

Date: June 22, 2020

To

Bombay Stock Exchange Limited Phiroz Jeejeebhoy Towers, Dalal Street, Mumbai – 400023	National Stock Exchange of India Ltd., Plot No. C/1 'G' Block Bandra – Kurla Complex Bandra East, Mumbai 400051
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Ref: Scrip Code: BSE: 517536 NSE: ONWARDTEC

Sub: Submission of Annual Report of the Company for the financial year 2019-20.

Dear Sir/Madam,

Pursuant to the provisions of Regulation 34(1) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, read with amendments thereto, please find enclosed the copy of Annual Report of the Company for the financial year ended March 31, 2020 along with Notice convening the 29th Annual General Meeting of the Company and the same will be circulated to the shareholders through electronic mode.

The 29th Annual General Meeting of the Company will be held on July 16, 2020 at 03:00 pm IST through video conferencing and other audio visual means (VC).The Notice and Annual Report of the company will be made available on the website at www.onwardgroup.com in Investors Section.

This is for your information and records.

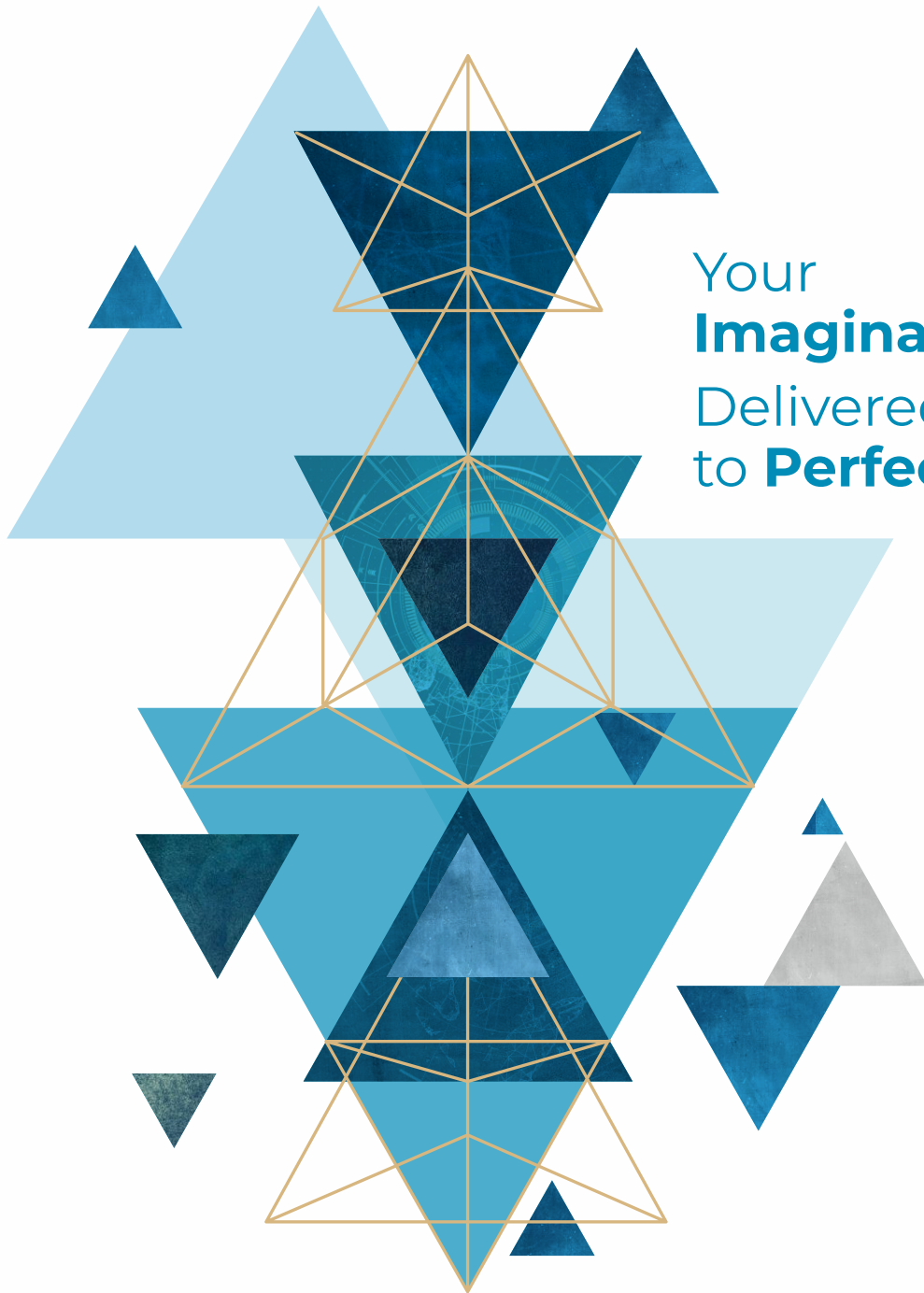
Thanking You,

Yours faithfully,

For **Onward Technologies Limited**

Sd/-
Dimple Chauhan
Company Secretary

Encl: As above.



Your
Imagination.
Delivered
to **Perfection.**



CONTENTS

A.	MESSAGE TO SHAREHOLDERS	
	i. From Chairman’s Desk	01 - 04
	ii. From Managing Director’s Desk	05 - 06
<hr/>		
B.	BRAND AND CAPABILITIES	07 - 16
<hr/>		
C.	FINANCIAL SUMMARY	17 - 18
<hr/>		
D.	DIRECTOR’S REPORT	19 - 34
	Annexures to Director’s Reports	35 - 56
<hr/>		
E.	MANAGEMENT DISCUSSION AND ANALYSIS	57 - 61
<hr/>		
F.	CORPORATE GOVERNANCE	62 - 80
	i. CEO & CFO Certification	81
	ii. Declaration: Code of Conduct	81
