Onward Technologies Inc
(All amounts in INR lakhs, unless otherwise stated)

Balance sheet as on March 31, 2019

	Notes	March 31, 2019	March 31, 2018
ASSETS			
I. Non-current assets			
Property, plant and equipment	3	115.53	129.20
Intangible assets	4	0.35	0.48
Financial assets			
(a) Loans	5	24.50	28.79
Income-tax assets (net)	11(b)	47.25	-
Other Non-Current Assets	6	9.96	-
Total non-current assets		**197.59**	**158.47**
II. Current assets			
Financial assets			
(a) Trade receivables	7	1,473.11	1,418.74
(b) Cash and cash equivalents	8	173.08	302.73
(c) Contract assets	9	13.17	12.52
Other current assets	10	319.77	232.51
Total current assets		**1,979.13**	**1,966.50**
Total Assets		**2,176.71**	**2,124.97**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	12 (a)	1,048.53	1,048.53
Other equity			
Reserves & Surplus	12 (b)	621.56	704.29
Other reserves	12 (b)	100.63	(18.24)
Total Equity		**1,770.72**	**1,734.58**
LIABILITIES			
I. Non-Current liabilities			
Deferred Tax Liabilities	11 (a)	30.07	33.52
Total non-current liabilities		**30.07**	**33.52**
II. Current liabilities			
Financial liabilities			
(a) Trade and other payables	13	50.37	39.95
(b) Other financial liabilities	14	69.83	81.56
Current tax liabilities	11 (b)	-	32.83
Other current liabilities	15	255.72	202.53
Total current liabilities		375.92	**356.87**
Total Liabilities		**405.99**	**390.39**
Total Equity and Liabilities		**2,176.71**	**2,124.97**

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

This is the Balance Sheet referred to in our report of even date.

Onward Technologies Inc
(All amounts in INR lakhs, unless otherwise stated)

Statement of profit and loss for the year ended March 31, 2019

	Notes	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from operations	16	10,025.47	10,317.19
Other Income	17	169.65	211.15
Total Income		**10,195.12**	**10,528.34**
Expenses			
Employee benefits expense	18	6,864.47	6,828.61
Finance costs	19	37.43	73.42
Depreciation and amortisation expense	20	36.91	42.07
Other expenses	21	3,092.97	3,368.08
Total Expenses		**10,031.78**	**10,312.18**
Profit before tax		**163.34**	**216.16**
Income tax expense			
Current tax	11(b)	43.88	119.84
Deferred tax	11(a)	(5.78)	(29.36)
Short/ (Excess) provision for current tax in respect of earlier year(s)	11(b)	-	-
Total tax expense		**38.10**	**90.48**
Profit for the year		**125.24**	**125.68**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Exchange differences on foreign operations		118.87	1.96
Remeasurement of post-employment benefit obligations	12(b)		
Income tax relating to these items	12(b)	-	-
		118.87	1.96
Total other comprehensive income for the year, net of tax		**118.87**	**1.96**
Total comprehensive income for the year (net)		**244.11**	**127.64**
Earnings per share	22		
Basic and dilutive		109.86	110.24

The accompanying notes are an integral part of these financial statements.

This is the Statement of Profit and Loss referred to in our report of even date.

Onward Technologies Inc.
(All amounts in INR lakhs, unless otherwise stated)

Statement of changes in equity

A Equity share capital

	Notes	
As at April 1, 2017		951.70
Change in equity share capital	11	-
As at March 31, 2018		**951.70**
Change in equity share capital	11	-
As at March 31, 2019		**951.70**

B Other Equity

	Note	Retained Earnings	Foreign Currency Translation Reserve	Total
As at April 1, 2017		**578.61**	**(20.20)**	**558.41**
Profit for the year		125.68	-	125.68
Other Comprehensive Income		-	1.96	1.96
Total comprehensive income for the year		**125.68**	**1.96**	**127.64**
As at March 31, 2018		**704.29**	**(18.24)**	**686.05**
Profit for the year		125.24	-	125.24
Other Comprehensive Income		-	118.87	118.87
Total comprehensive income for the year		**125.24**	**118.87**	**244.11**
Transactions with owners in their capacity as owners:				
Dividends paid		(207.97)	-	(207.97)
As at March 31, 2019		**621.56**	**100.63**	**722.19**

The above statement of changes in equity should be read in conjuction with the accompanying notes.

