)
GBP sensitivity		
INR/GBP - Increase by 5% (31 March 2018 - 5%)	**14.52**	14.59
INR/GBP - Decrease by 5% (31 March 2018 - 5%)	**(14.52)**	(14.59)

Notes to the separate financial statements *(Contd.)*

(All amounts in Rs. lakhs, unless otherwise stated)

II) Interest rate risk

(i) The Company's interest rate risk arises from long-term and short-term borrowings. Borrowings obtained at variable rates expose the Company to cash flow interest rate risk. Borrowings issued at fixed rates expose the Company to fair value interest rate risk.

Management closely tracks the base interest rate movements on regular basis. Based on regular review, Management assesses the need to hedge interest rate risk. Management reviews the future movement in base rate against different factors such as overall micro and macro economic factors, liquidity in the spending cycle. Further, on a regular basis, Management assesses the possibility of entering into new facilities which would reduce the future finance cost which helps the Management to mitigate risk related to interest rate movement.

The exposure of the Company's borrowings to interest rate changes at the end of the reporting period are as follows:

	March 31, 2019	March 31, 2018
Variable rate borrowings	**1,229.69**	1,745.12
Fixed rate borrowings	**415.00**	-
Nil rate borrowings	**100.11**	100.34
Total borrowings	**1,744.80**	1,845.46

Sensitivity

The Company's policy is to minimize the interest rate cash flow risk exposure on borrowing. The Company has exposure to local currency only. The local currency loans are linked to bank base rate/ marginal cost of funds based lending (MCLR).

The sensitivity of profit or loss to changes in the interest rates is tabulated below:

	Impact on Profit after tax	
	March 31, 2019	March 31, 2018
Interest rate - Increase by 50 basis points (50bps) *	**(7.44)**	(8.07)
Interest rate - Decrease by 50 basis points (50bps) *	**7.44**	8.07

* Holding all other variables constant

Notes to the separate financial statements *(Contd.)*

33 Capital Management

a) Risk management

The Company's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital. For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholders value. In order to achieve this objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2019 and March 31, 2018.

34 1.17 Recent accounting pronouncements:

a) Ind AS 116 – Leases

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

The Company is in the process of evaluating the impact on the financial statements under the new standard.

b) Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount

Notes to the separate financial statements *(Contd.)*

or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition

- Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight

- Retrospectively with cumulative - effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

  The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company is in the process of evaluating effect on adoption of Ind AS 12 Appendix C on the financial statements

c) Amendment to Ind AS 12 – Income taxes

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is in process of evaluating the effect of this amendment on the financial statements.

d) Amendment to Ind AS 19 – plan amendment, curtailment or settlement

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and

- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is in process of evaluating the effects of this amendment on the financial statements.

Notes to the separate financial statements *(Contd.)*

(All amounts in Rs. lakhs, unless otherwise stated)

35 Events after reporting period

a) The final dividend recommended by Directors is subject to the approval of shareholders in the ensuing annual general meeting

Dividends

	March 31, 2019	March 31, 2018
i) Equity shares		
Final Dividend for the year ended March 31, 2018 of Re. 1 (March 31, 2017 : Re. 1) per fully paid share	**156.97**	153.65
Dividend distribution tax thereon	**-**	31.28
i) Dividends not recognised at the end of reporting period	**237.07**	156.97
Dividend distribution tax thereon	**50.19**	-
The Directors have recommended the payment of a final dividend of Re. 1.50 per fully paid equity share (March 31, 2018 Re. 1 per equity share). This proposed dividend is subject to approval of shareholders in the ensuing annual general meeting.		

36 Share-based payments

Employee Stock Option Plan

The Company instituted the 2009 plan for all eligible employees in pursuance of a special resolution approved by the shareholders at the extraordinary general meeting held on August 31, 2009. Scheme covers grant of options to specified permanent employees of the Company as well as its subsidiaries.

Pursuant to scheme, the Company has granted options each to eligible employees at an exercise price of Rs. 10 per equity share of Rs. 10 each. Under the term of scheme, the vesting period shall commence on the expiry of one year from the date of grant of the options to the employees and it will be spread equally over 4 years. 25% of the options will vest in the employees at the end of first year, 25% at the end of second year, 25% at the end of third year and balance 25% at the end of fourth year from the grant date.

The employee stock options granted shall be capable of being exercised within a period of one year from the date of vesting the options, they would be exercisable by the option holder and the shares arising on exercise of such options shall not be subject to any lock-in period. When exercisable, each option is convertible into four equity share of the Company. Further, in the case of termination of employment, all non-vested options would stand cancelled. Options that have vested but have not been exercised can be exercised within the time prescribed as mentioned above, failing which they would stand cancelled.

For options granted to employees of subsidiary companies, the Company recharges the cost (based on the fair value determined on the grant date) to respective subsidiaries. Total amount recharged to subsidiaires in Rs. 28.96 lacs (March 2018 - Rs 45.21 lacs)

Notes to the separate financial statements *(Contd.)*

(All amounts in Rs. lakhs, unless otherwise stated)

Set out below is the summary of the options granted under the plan :

	March 31, 2019	March 31, 2018
	No. of Options	No. of Options
Opening Balance	**226,000**	312,163
Granted during the year	**50,000**	67,900
Forfeited/ cancelled during the year	**45,350**	63,450
Lapsed during the year	**22,600**	4,163
Exercised during the year	**65,700**	86,450
Outstanding as at the end of the year	**142,350**	226,000
Shares vested and exercisable	**569,400**	904,000

The weighted average share price at the date of exercise of options exercised during the year ended March 31, 2019 was Rs. 77.41 (March 31, 2018 - Rs. 143.29)

Share options outstanding at the end of the year have the following expiry dates and exercise prices

Grant Date	Expiry Date	Expiry Price	Share ptions	
			March 31, 2019	March 31, 2018
July 22, 2013	July 22, 2018	10	-	750
March 3, 2014	March 3, 2019	10	-	1,100
August 1, 2014	August 1, 2019	10	2,750	14,350
November 1, 2014	November 1, 2019	10	3,500	10,875
January 27, 2015	January 27, 2020	10	-	2,500
January 22, 2016	January 22, 2021	10	16,725	37,775
March 2, 2016	March 2, 2021	10	17,725	42,075
March 23, 2016	March 23, 2021	10	1,250	3,750
June 6, 2016	June 6, 2021	10	-	7,500
July 1, 2016	July 1, 2021	10	19,750	38,625
September 1, 2016	September 1, 2021	10	2,500	3,750
December 5, 2016	December 5, 2021	10	-	3,750
January 24, 2017	January 24, 2022	10	6,750	8,500
May 10, 2017	May 10, 2022	10	28,350	47,700
August 11, 2017	August 11, 2022	10	2,250	3,000
April 17, 2018	April 17, 2023	10	40,800	-
Weighted average remaining contractual life of options outstanding at the end of the period			**2.79 years**	**3.32 years**

Notes to the separate financial statements *(Contd.)*

(All amounts in Rs. lakhs, unless otherwise stated)

Fair value of the options granted

The fair value at the grant date is determined using the Black Scholes Model which takes into account the exercise price, the term of the options, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The model inputs for options granted during the year ended March 31, 2019 and March 31, 2018 included :

Particulars	**Inputs as on March 31, 2019**	Inputs as on March 31, 2018	
Exercise Price (Rs)	10	10	10
Grant Date	April 17, 2018	May 10, 2017	August 11, 2017
Expiry Date	April 17, 2023	May 10, 2022	August 11, 2022
Share Price as on Grant Date (Rs)	92.80	84.10	86.40
Fair value as on Grant Date (Rs)	81.54	76.29	78.58
Expected Volatility (%)	43.50%	59.00%	57.00%
Expected Dividend yield (%)	1.10%	0.00%	0.00%
Risk free interest rate (%)	7.20%	8.00%	8.00%

The expected price volatility is based on the historic volatility (based upon the remaining life of the options), adjusted for any expected changes to the future volatility due to publicly available information.