	iii. Certificate on Corporate Governance	82 - 83
<hr/>		
G.	FINANCIALS	
	i. Consolidated Financials	84 - 157
	ii. Standalone Financials	158-236
<hr/>		
H.	ANNUAL GENERAL MEETING	
	i. Notice	237-254





Corporate Information

Board of Directors:

Harish Mehta - [Founder & Executive Chairman](#)

Jigar Mehta - [Managing Director](#)

Prachi Mehta - [Director](#)

Pranay Vakil - [Director](#) (till July 20, 2020)

Nandkumar Pradhan - [Director](#) (till July 20, 2020)

Parish Meghani - [Director](#)

Rahul Rathi - [Director](#)

Subrata Kumar Mitra - [Director](#) (w.e.f July 21, 2020)

Jay Sonawala - [Director](#) (w.e.f July 21, 2020)

Statutory Auditors

Price Waterhouse Chartered Accountants LLP

Internal Auditors

Mazars Business Advisors Pvt. Ltd

Secretarial Auditors

Nilesh A. Pradhan and Co., LLP

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

+91 22 2492 6570.

Registered Office

Sterling Centre, 2nd Floor

Dr. A.B. Road, Near Atria Mall,
Worli,

Mumbai - 400018

Tel: 022- 24926570

Corporate Identity Number:

L28920MH1991PLC062542

Website

www.onwardgroup.com

Bankers

HSBC

Bank of America

Deutsche Bank

Kotak Bank

Global Presence
INDIA | AMERICAS
UK | GERMANY

8,500+
Projects Delivered

15
Million hours of
Performance delivered

12
Global Locations



For large global companies Onward Technologies is the Services provider that translates your vision into reality with flawless execution and capabilities across digital transformation suite, embedded systems, engineering services, data analytics, Artificial Intelligence (AI) and Machine Learning (ML).

YOUR IMAGINATION. DELIVERED TO PERFECTION – that's what we stand for, that's what we promise our customers, and that's how we will continue writing success stories for our customers, and for us.