This is the statement of changes in equity referred in our report of even date.

Onward Technologies Inc
(All amounts in INR lakhs, unless otherwise stated)

Statement of cash flows for the year ended March 31, 2019

	Year Ended March 31, 2019	Year Ended March 31, 2018
A) Cash flows from operating activities		
Profit before income tax	163.34	216.16
Adjustments to reconcile profit before tax to net cash flows		
Add: Depreciation and amortisation expense	36.91	42.07
Add: Finance cost	37.43	73.42
Operating profit before working capital changes	**237.68**	**331.64**
Working capital adjustments		
(Increase) / Decrease in Trade Receivables	15.14	590.34
(Increase) / Decrease in Contract assets	(0.03)	(7.68)
Proceeds from loan and advances granted	5.44	2.28
(Increase) / Decrease in Other assets	(81.66)	(171.34)
Increase / (Decrease) in Trade Payables	12.79	(10.44)
Increase / (Decrease) in Other liabilities	65.26	58.56
Increase / (Decrease) in Other financial liabilities	(8.26)	26.88
Cash generated from operations	**246.37**	**820.25**
Income taxes paid (net of refunds received)	(123.95)	(78.37)
Net cash inflow from operating activities	**122.42**	**741.88**
B) Cash flows from investing activities		
Payments for property, plant and equipment	(14.83)	(12.13)
Proceeds from sale of property, plant and equipment	-	9.31
Net cash flows used in investing activities	**(14.83)**	**(2.82)**
C) Cash flows from financing activities		
Intercorporate deposits repaid during the year		
Interest paid	(37.43)	(73.42)
Payment of Dividend	(207.97)	-
Net cash flows used in financing activities	**(245.40)**	**(73.42)**
Net increase / (decrease) in cash and cash equivalents	(137.81)	665.64
Cash and cash equivalents at the beginning of the year	302.73	(364.52)
Effect of foreign exchange on cash and cash equivalents	8.17	1.61
Cash and cash equivalents at the end of the year	**173.08**	**302.72**

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

	March 31, 2019	March 31, 2018
Cash and cash equivalents (Note 8)	173.08	302.73
Balances as per statement of cash flows	**173.08**	**302.73**

This is the Cash Flow Statement referred to in our report of even date.

Onward Technologies Inc.
Notes to Financial Statements
(All amounts in INR lakhs, unless otherwise stated)

3 Property, Plant and Equipment

Particulars	**Leasehold Improvements**	**Furniture & Fixtures**	**Office Equipment**	**Computers**	**Total**
Opening gross carrying amount as on April 1, 2017	**53.79**	**108.48**	**9.60**	**17.43**	**189.30**
Additions	-	2.61	1.55	5.01	9.17
Disposals	-	(17.66)	(0.06)	(1.26)	(18.98)
Gross carrying amount as on March 31, 2018	**53.79**	**93.43**	**11.09**	**21.18**	**179.49**
Accumulated depreciation	**1.86**	**14.12**	**1.30**	**7.68**	**24.96**
Charge for the year	7.13	17.90	2.43	7.54	35.00
Disposals	-	(8.61)	(0.03)	(1.03)	(9.67)
Closing accumulated depreciation as at March 31, 2018	**8.99**	**23.41**	**3.70**	**14.19**	**50.29**
Net carrying amount as on March 31, 2018	**44.80**	**70.02**	**7.39**	**6.99**	**129.20**