Expenses arising from share-based payment transactions

	Year ended March 31, 2019	Year Ended March 31, 2018
Employee Option Plan	**137.80**	167.40
Total	**137.80**	167.40

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants

Neeraj Sharma
Partner
Membership No.: 108391

Place : Mumbai
Date : May 17, 2019

For and on behalf of the Board of Directors of
Onward Technologies Limited

Harish Mehta
Executive Chairman

Jigar Mehta
Managing Director

Pranay Vakil
Audit Committee Chairman

M.V.S.S Narayanacharyulu
Chief Financial Officer

Dimple Chauhan
Company Secretary

Place : Mumbai
Date : May 17, 2019

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Twenty Eighth Annual General Meeting of Onward Technologies Limited (the 'Company') will be held on Thursday, 25th July, 2019 at The Victoria Memorial School for the Blind, 73, Tardeo Road, Mumbai 400 034 at 03.00 P.M. to transact the following business:

ORDINARY BUSINESS

1. **To consider and adopt:**

a. The audited financial statements of the Company for the financial year ended 31st March, 2019 and the reports of the Board of Directors and Auditors thereon, and

b. The audited consolidated financial statements of the Company for the financial year ended 31st March, 2019 and the report of the Auditors thereon.

2. **Declaration of Dividend:**

To declare dividend of Rs. 1.50 per equity share for the financial year 2018-19.

3. **Appointment of Director in place of those retiring:**

To appoint a Director in place of Mrs. Prachi Mehta (DIN: 06811085), who retires by rotation and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS

4. **To continue office of Mr. Harish Mehta (DIN: 00153549) as an Executive Chairman who is above 70 years of age:**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT, pursuant to approval given by the Nomination and Remuneration Committee and the Board and in accordance with the provisions of section 196(3) read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), approval of the Members of the Company be and is hereby accorded for continuation of holding of office of Executive Chairman by Mr. Harish Mehta **(DIN 00153549)** who has attained the age of 70 (Seventy) years up to the expiry of his present term of office, on the existing terms and conditions as mentioned in the agreement duly approved by the shareholders through an ordinary resolution passed at the Annual General Meeting held on 18th July, 2016;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

5. **Revision of remuneration of Mr. Harish Mehta (DIN: 00153549), Executive Chairman of the Company:**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a special resolution:

"RESOLVED THAT pursuant to the recommendation of the Nomination and Remuneration Committee, and approval of the Board and subject to the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being

Notice *(Contd.)*

in force) and Schedule V of the Act, approval of the members be and is hereby accorded to revise the payment of such remuneration to Mr. Harish Mehta (DIN: 00153549) Executive Chairman, for the period from 16th May, 2019 to 15th May, 2021 upon such terms and conditions as set out in the explanatory statement annexed to the Notice convening this Meeting with the liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this resolution) to alter and vary the said terms and conditions of appointment and / or remuneration, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

6. **Revision of remuneration of Mr. Jigar Mehta (DIN: 06829197), Managing Director of the Company:**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a special resolution:

“RESOLVED THAT pursuant to the recommendation of the Nomination and Remuneration Committee, and approval of the board and subject to the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and Schedule V of the Act, approval of the members be and is hereby accorded to revise the payment of such remuneration to Mr. Jigar Mehta (DIN: 06829197) Managing Director, for the period from 16th May, 2019 to 15th May, 2021, upon such terms and conditions as set out in the explanatory statement annexed to the Notice convening this Meeting with the liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this resolution) to alter and vary the said terms and conditions of appointment and / or remuneration, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

7. **To Create, offer, issue and allot options under employee stock option plan:**

To consider and if thought fit to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of section 62 and all other applicable provisions, if any, of the Companies Act, 2013 **(“Act”)** read along with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 and the provisions of the Securities and Exchange Board of India (Employee Share Based Employee Benefit) Regulations, 2014 (“the regulations”) and such other applicable provisions under Companies Act 2013 and other applicable laws/ regulations (including any statutory amendment, modification or re-enactment to the Act or the Regulations for the time being in force) and subject to such approvals, permissions, sanctions and in accordance with the Memorandum and Articles of Association of the Company and subject to such conditions and modifications as may be prescribed or imposed by the above authorities and upon receipt of recommendation of the Nomination and Remuneration Committee **(“NRC”)** and the Board in their respective meetings held on 17th May, 2019, the consent of the Company be and is hereby accorded to the Board to create, offer, issue and allot at any time to or to the benefit of such person(s) who are in permanent employment of the Company, present or future, including

Notice *(Contd.)*

any Directors of the Company, whether whole time or otherwise (excluding promoter directors and Independent Directors), present or future, under a scheme titled ''Onward Employee Stock Option Plan 2019'' (hereinafter referred to as the ''Onward ESOP 2019") such number of equity shares and/or equity linked instruments (including options), and/or any other instruments or securities (hereinafter collectively referred to as ''Securities") of the Company which could give rise to issue of equity shares not exceeding 35,00,000 (Thirty Five Lakh) (including any securities issued pursuant to the Resolution at item no.7 & 8 of this notice) at such price, in one or more tranches, and on such terms and conditions as may be fixed or determined by the Board in accordance with the guidelines or other provisions of the law or guidelines issued by the relevant Authority or as may be prevailing at that time;

RESOLVED FURTHER THAT the new equity Shares to be issued and allotted by the Company in the manner aforesaid shall rank pari passu in all respects with the existing Equity Shares of the Company; unless otherwise decided by the Board;

RESOLVED FURTHER THAT the Board be and is hereby authorized to make modifications in the Plan including in any ancillary documents thereto, as it may deem fit, from time to time in its absolute discretion in conformity with the provisions of the Act, the memorandum of association and articles of association of the Company and any other applicable laws;

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issue, bonus issue, split or consolidation of shares etc; of the Company, the number of above-mentioned Options shall be appropriately adjusted;

RESOLVED FURTHER THAT for the purpose of giving effect to any creation, offer, issue, allotment or listing of shares, the Board be and is hereby authorized, on behalf of the Company, to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit, necessary or desirable for such purpose and with power to sign any documents, deeds, settle any issues, questions, difficulties or doubts that may arise in this regard;

RESOLVED FURTHER THAT that all members of the board of the Company be and are hereby severally authorized to sign Stock option Agreement/ issue grant letter/s and do all such acts, deeds and things for and on behalf of the Company as may be necessary for granting stock options to the eligible employees as may be determined by the Nomination and Remuneration Committee of the Board of Directors of the Company from time to time".