We are on a mission to help clients shape the imagination of a new world by leveraging our domain knowledge and delivery experience across Connected systems, Engineering R&D and Digital transformations. We strive to add value to every customer requirement with the right deployment of experts, capabilities and systems for perfect execution and nimble turnaround.

Established in 1991, Onward Technologies caters to customers who are leading players in their respective fields. With a strong team of 2100+ employees operating from multiple offices & client locations across India, US, UK & Europe we work across industries - from Automotive, Manufacturing, Healthcare & Medical Equipment, CPG and BFSI.

Onward Technologies is listed on Bombay Stock Exchange (BSE:517536) and National Stock Exchange (NSE:ONWARDTEC).

Certifications:

ISO 9001:2015 quality certified

ISO 27001:2005 information & data security certified



From the Chairman's Desk

“ Become one of the most preferred Technology Services partners to top global companies who are leading innovation at the intersection of the digital and physical worlds. ”

Dear Fellow Shareholders

As I write my annual letter to you this year, our world is in the midst of the greatest pandemic of a generation. An event so cataclysmic, it has brought the mightiest – governments, organisations & individuals alike – to halt and pause life as-usual. The time it will take to measure and quantify the complete impact of this unprecedented tragedy is anybody's guess. What is certain however, is that we will adapt, make the necessary course correction and come out of this stronger. We see this will to survive and tackle the situation head on in first-responders, healthcare workers and our communities. My thoughts remain with these heroes and we shall forever be indebted to them.

In my annual letter to you, I usually cover priorities, performance, as well as the broader issues facing your Company. When the time is right and the future clearer, I will provide a more complete and current view on how this crisis might change our strategies around how we run the company, work with our clients and develop innovative services. However, right now, as we deal with the spiralling effects of this pandemic, I want to focus on what we have done to remain strong, resilient and well-positioned to survive and support our colleagues, clients, customers and communities.

Your Company has been working on getting the transient response right (of protecting employees and managing cash), without losing sight of long term transformations required to take advantage beyond this crisis. From continuous customer dialogues, market observations and cross-functional internal discussions we are gathering insights with a view to detect longer term opportunities and how we respond *vis-à-vis* our competition. Based on this investments and organisation restructuring will no doubt take priority and gather pace.

From all the expert commentary, there is agreement that Asia will most certainly lead the way out of this crisis. I subscribe to this view completely and am certain the investments we have already made in our team, capabilities and infrastructure will hold us in good stead. Your Company, Onward Technologies, is an agile organisation, hungry to deliver on our customers' vision and we are raring to go once the green shoots start showing.

THE WORLD WE OPERATE IN:

In the prestigious Nasscom survey conducted as recently as December 2019, 60% CEOs expected global technology spends to grow. The top 3 drivers of this technology spending were

1. Enabling Digital at the core of Enterprise
2. Augmenting Customer Experience
3. Digital Operations – improved efficiency & productivity

The events since will certainly act as catalysts to fasten this growth, as evident over the past few months, where we have all transformed in the way we interact with loved ones, do our work, travel, get medical care, spend leisure time, and conduct many of the routine

transactions of life. Digitalisation will become a critical part of organisation strategy, as companies look to build on opportunities evident from *lockdowns* across the world. We will find organisations use technology more as the advantages of work from home, for instance, become evident in not just reducing overheads but also in contributing to the elusive work-life balance which employees crave for. Potentially, a whole new industry will start, concentrating on innovations to get a piece of this pie.



The new Normal – Organisations will need to develop digital solutions quickly and adapt to new operating models to deliver to customers and employees at scale. *All eggs in one basket* will become a thing of the past as supply chains will be *re-thought* and *re-negotiated*, with business continuity becoming the most crucial criteria, along with the usual suspects of cost and capabilities. *Best person for the job* will come into sharp focus as companies will look to becoming lean and concentrate more on core business. Blended outsourcing models will *re-define* measurement criteria with project delivery becoming a given, and risk mitigation and desired outcome becoming cornerstones of defining success. There will be no more vendor partners, only partners – who will enjoy both, empowerment and the responsibilities which come with it.