Particulars	**Leasehold Improvements**	**Furniture & Fixtures**	**Office Equipment**	**Computers**	**Total**
Opening gross carrying amount as on April 1, 2018	**53.79**	**93.43**	**11.09**	**21.18**	**179.49**
Additions	-	9.81	1.06	3.08	13.95
Effects of Changes in Foreign Exchange rate	(0.08)	(0.37)	1.54	8.25	9.34
Gross carrying amount as on March 31, 2019	**53.71**	**102.87**	**13.69**	**32.51**	**202.78**
Accumulated depreciation	**8.99**	**23.41**	**3.70**	**14.19**	**50.29**
Charge for the year	7.75	16.76	2.80	7.49	34.80
Effects of Changes in Foreign Exchange rate	0.53	0.76	0.20	0.68	2.17
Closing accumulated depreciation as at March 31, 2019	**17.27**	**40.93**	**6.70**	**22.36**	**87.26**
Net carrying amount as on March 31, 2019	**36.44**	**61.94**	**7.00**	**10.15**	**115.53**

Notes:
1 Refer to note 23 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

Onward Technologies Inc.
Notes to Financial Statements
(All amounts in INR lakhs, unless otherwise stated)

4 Intangible Assets

Particulars	Computer Software	Total
Opening gross carrying amount as on April 1, 2017	**16.12**	**16.12**
Additions	2.96	2.96
Disposals	(0.18)	**(0.18)**
Gross carrying amount as on March 31, 2018	**18.90**	**18.90**
Accumulated Amortisation		-
Balance as at April 1, 2017	11.38	11.38
Charge for the year	7.07	7.07
Disposals	(0.03)	(0.03)
Closing accumulated depreciation as at March 31, 2017	**18.42**	**18.42**
Net carrying value as on March 31, 2018	**0.48**	**0.48**

Particulars	Computer Software	Total
Opening gross carrying amount as on April 1, 2018	**18.90**	**18.90**
Additions	-	-
Disposals	-	-
Effects of Changes in Foreign Exchange rate	2.86	2.86
Gross carrying amount as on March 31, 2019	**21.76**	**21.76**
Accumulated Amortisation		-
Balance as at April 1, 2018	18.42	18.42
Charge for the year	2.11	2.11
Disposals	-	-
Effects of Changes in Foreign Exchange rate	0.88	0.88
Closing accumulated depreciation as at March 31, 2019	**21.41**	**21.41**
Net carrying value as on March 31, 2019	**0.35**	**0.35**

Onward Technologies Inc.
Notes to Financial Statements

5 Loans Non-current

	As at March 31, 2019	As at March 31, 2018
Security Deposits	24.50	28.79
Total	**24.50**	**28.79**

6 Other non-current assets

	As at March 31, 2019	As at March 31, 2018
Prepaid Expenses	9.96	-
Total	**9.96**	**-**

7 Trade receivable

	As at March 31, 2019	As at March 31, 2018
Unsecured		
Trade Receivables	1,473.11	1,299.35
Receivables from related parties (Refer Note 29)	-	119.39
Less: Allowance for doubtful debts	-	-
Total	**1,473.11**	**1,418.74**

8 Cash and cash equivalents

	As at March 31, 2019	As at March 31, 2018
Balances with banks		
In current accounts	173.08	302.73
Total	**173.08**	**302.73**

9 Contract assets

	As at March 31, 2019	As at March 31, 2018
Contract assets	13.17	12.52
Total	**13.17**	**12.52**

10 Other current assets

	As at March 31, 2019	As at March 31, 2018
Prepaid expenses	37.91	68.59
Advance to Supplier (Related Party)	281.86	163.92
Total	**319.77**	**232.51**

Onward Technologies Inc.
Notes to Financial Statements
(All amounts in INR lakhs, unless otherwise stated)

11 (a) Deferred tax assets

The balance of deferred tax comprises temporary differences attributable to:

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred tax asset		
Net Operating Losses	1.62	1.44
Others	0.50	-
	2.12	**1.44**
Deferred tax liability		
Plant property & equipment	32.19	34.96
	32.19	**34.96**
Total deferred tax assets/ (liabilities) (net)	**(30.07)**	**(33.52)**