8. To approve Employee Stock Option Plan for employees of the Subsidiary Companies:

To consider and if thought fit to pass with or without modification(s), the following resolution as Special Resolution:

"RESOLVED THAT pursuant to the provisions of section 62 and all other applicable provisions, if any, of the Companies Act, 2013 **("Act")** read along with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 and the provisions of the Securities and Exchange Board of India (Employee share based Employee Benefit) Regulations, 2014 ("the regulations") and such other applicable provisions under of Companies Act 2013 and other applicable laws/ regulations (including any statutory amendment, modification or re-enactment to the Act or the Regulations for the time being in force) and subject to such approvals, permissions, sanctions and in accordance with the Memorandum and Articles of Association of the Company and subject to such conditions and modifications as may be prescribed or imposed by the above authorities and upon receipt of recommendation of the Nomination and Remuneration Committee **("NRC")** and the Board in their respective meetings held on 17th May, 2019, the consent of the Company be and is hereby accorded to the Board to create, offer, issue and allot at any time to or to the benefit of such person(s) who are in permanent employment of the subsidiary Company, present or future, including any Directors of the subsidiary Company, whether whole time or otherwise (excluding promoter directors and Independent Directors), present or future, under a scheme titled ''Onward Employee Stock Option Plan 2019'' (hereinafter referred to as the ''Onward ESOP 2019") such number of equity shares and/or equity linked instruments (including options), and/or any other instruments or securities (hereinafter collectively

Notice *(Contd.)*

referred to as ''Securities") of the Company which could give rise to issue of equity shares not exceeding 35,00,000 (including any securities issued pursuant to the Resolution at item no. 7 & 8 of this notice) at such price, in one or more tranches, and on such terms and conditions as may be fixed or determined by the Board in accordance with the guidelines or other provisions of the law or guidelines issued by the relevant Authority or as may be prevailing at that time;

RESOLVED FURTHER THAT the new equity Shares to be issued and allotted by the Company in the manner aforesaid shall rank pari passu in all respects with the existing Equity Shares of the Company; unless otherwise decided by the Board;

RESOLVED FURTHER THAT the Board be and is hereby authorized to make modifications in the Plan including in any ancillary documents thereto, as it may deem fit, from time to time in its absolute discretion in conformity with the provisions of the Act, the memorandum of association and articles of association of the Company and any other applicable laws;

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issue, bonus issue, split or consolidation of shares etc; of the Company, the number of above-mentioned Options shall be appropriately adjusted;

RESOLVED FURTHER THAT for the purpose of giving effect to any creation, offer, issue, allotment or listing of shares, the Board be and is hereby authorized, on behalf of the Company, to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit, necessary or desirable for such purpose and with power to sign any documents, deeds, settle any issues, questions, difficulties or doubts that may arise in this regard;

RESOLVED FURTHER THAT that all members the board of the Company be and are hereby severally authorized to sign Stock option Agreement/ issue grant letter/s and do all such acts, deeds and things for and on behalf of the Company as may be necessary for granting stock options to the eligible employees as may be determined by the Nomination and Remuneration Committee of the Board of Directors of the Company from time to time"

By the order of the Board of Directors

Harish Mehta
Executive Chairman

Place: Mumbai
Date: May 17, 2019

Registered Office:
Sterling Centre, 2nd Floor,
Dr. A. B. Road, Worli,
Mumbai – 400018.

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Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING ('AGM' OR 'THE MEETING') IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Proxies to be effective, the instrument appointing the proxy (Form MGT-11) should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the commencement of the Meeting.
3. Members/Proxies should fill the Attendance Slip for attending the Meeting and bring their Attendance Slips along with their copy of the Annual Report to the Meeting.
4. In case of Joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote
5. Brief profile and other required information about the Directors proposed to be appointed/re-appointed, as required under Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India as approved by the Central Government, also forms part of this Notice.
6. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the board resolution authorizing their representative to attend and vote on their behalf at the Meeting.
7. The register of members and share transfer books of the Company will remain closed from Friday, 19th July, 2019 to Thursday, 25th July, 2019 (both days inclusive).
8. Dividend on equity shares as recommended by the Board of Directors for the year ended 31st March, 2019, if approved at the Meeting, will be payable to those Members who hold shares:
   i. In dematerialized mode, based on the beneficial ownership details to be received from National Securities Depository Limited and Central Depository Services (India) Limited as at the close of business hours on Thursday, 18th July, 2019.
   ii. In physical mode, if their names appear in the Company's Register of Members after giving effect to all valid transfers in physical form lodged with the Company and / or its registrar and transfer agents on or before Thursday, 18th July, 2019.
9. In order to receive the dividend without loss of time, all the eligible members holding shares in demat mode are requested to update with their respective Depository Participant(s) before Thursday, 18th July, 2019, their correct Bank Account Number, including 9 Digit MICR Code and 11 digit IFSC Code, E-Mail ID and Mobile No(s). Members holding shares in physical form may communicate these details to the Registrar and Share Transfer Agents viz. Link Intime India Pvt. Ltd. at C 101, 247 Park, L B S Marg, Vikhroli (West), Mumbai 400 083, before Thursday, 18th July, 2019 by quoting the reference folio number and attaching a photocopy of the Cheque leaf of their active Bank account and a self-attested copy of their PAN card. This will facilitate the remittance of the dividend amount as directed by SEBI in the Bank Account electronically. Updation of E-mail IDs and Mobile No(s) will enable sending communication relating to credit of dividend, un-encashed dividend, etc.
10. Members who may wish to claim unclaimed dividends are requested to correspond with the Company, at the Company's registered office or the Registrar and Share Transfer Agents, Link Intime India Pvt. Ltd. Members are requested to note that dividends which not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per the provisions of Section 124, Section 125 of the Companies Act, 2013 and rules made thereunder, be transferred to the Investor Education and Protection Fund.

Notice *(Contd.)*

The Bank has uploaded the details of unpaid and unclaimed dividend amounts lying with the Company as on July 20, 2019 (date of last Annual General Meeting) on the website of the Company (www.onwardgroup.com) and also on the website of the Ministry of Corporate Affairs.

11. Members can avail of the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Companies Act, 2013. Members desiring to avail this facility may send their nomination in the prescribed Form No. SH- 13 duly filled, to Link Intime India Pvt. Ltd., Registrar and Transfer Agent of the Company. Members holding shares in electronic form may contact their respective depository participants for availing this facility.

12. Members are requested to address all correspondence pertaining to their securities mentioning either the Folio Number/Client ID or DP ID numbers, as applicable, including any change of address, if any, to the Registrar and Transfer Agent of the Company viz.:
Link Intime India Pvt. Ltd.
C 101, 247 Park, L B S Marg, Vikhroli (West),
Mumbai 400 083.

13. Members seeking any information relating to accounts are requested to write to the Company at an early date to enable the management to keep the required information ready.

14. The certificate from the statutory auditors of the Company certifying that the Company's Employees Stock Option Scheme is being implemented in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and in accordance with the resolutions passed by the members in general Meeting is provided with this annual report and shall be available for inspection by the Members at the Meeting.

15. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Companies (Management and Administration) Rules, 2014, which allows the companies to send documents including annual reports and other intimation by an email. Therefore, members are requested to register their email IDs with the Registrar and Transfer Agent of the Company. The Company is already having email ID of the members holding their shares in Demat through their respective depository participants. The said email ID shall be considered as registered email ID for the said members unless informed otherwise to the company or Registrar and Transfer Agent.

16. The notice of the Meeting and annual report of the Company circulated to the members of the Company by physical or electronic mode will also be made available on the website of the Company at www.onwardgroup.com. Relevant documents referred to in the accompanying notice are open for inspection by the members at the registered office of the Company on all working days between 10.00 A.M. and 12.00 Noon upto the date of the Meeting.

17. Members are requested to register their email IDs with the Company and encourage paper free communications. The Company would send its annual reports and other communications to the members on their registered email IDs. The shareholders may register their email IDs with the Registrar and Transfer Agent – M/s. Link Intime India Private Limited.

18. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in physical form can submit their PAN to the Company / Link Intime India Private Limited.

19. The route map of the venue of the Meeting is also forming part of the Notice. The prominent landmark for the venue is, it is "Near to Tardeo AC Market".

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Remote E-Voting:

20. In terms of the provisions of Section 108 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 as amended from time to time and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is providing to the members facility of voting by electronic means in respect of businesses to be transacted at the Meeting which includes remote e-voting (i.e. voting electronically from a place other than the venue of the Meeting). The Company also proposes to provide the option of voting by means of ballot paper at the venue of Meeting in addition to the remote electronic voting mentioned above. The Company has engaged the services of National Securities Depository Limited (NSDL) for facilitating voting by electronic means.

21. Mr. Nilesh A. Pradhan, Partner of M/s. Nilesh A. Pradhan & Co.,LLP Company Secretaries [Membership Number: FCS 5445; CP Number: 3659] [Address: B-201, Pratik Industrial Estate, Mulund Goregaon Link Road, Next to Fortis Hospital, Nahur (West), Mumbai-400078] has been appointed as the scrutinizer to scrutinize the voting through remote e-voting process and voting process at Meeting in fair and transparent manner.

    The instructions and process for voting electronically by the members are as under:

    How do I vote electronically using NSDL e-Voting system?

    The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

    Step 1 : Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/

    Step 2 : Cast your vote electronically on NSDL e-Voting system.

    Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

    Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company. For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

Notice *(Contd.)*

5. Your password details are given below:

   a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

      (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:

   a) Click on **"Forgot User Details/Password?"**(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b) **Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN,your name and your registered address.

   7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

   8. Now, you will have to click on "Login" button.

   9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.

Notice *(Contd.)*

7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

Other details:

i. Persons who have acquired shares and became members of the Company after the dispatch of the notice of the meeting but before the cut-off date of Thursday, 18th July, 2019, may obtain their user ID and password for e-voting from Company's Registrar and Transfer Agent, Link Intime India Private Limited or from NSDL by sending request on ashok.sherugar@linkintime.co.inor evoting@nsdl.co.in, respectively.

ii. The e-voting period commences on Monday, 22nd July, 2019 [9:00 a.m.] and ends on Wednesday, 24th July, 2019 [5:00 p.m.]. During this period members of the Company, holding shares either in physical form or in dematerialized form, may cast their vote electronically. The e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

iii. In case of any queries, you may refer to the "Frequently Asked Questions (FAQs)" for shareholders and e-voting user manual for shareholders available at the "downloads" section of NSDL website at www.evoting.nsdl.com.

iv. The voting rights of the members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date. In case of joint holders, only such joint holder in the order of names will be entitled to vote.

v. A member shall be allowed to vote only by one method. Where a member has casted his vote by more than one method, the vote casted by remote e-voting shall be considered. Where a member has not casted vote through remote e-voting, he may cast his vote by ballot paper which shall be provided at the venue of the meeting. The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

   The results of the voting will be declared not later than 48 hours from the conclusion of the meeting. The declared results along with the scrutinizer's report will be available on the Company's website at www.onwardgroup.com and on the website of NSDL at www.evoting.nsdl.com and will also be forwarded to the stock exchanges where the Company's shares are listed. Subject to receipt of requisite number of votes, the resolutions set out in the Notice shall be deemed to be passed on the date of the meeting.

Notice *(Contd.)*

ADDITIONAL INFORMATION ON DIRECTORS BEING APPOINTED / RE-APPOINTED AS REQUIRED UNDER REGULATION 36 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARD ON GENERAL MEETINGS ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA:

Particulars	Mrs. Prachi Mehta
Director Identification Number	06811085
Date of Birth	3rd October, 1978
Date of Appointment on Board	27th March, 2015
Brief Resume including experience and qualification	She is a Master in Advertising and Marketing from the Leeds Business School in U.K. along with a Diploma in the functionality in Internet Technologies. She has a rich and varied experience of over 15 years as dedicated employee and a budding entrepreneur.
Expertise in Specific Functional Area	General Management
Directorships held in other Companies	1. Desai Finwealth Investments and Securities Pvt. Ltd. 2. Onward Network Technologies Private Limited 3. Onward Software Technologies Private Limited 4. Onward Properties Private Limited
Memberships/Chairmanships of Committees in other Companies	None
Shareholding in Company as on May 17, 2019	141502 equity shares
Number of Board meetings attended during the year	4/4 Details of her attendance in the Board/Committee meetings are provided in the Corporate Governance Report forming part of Annual Report for FY 2018-19
Terms and conditions of appointment or re-appointment	Non-Executive Non-Independent Director liable to retire by rotation
Remuneration last drawn	Sitting fees as disclosed in report on corporate governance forming part of Annual Report for FY 2018-19

Note: Mrs. Prachi Mehta is daughter of Mr. Harish Mehta, Executive Chairman of the Company and sister of Mr. Jigar Mehta, Managing Director of the Company.

** Membership/Chairmanship in audit and stakeholders' relationship committee is considered.*

Notice *(Contd.)*

EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013

Item 4:

The Shareholders of the Company at the Annual General Meeting held on 18th July, 2016 has approved re-appointment of Mr. Harish Mehta as an Executive Chairman of the Company for a period of five years effective from 16th May, 2016 to 15th May, 2021 through an Special Resolution under the relevant provisions of the Companies Act 2013. Mr. Harish Mehta, Executive Chairman has attained the age of 70 years during his. Now, the Company seeks consent of the members by way of special resolution for continuation of his holding of existing office after the age of 70 years during the currency of their term of appointment under the provisions of Section 196 (3) (a) of the Companies Act, 2013.

The Board therefore recommends the special resolutions for your approval. Except Mr. Harish Mehta and Mr. Jigar Mehta & Mrs. Prachi Mehta (being relatives of the appointee) none of the other Directors or key managerial personnel of the Company or their relatives are concerned or interested, financially or otherwise in Resolution No.4.

Item No. 5

Mr. Harish Mehta aged 72 years Mr. Harish Mehta is the founder of the Onward group. He is an Electrical Engineer from Pune College of Engineering and holds Masters Degree in Computer Science from Brooklyn Polytechnic Institute, NY, USA. He has 45 years of cumulative experience in the Indian Computer Industry and was one of the Chief Architects for realizing the Hinditron – Digital Joint Venture in India and has ably contributed the in the strategic planning & direction of the operations of the company and has personally contributed towards the growth and operations of the Company.

Mr. Harish Mehta was re-appointed as Executive Chairman of the Company with effect from 16th May, 2016 for a period of 5 years.

The Board of Directors at their meeting held on 17th May, 2019 have passed a resolution for revision of the remuneration payable to Mr. Harish Mehta effective 16th May, 2019 till 15th May, 2021, subject to the approval of the Shareholders of the Company, after taking into consideration recommendation of the Nomination and Remuneration Committee of the Board of Directors of the Company.