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
Net Operating Losses	0.09	(0.76)
Others	0.51	-
Plant property & equipment	5.18	30.12
Total	**5.78**	**29.36**

11 (b) Income Taxes

Income tax liabilities / (Income tax assets)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Opening Balance		
- Current tax liabilities	32.83	1.94
- Income tax assets	-	10.89
Less : Current tax payable for the year	43.88	119.84
Add/ (Less) : Refund Received/ (Taxes paid)	(127.00)	(78.37)
On account of Exchange differences on translation of foreign operations transferred to OCI	(3.04)	(0.31)
Closing balance		
- Current tax liabilities	-	32.83
- Income tax assets	47.25	-

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

Income Tax Expenses

Particulars	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	43.88	119.84
Deferred tax	(5.78)	(29.36)
Income tax expense reported in the statement of profit or loss	**38.10**	**90.48**

Reconciliation of tax expense and accounting profit multiplied by

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

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Accounting profit/ (loss) before tax	163.34	216.16
Tax @ 21%	34.30	45.39
Tax Effects of amounts which are not deductible (taxable) in calculating taxable income	13.76	18.89
Others	(9.97)	26.20
Total Tax expense	**38.09**	**90.48**

Onward Technologies Inc.
Notes to Financial Statements
(All amounts in INR lakhs, unless otherwise stated)

12 (a) Equity Share capital

	As at March 31, 2019	As at March 31, 2018
Issued, subscribed and Paid up :		
Share Capital	951.70	951.70
Total	**951.70**	**951.70**

(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 and end of the year (Nos.)	1,14,000	1,14,000

(ii) Reconciliation of issued equity share capital

	As at March 31, 2019	As at March 31, 2018
Onward Technologies Limited	951.70	951.70
Equity Contribution by holding company in the nature of employee stock option	96.83	96.83
Shares outstanding at the end of the year	**1,048.53**	**1,048.53**

(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 USD 20/-. 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, after distribution of all preferential amounts. However, no such preferential amount exists currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iv) Shares held by holding Company/ ultimate holding Company and/ or their subsidiaries/ associates

	As at March 31, 2019	As at March 31, 2018
Onward Technologies Limited	1,14,000	1,14,000
	1,14,000.00	1,14,000.00

(v) 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 Technologies Limited	**100%**	1,14,000	**100%**	1,14,000

12 (b) Other Equity

(a) Reserves and surplus

	As at March 31, 2019	As at March 31, 2018
Retained earnings		
Opening balance	704.29	578.61
Net profit for the year	125.24	125.68
	829.53	**704.29**
Less: Dividend paid	207.97	-
Closing Balance	**621.56**	**704.29**
Total Reserves and surplus	**621.56**	**704.29**

(b) Other reserves

	As at March 31, 2019	As at March 31, 2018
Foreign currency translation reserve		
Opening balance	(18.24)	(20.20)
Gain on translation of foreign currency balances	118.87	1.96
Closing Balance	**100.63**	**(18.24)**
Total Other Reserves	**100.63**	**(18.24)**

13 Trade Payables

	As at March 31, 2019	As at March 31, 2018
Total outstanding dues of creditors		
(i) Other than related party	50.37	39.95
Total	**50.37**	**39.95**

14 Other financial liabilities - current

	As at March 31, 2019	As at March 31, 2018
Accrued Interest Payable	0.82	0.99
Other Payable to Holding Company	69.01	80.57
Total	**69.83**	**81.56**

15 Other Current liabilities

	As at March 31, 2019	As at March 31, 2018
Dues to Employees	255.72	202.53
Total	**255.72**	**202.53**

(All amounts in INR lakhs, unless otherwise stated)