The Companies (Amendment) Act, 2017 brought changes in the provisions of Section 197 and Schedule V of the Companies Act, 2013 relating to Appointment and Remuneration of Managerial Personnel by removing the requirement of Central Government approval for payment of remuneration in excess of 11% of net profits of the company and also increased the limits of yearly Managerial remuneration in case of no profit or inadequate profit.

The Companies Amendment Act, 2017 replaces the Central Government approval with the requirement of obtaining shareholders' approval through a special resolution. Approval of the shareholders is therefore being sought for the revision of remuneration of Mr. Harish Mehta Executive Chairman of the company as specified in the resolution and for payment of overall managerial remuneration in excess of 11% of net profits of the company computed in accordance with Section 198 of the Companies Act, 2013.

The terms of remuneration as set out in the Resolution are in accordance with the applicable provisions of Companies Act, 2013, Rules made there under read with Schedule V to the Companies Act, 2013. Keeping in view, the vast experience of Mr. Harish Mehta, the Board of Directors has recommended the payment of remuneration for the period from 16th May, 2019 to 15th May, 2021 as set out herein below:

Notice *(Contd.)*

A. Salary, Perquisites and Allowances:

a) Basic salary in the range of Rs 12,00,000 to Rs 15,00,000 per month.

b) Allowances and Perquisites

The Expenditure by the company on hiring fully furnished accommodation or house rent allowance as provided by the company which shall be valued as taxable perquisite as per the prevailing Income Tax Rule.

i. **Reimbursement of Corporate relation Expenses:** He shall be entitled to Re- imbursement of corporate relationship expenses subject to submission of bills.

ii. **Medical Reimbursement:** Medical and hospitalization benefit for self and family by way of reimbursement of expenses actually incurred the total cost of which to the company shall not exceed such amount as decided by the Board of Directors from time to time.

iii. **Leave Travel concession / allowances:** For self and Family once in a year as decided by the Board of Directors from time to time.

iv. **Club Fees:** Entrance Fees including Membership fees and monthly subscription fees payable subject to a Maximum of two clubs as decided by the Board of Directors from time to time.

v. **Life Insurance Policy, Personal accident Insurance and Mediclaim Policy:** Life Insurance Policy, Personal Accident insurance for self and mediclaim cover for self and dependent family members as per the rule of the company.

vi. **Gratuity:** As per the rule of the Company.

vii. **Company's contribution to Provident and Super Annuation fund:** As per the rule of the company.

viii. **Earned /Privilege leave:** As per the rule of the Company.

ix. **Encashment of leave:** As per the rule of the Company.

x. **Company car:** The Company will provide him, a Company owned car with a driver for all his official and personal needs. In this case no commuting Allowance will be paid.

xi. **Telephone/Internet:** The Company shall reimburse rent, taxes and call charges of Telephone/internet charges at his residence. The company shall provide cellular Phone with roaming facility.

xii. **Books and Periodicals:** He shall be entitled to reimbursement of cost of books and periodicals subject to ceiling as decided by the Board of Directors from time to time.

xiii. **Other Privileges:** Such other privileges, facilities, perquisite and amenities as applicable from to time to time to Executive Chairman of the company.

xiv. **Incentives:** Performance based incentive shall be payable on the discretion of the Board up to 5% of the Net Profit of the company.

Your Directors commend the resolution for your approval. Mr. Harish Mehta holds 216528 Equity Shares in the Company. None of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives except Mr. Harish Mehta, Mr. Jigar Mehta and Mrs. Prachi Mehta is concerned or interested in the resolution.

The resolution set out in the accompanying Notice together with this Explanatory Statement is and should be treated as an abstract of the written memorandum executed between the Company and Mr. Harish Mehta under Section 190 of the Act and the same is hereby circulated to the Shareholders of the Company.

Notice *(Contd.)*

Item 6

Mr. Jigar Mehta was appointed as a Managing Director by way of passing ordinary resolution in 25th Annual General Meeting held on 18th July, 2016 for a period of 5 years. The approval of Board of Directors has been accorded for the revision of said remuneration on their meeting held on 17th May, 2019. Now, the Company intends to revise his remuneration which needs approval from shareholders.

The Board of Directors at their meeting held on 17th May, 2019 have passed a resolution for revision of the remuneration payable to Mr. Jigar Mehta effective 16th May, 2019 till 15th May, 2021, subject to the approval of the Shareholders of the Company, after taking into consideration recommendation of the Nomination and Remuneration Committee of the Board of Directors of the Company.

The Companies (Amendment) Act, 2017 brought changes in the provisions of Section 197 and Schedule V of the Companies Act, 2013 relating to Appointment and Remuneration of Managerial Personnel by removing the requirement of Central Government approval for payment of remuneration in excess of 11% of net profits of the company and also increased the limits of yearly Managerial remuneration in case of no profit or inadequate profit.

The Companies Amendment Act, 2017 replaced the Central Government approval with the shareholders' approval through a special resolution. Approval of the shareholders is therefore being sought for the revision of remuneration of Mr. Jigar Mehta, Managing Director of the company as specified in the resolution and for payment of overall managerial remuneration in excess of 11% of net profits of the company computed in accordance with Section 198 of the Companies Act, 2013.

The terms of remuneration as set out in the Resolution are in accordance with the applicable provisions of Companies Act, 2013, Rules made there under read with Schedule V to the Companies Act, 2013. Keeping in view, the vast experience of Mr. Jigar Mehta the Board of Directors has recommended the payment of remuneration for the period from 16th May, 2019 till 17th May, 2021, as set out herein below:

A. Salary, Perquisites and Allowances:

a. **Basic salary** in the range of Rs 300,000 to Rs 6,00,000 per month.

b. **Allowances and Perquisites**

i. The Expenditure by the company on hiring furnished accommodation or House rent Allowance shall be subject to ceiling of 60% of the basic salary. The perquisite value shall be computed in accordance with the Prevailing Income Tax Rule.

ii. **Reimbursement of Corporate relation Expenses:** He shall be entitled to Re- imbursement of corporate relationship expenses subject to submission of bills.

iii. **Medical Reimbursement:** Medical and hospitalization benefit for self and family by way of reimbursement of expenses actually incurred the total cost of which to the company shall not exceed such amount as decided by the Board of Directors from time to time.

iv. **Leave Travel concession / allowances:** For self and Family once in a year as decided by the Board of Directors from time to time.

v. **Club Fees:** Entrance Fees including Membership fees and monthly subscription fees payable subject to a Maximum of two clubs as approved by the Board of Directors from time to time.

vi. **Life Insurance Policy, Personal accident Insurance and Mediclaim Policy:** Life Insurance Policy, Personal Accident insurance for self and mediclaim cover for self and dependent family members as per the rule of the company.

Notice *(Contd.)*

vii. **Gratuity:** As per the rule of the Company.

viii. **Company's contribution to Provident and Super Annuation fund:** As per the rule of the company.

ix. **Earned /Privilege leave:** As per the rule of the Company.

x. **Encashment of leave:** As per the rule of the Company.

xi. **Company car:** Company shall provide him, a Company owned car with a driver for all his official and personal needs. In this case no commuting Allowance will be paid.

xii. **Telephone/Internet:** The Company shall reimburse rent, taxes and call charges of Telephone/internet charges at his residence. The company shall provide cellular Phone with roaming facility.

xiii. **Books and Periodicals:** He shall be entitled to reimbursement of cost of books and periodicals subject to ceiling as decided by the Board of Directors from time to time.

xiv. **Other Privileges:** Such other privileges, facilities, perquisite and amenities as applicable from to time to time to the managing Director of the company.