16 Revenue from operations

	Year ended March 31, 2019	Year ended March 31, 2018
Sale of services		
- Professional and Consultancy services	10,025.47	10,317.19
Total	**10,025.47**	**10,317.19**

a) Contract assets - Unbilled revenue

	Year Ended March 31, 2019
Amount as on April 01, 2018	12.52
Changes on account of	
Invoice raised during the year	(12.52)
Work performed, invoice to yet to be raised	13.17
Impairment	-
Total	**13.17**

17 Other income

	Year ended March 31, 2019	Year ended March 31, 2018
Marketing Fees received	169.65	211.15
Total	**169.65**	**211.15**

18 Employee benefits expense

	Year ended March 31, 2019	Year ended March 31, 2018
Salaries and wages	6,660.58	6,613.88
Social security and other benefit plans for overseas employees	166.18	159.92
Employee share based payment expense charged by Holding Company	26.41	39.83
Staff welfare expenses	11.30	14.98
Total	**6,864.47**	**6,828.61**

19 Finance costs

	Year ended March 31, 2019	Year ended March 31, 2018
Interest on borrowings	16.99	32.68
Corporate Guarantee commission	20.44	40.74
Total	**37.43**	**73.42**

20 Depreciation and amortization expense

	Year ended March 31, 2019	Year ended March 31, 2018
Depreciation on property, plant and equipment	34.80	35.00
Amortisation of intangible assets	2.11	7.07
Total	**36.91**	**42.07**

21 Other expenses

	Year ended March 31, 2019	Year ended March 31, 2018
Rent	150.08	170.55
Leasing and hiring charges	3.41	-
Communication	26.90	27.52
Rates and taxes	19.62	5.01
Insurance	42.41	42.89
Repairs and maintenance		
- Others	5.62	-
Travelling and conveyance	173.17	197.60
Legal and Professional Charges	156.74	185.45
Subcontracting Expenses	2,260.03	2,559.59
Office Expenses	15.50	19.07
Management Fees	170.19	123.42
Recruitment Fees	8.17	-
Marketing Expenses	53.55	23.34
Miscellaneous Expenses	7.58	13.64
Total	**3,092.97**	**3,368.08**

22 Earnings per share (EPS)

	Year ended March 31, 2019	Year ended March 31, 2018
Net Profit attributable to Equity Shareholders of the Company	125.24	125.68
Weighted average number of Equity Shares		
- Basic and Diluted	1,14,000	1,14,000
Basic/Diluted Earnings per share (Rs.)	**109.86**	**110.24**

23 Contingencies and commitments

a) Lease commitments

Operating lease: Company as lessee

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	150.08	170.55
Within one year	87.28	127.24
Later than one year but not later than five years	136.47	104.41

Onward Technologies Inc.
Notes to Financial Statements
(All amounts in INR lakhs, unless otherwise stated)

24 Related party transactions
Name of the related parties and nature of relationship
(i) where control exists :

a. Holding Company
Onward Technologies Limited

b. Fellow Subsidiaries:
Onward Technologies GmBH
Onward eServices Limited
Onward Properties Private Limited

c. Key Management Personnel:
1 Mr. Harish Mehta (Executive Chairman)
2 Mr. Jigar Mehta (Managing Director)

Transactions with related parties:

I

Name of the related party and nature of relationship	Nature of transaction	Year ended March 31, 2019	Year ended March 31, 2018
A. Holding Company			
Onward Technologies Limited, India	Subcontracting Expenses	2,260.03	2,559.59
	Management Fees charged by Holding Company	170.19	123.42
	Reimbursement of expenses received	21.00	95.58
	Marketing fees charged to Holding Company	169.65	211.15
	Recruitment Fees charged by Holding Company	8.17	-
	Corporate Guarantee Commission charged by Holding Company	20.44	40.74
	Expenses Incurred on behalf of holding Company	10.73	-
	Dividend Paid	207.97	-
	ESOP charges by Holding Company	26.41	39.83

II Outstanding Balances from sale/ purchase of goods and services

Particulars	As at March 31, 2019	As at March 31, 2018
A. Other Payable		
Onward Technologies Limited, India	69.01	80.57
Total	**69.01**	**80.57**
B. Advance Given		
Onward Technologies Limited, India	281.86	163.92
Total	**281.86**	**163.92**

(All amounts in INR lakhs, unless otherwise stated)

25 Segment reporting

(a) Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The board of directors of Onward Technologies Limited (Holding company) have been identified as the chief operating decision maker. The Group has organised its operating segments based on service groupings. These operating segments have been aggregated into one reportable business segment: 'Engineering and Design services'.

(b) The performance of the Company is driven by sales made locally and hence, no separate geographical segment is identified. Thus, revenue from external customers, carrying amount of segment assets and additions to fixed assets during the year are all as reflected in the financial statements as of and for the year ended March 31, 2019.

26 Fair value measurements

Financial instruments by category

	March 31, 2019		March 31, 2018	
	FVPL	**Amortised cost**	**FVPL**	**Amortised cost**
Financial assets				
Loans	-	24.50	-	28.79
Trade receivables	-	1,473.11	-	1,418.74
Cash and cash equivalents	-	173.08	-	302.73
Contract assets	-	13.17	-	12.52
Total financial assets	**-**	**1,683.86**	**-**	**1,762.78**
Financial liabilities				
Trade payables	-	50.37	-	39.95
Other payables	-	69.83	-	81.56
Total financial liabilities	**-**	**120.20**	**-**	**121.51**

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.

(All amounts in INR lakhs, unless otherwise stated)

27 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 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 past experience of negligible/ minimal write-offs.

(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
Trade Payables	50.37	
Other Payables	69.83	
Total	**120.20**	**-**

March 31, 2018	< 1 year	> 1 year
Trade Payables	39.95	
Other Payables	81.56	
Total	**121.51**	**-**

(C) Market risk

I) 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.

Company does not have any borrowings as on Balance sheet date.

28 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.

29 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 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.

Onward Technologies Inc.
Notes to the financial statements
(All amounts are in INR lacs, unless otherwise stated)

Background: Onward Technologies Inc. ("the Company") is engaged in providing engineering design services. The Company has its office and operates in USA.

I. 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

These financial statements are prepared by the Management, solely for the purpose of Onward Limited, for preparation of its consolidated financial statements. These financial statements are not the statutory financial statements of the Company and are not prepared in accordance with and does not include all the information required to be disclosed under Schedule III of The Companies Act 2013 (The Act').

(i) Compliance with Ind AS

The 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.

(ii) Historical cost convention

The 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

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 is the Company's Managing Director. Refer note 25 for segment information presented.

(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 presentation currency, and US Dollar (USD) is functional 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 has recognized 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.

Revenue recognition policy

The Company derives revenue primarily from engineering design services and referral fees. 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 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 referral fees:

Revenue from the referral fees is recognized at point in time on recruitment of the employee. Revenue is booked when the employee joins the organization in which he is recruited.

(e) 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 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.

(f) 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.

(g) 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.

(h) 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.

(i) 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.

(j) 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.

(k) 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 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.

(l) 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.

(m) 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 for the year has been provided on straight line basis over the useful life of the assets as prescribed. Depreciation is provided on pro-rata basis on assets acquired, sold and discarded during the year.

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

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.

Class of asset	Estimated economic useful life in years
Computers & networking	5 years
Furniture and fixtures, Office Equipments	5 to 7 years

(n) 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 3 years

(o) 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.

(p) 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.

(q) 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.

(r) 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.

(iii) Post employment obligations and pension plans

The Company has Defined Contribution Plan for Post-employment benefits for all employees in the form of 401(k) Fund and Social Security Fund. This fund is classified as defined contribution plan. Under a defined contribution plan, the Company's only obligation is to pay a fixed amount with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. The related actuarial and investment risks fall on the employee. The expenditure for defined contribution plans is recognized as an expense during the period when the employee provides service.

(s) 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.

(t) 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.

(u) Rounding of amounts:

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