Incentives: Performance based incentive shall be payable on the discretion of the Board up to 5% of the Net Profit of the company.

Your Directors commend the resolution for your approval. Mr. Jigar Mehta holds 4,26,542 Equity Shares in the Company. None of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives except Mr. Jigar Mehta, Mr. Harish Mehta and Mrs. Prachi Mehta is concerned or interested in the resolution.

The resolution set out in the accompanying Notice together with this Explanatory Statement is and should be treated as an abstract of the written memorandum executed between the Company and Mr. Jigar Mehta under Section 190 of the Act and the same is hereby circulated to the Shareholders of the Company.

Statement required pursuant to provisions of Schedule V of the Act is given hereunder:

I. GENERAL INFORMATION

1. Nature of Industry:

The company carries on the business of Engineering and Designs services, viz; Product Design Solutions, Manufacturing Engineering Solutions, Engineering Simulation, Engineering Change Management. Onward Technologies Limited is a global player in mechanical engineering design and IT consulting services offering a range of services including product design, engineering analysis, engineering documentation and maintenance, and manufacturing solutions, and training for automotive, off highway, aerospace, industrial equipment and consumer goods

2. Date or expected date of commencement of commercial production

The Company is operating in services industry, providing services in engineering and designs and as such there is no date of commencement of commercial production.

3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus Not Applicable

Notice *(Contd.)*

4. **Financial performance based on given indicators:**

   The consolidated sales grew to Rs. 26,220.69 lakhs from 24,921.36 lakhs in the last financial year, a growth of 5.2% over the previous financial year. The EBITDA for the year 2018-19 was at Rs. 2,360.12 Lakhs as compared to Rs. 1,602.44 Lakhs in the last financial year. Operationally the Company continues to invest and grow both in EDS and ITS in India and overseas markets.

5. **Foreign investments or collaborations:**

   The Company has made investments in its subsidiaries abroad namely;

   Onward Technologies, Inc. (North America) Onward Technologies GmbH (Germany)

   Brief details of the above investments are forming part of the annexures to the directors' report provided along with the annual report of the Company.

II. INFORMATION ABOUT THE APPOINTEE:

A. Mr. Harish Mehta:

1. **Background Details:**

   He being appointed as an Executive Chairman of the Company is the founder of Onward Group, having more than 45 years of experience in the technology industry.

2. **Past Remuneration:**

   To ratify the payment of remuneration pursuant to section 197 and 198 of the Companies Act, 2013 and the Rules framed thereunder, read together with Schedule V and other applicable provisions of the Companies Act 2013 with respect to the Financial Year 2018-19 amounting to Rs. 16,801,170 including all the perquisites and expenses given to Mr. Harish Mehta, Executive Chairman.

3. **Recognition and Awards:**

   He is an Electrical Engineer from College of Engineering, Pune and a Masters in Computer Science (EE) from Brooklyn Polytechnic Institute, NY, USA. He co-founded NAASCOM and was honored by Prime Minister of India – Mr. Narendra Modi, for 25 years of exemplary contributions to NASSCOM in March, 2015. He also received the CEO of the year award from N M Institute of Management and TATA HRD Network in the year 1994.

4. **Job Profile and its suitability:**

   He is founder of the Onward Group, responsible for the Company to emerge as a global player in mechanical engineering design and IT consulting services business. He was one of the Chief Architects for realizing the Hinditron - Digital Joint Venture in India, 1986. He started a 50:50 joint ventures with Novell Inc., USA in the year 1993. Novell was world's second largest PC software company at that point in time. Under his leadership Onward-Novell emerged as one of the most successful software joint venture in India.

5. **Remuneration Proposed:**

   Remuneration proposed is explained in the proposed resolution in the notice as well as the explanatory

Notice *(Contd.)*

statement above. Also, remuneration payable shall be for the term of two years and overall ceiling as provided under Section 197 read with Schedule V of the Act or such other limits as may be prescribed from time to time.

6. **Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:**

   Taking into account the size of the Company, industry benchmarks in general, profile, position, responsibilities capabilities and his involvement in the operations of the Company, the proposed remuneration to the appointee is reasonable and in line with remuneration levels in the industry, across the country and befits their position.

7. **Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel:**

   Apart from receiving remuneration from the Company and his shareholding as a promoter, he has no other pecuniary relationship with the company. Further, he is father of Mr. Jigar Mehta, proposed Managing Director and Mrs. Prachi Mehta, Director of the Company.

B. Mr. Jigar Mehta:

Background Details:

He being appointed as Managing Director of the Company joined Onward in 2001 after his graduation from Boston University and has more than 14 years of experience in the technology industry.

Past Remuneration:

To ratify the payment of remuneration pursuant to section 197 and 198 of the Companies Act, 2013 and the Rules framed thereunder, read together with Schedule V and other applicable provisions of the Companies Act 2013 with respect to the Financial Year 2018-19 amounting to Rs. 8,400,016 including all the perquisites and expenses given to Mr. Jigar Mehta, Managing Director.

Recognition and Awards:

He is a Bachelor of Science in Business Administration with concentration in Marketing and Management Information System from Boston University, USA.

Job Profile and its suitability:

He has been responsible for putting both engineering services and IT services, businesses of the Company on the strong footing. In order to be closer to Company's global customers, he opened offices at Frankfurt-Germany, Birmingham-UK, and strengthened and expanded offices at Chicago, Cleveland and Detroit in USA. He strengthened Onwards Human Resources by adding large number of subject matter experts in both engineering services and IT services businesses. He centralized dispersed Onward business operations at Pune into a single world class facility by opening various business centers in and around Kharadi – World Trade Centre area in different locations (including one at Magarpatta) of Pune.

Notice *(Contd.)*

Remuneration Proposed:

Remuneration proposed is explained in the proposed resolution in the notice as well as the explanatory statement above. Also, remuneration payable shall not exceed the term of three years and overall ceiling as provided under Section 197 read with Schedule V of the Act or such other limits as may be prescribed from time to time.

Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:

Taking into account the size of the Company, industry benchmarks in general, profile, position, responsibilities capabilities and his involvement in the operations of the Company, the proposed remuneration to the appointee is reasonable and in line with remuneration levels in the industry, across the country and befits their position.

Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel:

Apart from receiving remuneration from the Company and his shareholding as a promoter, he has no other pecuniary relationship with the company. Further, Mr. Jigar Mehta is son of Mr. Harish Mehta and brother of Mrs. Prachi Mehta, Director of the Company.

OTHER INFORMATION:

To expand globally, both engineering services business and IT services business need continuous investment for years. The Company is in investment mode establishing footprints at global level, induction of strong team of professionals and robust working capital expenditures. Alongside, the Company has made substantial capital investments to strengthen delivery capabilities. The Company sees excellent growth prospects for both revenues as well as profits in coming years as these investments start delivering both the topline and bottom line revenues.

Item No. 7 & 8

Stock options are an effective instrument to align interests of employees with those of a company and provide an opportunity to employees to participate in the growth of the Company, besides creating long term wealth in their hands. This also helps the Company to attract, retain and motivate the best available talent in a competitive environment.

This Company believes in rewarding its employees for their continuous hard work, dedication and support, which has led the Company on the growth path. To this effect, the Company proposes to implement an Employee Stock Option Plan. The main objective of the Plan is to give employees, who are performing well, a certain minimum opportunity to gain from the Company's performance thereby acting as a retention tool and to attract the best talent available in the market.

The Board of Directors **("Board")** of the Company at its meeting held on **17th May, 2019**, approved introduction of the **'Onward Employee Stock Plan 2019 '("Plan")** for the benefit of the present and future employees of the Company including its subsidiary companies, subject to the approval of the members by a special resolution.

The Board has nominated the Nomination and Remuneration Committee to be designated as the Compensation Committee for the administration and superintendence of the Plan in accordance with the Companies Act 2013 and the rules made thereunder. Approval of the members is being sought for the issue of Stock Options to the Eligible Employees of the Companies as may be determined by the Nomination and Remuneration Committee of the Company.

The disclosures as required by the Regulations are as follows:

1. **Total number of Options to be granted:** Up to 875,000 options will be available for being granted to eligible employees and directors of the Company and its subsidiary companies under the "Onward Employee Stock Option Plan 2019". Each option consists of 4 equity shares of Rs.20 per share having face value 10 per share issued at premium of Rs. 10 per share.

Notice *(Contd.)*

2. **Classes of employees entitled to participate in the Plan:** All permanent employees of the Company and the subsidiary Companies in such grade as approved by the Nomination and Remuneration Committee including Directors as may be decided by the Nomination and Remuneration Committee from time to time, would be entitled to participate in Onward ESOP 2019.

3. **Requirements of Vesting and period of Vesting:** The vesting period shall commence on the expiry of one year from the date of grant of the options to the employees and could extend up to a period as may be decided by the Nomination and Remuneration Committee.

4. **Maximum period within which the option shall be vested: -**

   It shall be decided by the Nomination and Remuneration Committee

5. **Exercise Price or pricing formula:** The Exercise Price shall be Rs.20 per share having face value 10 per share issued at premium of Rs. 10 per share.

6. **Exercise Period and process of exercise:** The exercise period shall be a period commencing from the date when an option vests for conversion till the completion of 12 months from the date of vesting of options. The options will be exercisable by the Employees by a written application to the Company to exercise the options in such manner, and on execution of such documents, as may be prescribed by the Compensation Committee from time to time. The options will lapse if not exercised within the specified exercise period of 12 months.

7. **Appraisal process for determining the eligibility of the employees:** The process for determining the eligibility of the employees will be specified by the Nomination and Remuneration Committee and will be based on designation, period of service, band, performance linked parameters such as work performance and such other criteria as may be determined by the aforesaid Committee at its sole discretion, from time to time.

8. **Maximum number of options to be granted per employee and in aggregate:** The Maximum number of options to be granted to an eligible employee will be determined by the Nomination and Remuneration Committee on case to case basis. The Nomination and Remuneration Committee shall have all the powers to take necessary decisions for effective implementation of the ESOP Scheme 2019. In terms of the provisions of the ESOP Regulations, ESOP Scheme 2019 is required to be approved by the members by passing of special resolution.

9. **Disclosure and Accounting Polices:** The Company shall comply with the disclosure and the accounting policies prescribed by SEBI and other concerned Authorities.

   ESOP Regulations also require separate approval of members by way of special resolution to grant stock options to the employees of subsidiary companies. Accordingly, a separate resolution under item no.8 is proposed to extend the benefits of the Plan 2019 to the employees of subsidiary company(ies) as may be decided by the Nomination and Remuneration Committee from time to time under Applicable Laws.

10. **The method which the Company shall use to value its option:**

    The Company shall follow the intrinsic value method for calculation of employee compensation cost with respect to the options to be issued under the Onward ESOP 2019.

    The difference between the employee compensation cost computed and the employee compensation cost that shall have been recognized if it has used the fair value of the options shall be disclosed in the Directors' Report. The impact of this difference on profits and on the earning per share of the Company shall also be disclosed in the Directors' Report.

Notice *(Contd.)*

11. Conditions under which option vested in employees may lapse

The conditions under which Employee Stock Option vested in employees may lapse in case of termination of employment for misconduct.

The exercise period within which the Employee should exercise the Employee Stock Option and that Employee Stock Option would lapse on failure to exercise the option within the exercise period.

In the event of retirement of an Option grantee at the instance of or with consent of the Company the Option grantee will continue to hold all vested Options and can exercise them anytime within the exercise period. All unvested Options shall vest as per the vesting schedule. The Options can be exercised at any time within the exercise period. The above is applicable provided the option grantee is not in full time employment with any corporate entity, firm etc.

The Nomination & Remuneration Committee shall have all the powers to take necessary decisions for effective implementation of the Plan. In terms of the provisions of the Regulations, Plan is required to be approved by the members by passing of special resolution.

None of the Directors or Key Managerial Personnel of the Company including their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution(s) except to the extent of the stock options that may be granted to them as per the proposed resolutions set out at Item No. 7and 8 above.

The Board recommends passing of the resolutions as set out under Item No. 7and 8 of the Notice for approval of the members as a special resolution.

By the order of the Board of Directors

Harish Mehta
Executive Chairman

Place: Mumbai
Date: 17th May, 2019

Registered Office:
Sterling Centre, 2nd Floor,
Dr. A. B. Road, Worli,
Mumbai – 400018.

Notes

CIN: L28920MH1991PLC062542
Regd. Office: Sterling Centre, 2nd Floor, Dr. A.B. Road, Worli Mumbai - 400018
Tel.: +91 (22) 24926570 Fax: +91 (22) 24926549 **Website:** www.onwardgroup.com
Email: info@onwardgroup.com

ATTENDANCE SLIP

Folio No... DP ID.. Client ID...

Name of Member...

Name of Proxy holder...

Number of Shares Held...

I hereby record my presence at the 28TH ANNUAL GENERAL MEETING of ONWARD TECHNOLOGIES LIMITED held on **Thursday, 25th July, 2019 at 03:00 P. M.** at The Victoria Memorial School for the Blind, 73, Tardeo Road, Mumbai 400034.

____
Signature of Member/Proxy

Notes:
(1) Members/Proxy-holders are requested to produce the attendance slip duly signed for admission to the Meeting hall.
(2) Members are requested to bring their copy of Annual Report for reference at the Meeting.

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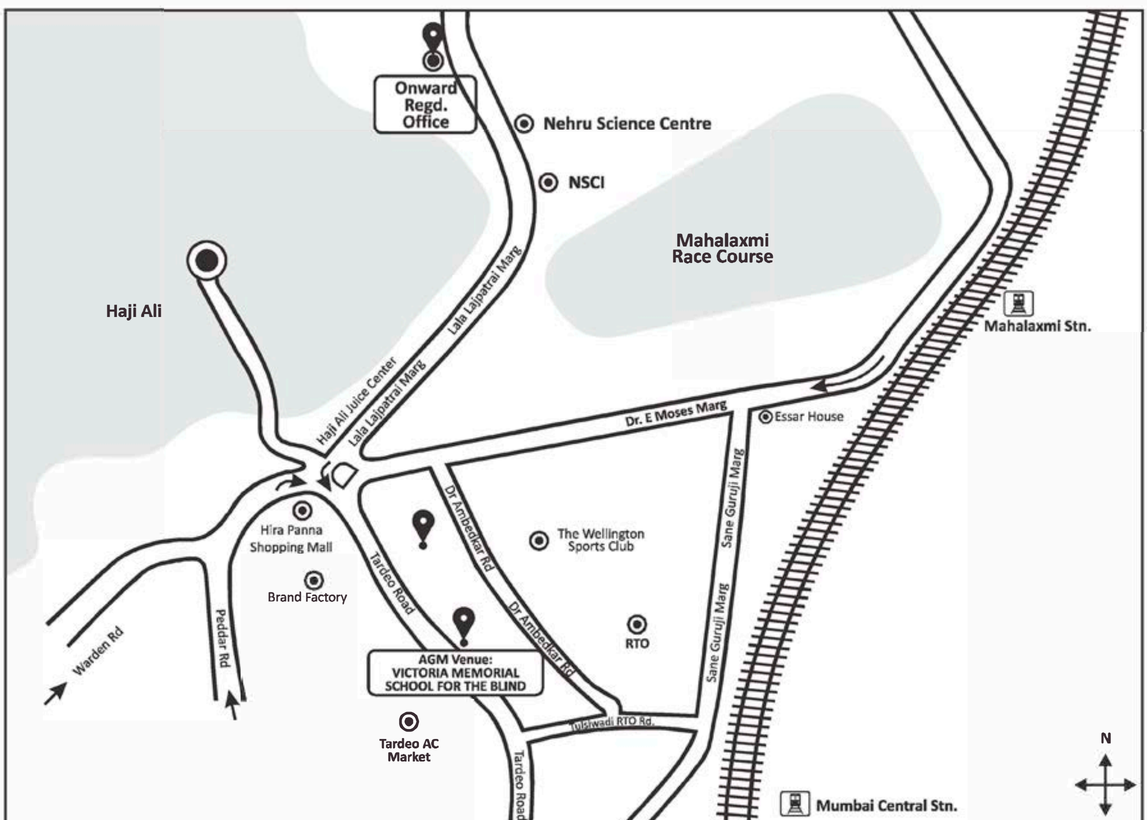
ROUTE MAP OF THE VENUE OF ANNUAL GENERAL MEETING*
Venue: The Victoria Memorial School for the Blind, 73, Tardeo Road, Mumbai 400034



*Sites, places and Locations described in the above route map are just indicative and for reference purpose of the viewers. The same does not claim be actual geographical indications situated thereat.

onward TECHNOLOGIES LIMITED.

CIN: L28920MH1991PLC062542
Regd. Office: Sterling Centre, 2nd Floor, Dr. A.B. Road, Worli Mumbai - 400018
Tel.: +91 (22) 24926570 Fax: +91 (22) 24926549 **Website:** www.onwardgroup.com
Email: info@onwardgroup.com

PROXY FORM

Form No. MGT-11

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the Member(s)		
Registered Address:		
E-mail Id:		
*DP Id. / Client Id.		Regd. Folio No.:

(* Applicable for members holding share(s) in electronic form)

I / We, being the member(s) of .... shares of the above-named company, hereby appoint:

(1) Name: .... Address: ....

E-mail Id .... Signature .... or failing him

(2) Name .... Address: ....

E-mail Id .... Signature.. or failing him

(3) Name: .... Address: ....

E-mail Id .... Signature..

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **28th Annual General Meeting** of the Company, to be held on **Thursday, 25th July, 2019 at 03.00 P. M**., at **The Victoria Memorial School for the Blind, 73, Tardeo Road, Mumbai 400034,** and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution no.	Matter of Resolution	No. of Shares	For	Against
1 (a)	Adoption of the Audited Financial Statements of the Company for the financial year ended 31st March 2019, together with the Reports of the Board of Directors and the Auditors thereon			
(b)	Adoption of Audited Consolidated Financial Statements of the Company for the financial year ended 31st March 2019, together with the Report of the Auditors thereon			
2	Declaration of Dividend for the year ended 31st March,2019,			
3	Appointment of Director in place of Mrs. Prachi Mehta (DIN: 06811085), who retires by rotation and being eligible, offers herself for re-appointment . rotation and, being eligible, offers himself for re-appointment			
4	To continue office of Mr. Harish Mehta, as Executive Chairman who is above 70 years of age.			
5	Revision of remuneration of Mr. Harish Mehta (DIN: 00153549), Executive Chairman of the Company			
6	Revision of remuneration of Mr. Jigar Mehta (DIN: 06829197), Managing Director of the Company			
7	Create, offer, issue and allot options under Employee Stock Option Plan			
8	Employee Stock Option Plan for employees of the Subsidiary Companies			

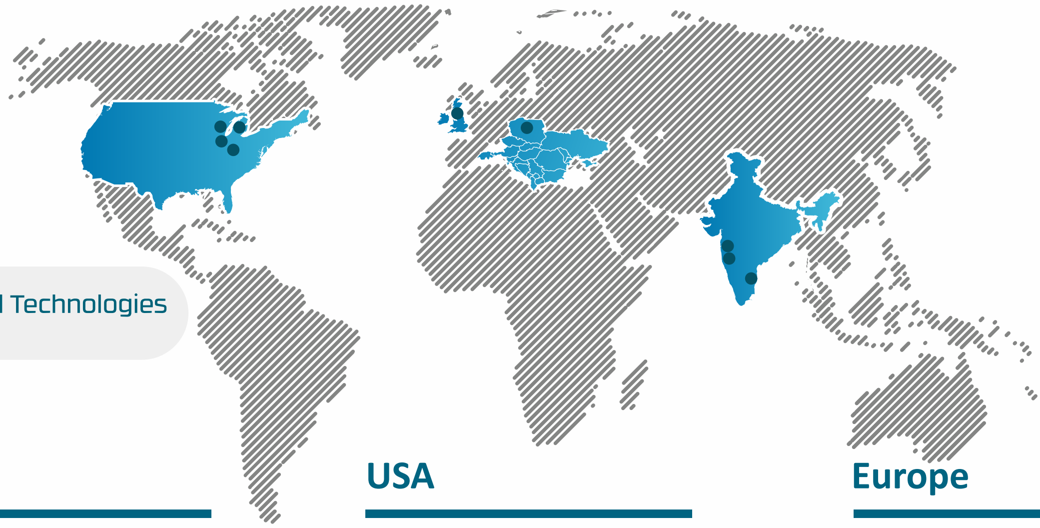
Signed this __________________ day of __________________ , 2019

Affix Rs. 1 Revenue Stamp

___________________________ Signature of the Shareholder(s)

_________________________ Signature of Proxy holder(s)

Note: *This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting. It is optional to put a (√) in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate*



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Mumbai - 400018.

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SEEPZ, Andheri (East),
Mumbai - 400096

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World Trade Centre (WTC) Tower II,
Office No 201 & 202, Kharadi,
Pune - 411014

Pune
Onward Technologies Ltd.
Almonte IT Park,
5th Floor, Kharadi,
Pune - 411014

Pune
Onward Technologies Ltd.
E-Space IT Park,
Building # A3, 3rd Floor,
Pune Nagar Road,
Pune - 411014

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Trust | Integrity | Accountability | Confidentiality

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