BUILT FOR THE FUTURE:

Capability – As I mentioned earlier, we have been steadily investing, over the last few years, in expanding our capabilities and infrastructure to serve requirements of the 'digital organisation' better. Our ambition to thrive and not just survive has led us to develop capabilities in Cloud Computing, Data Analytics, Embedded, AI and Machine Learning. We are seeing revenue realisation already and I believe these areas will command the most budgets and share of technology spends going forward. What pleases me most is the fact that we have the ability to offer our customers the entire gamut of services – from design to decisions, through digital transformation. Your company has the legacy in engineering services and domain expertise across industries and also the capability of forward integration with addition of these new business lines.

Leadership – Your Company is now led by a young, agile and dynamic team, assembled on the principle of 'right people at the right place at the right time'. Over the last year, we have added several senior members with fantastic credentials, within their areas of

expertise, to ensure the organisation culture will always be of delivering high performance. This team is now responsible for delivering on the growth strategy it has set under the guidance of seasoned industry veterans who are part of the board of directors.

Culture – Industries are continuously upgrading their products to meet consumer expectations for constant innovation. Hence, they would prefer to build a two-way relationship with a partner who has the capabilities to add value to every task, and to fulfil their requirements in a constantly changing world. To align our brand and services offering to this prevailing truth, your Company did some introspection and the result was an understanding of our positioning in the market and its translation into a crisp declaration.

Onward Technologies has been and intends to remain the 'perfect partner' to all its stakeholders. Your company's vision is:

Become one of the most preferred Technology Services partners to top global companies who are leading innovation at the intersection of the digital and physical worlds.

I would like to introduce you to YOUR new Onward Technologies, the company which intends to live up to the motto of:

Your Imagination. Delivered to Perfection.

SUSTAINABLE GROWTH:

Your Company intends to be your partner for long time to come, and the fact that we enter 30th year of operations this year is a testament to this. This longevity is a result of planning and a sustained effort to ensure growth is not a 'flash-in-the-pan' scenario. We always look to promote and involve the right people and invest in the right areas – this is and will remain the cornerstone of our inclusive growth. I am proud of the fact that this policy gives me a chance every year to celebrate the achievements of our women leaders, engineers – who have become astute business professionals, and several additions to the leadership teams.

ONWARD IN THE COMMUNITY:

Similar to business goals, your Company intends to become a 'perfect partner' to the communities it is a part of. Education is the broad theme which we continue to invest in as our thank you for the wonderful support we have received over the years. This year we renovated sections of the historical St. Xaviers College, Mumbai – with the aim of creating world-class learning environment for future leaders and achievers. Education is power and your Company partners with Akanksha Foundation to help them fulfil their mission of building largest network of innovative schools that empowers children to maximise their potential and that influences systemic reform. This year we Onward team members ran the Mumbai Marathon to spread this message of 'Education for all'. Your company is also a proud partner of Team Alchemist Racing who secured 1st prize in the CAE category at Formula SAE-India 2019 championships, held

at the Buddh International Circuit.

IN CLOSING

I have a deep and abiding faith in our capabilities as a nation and our extraordinary resilience as a people. Our challenges are significant, and we will have to do all we can to ensure we come out stronger from the situations we find ourselves in. We have to contribute – as individuals and as members of society, do our bit and follow the social distancing norms, amongst other guidelines. Let us not forget each one of us has a significant part to play in achieving the greater good, and never has it been down to individual discipline than ever before. I assure you, your Company is doing all it can and then some, to come out stronger on the other side.

I would like to express my deep gratitude and appreciation to you my fellow shareholders, employees of Onward Technologies, our clients and our community – you have shown great resolve and tremendous character to face these times of adversity with grace and fortitude.

Yours sincerely

Harish Mehta
Chairman – Onward Technologies



From the Managing Director's Desk

“
Meaningful partnerships that enable you to constantly innovate has become critical for creating value. At Onward, we are perfectly equipped to fulfil this need – with our experience, our ability and track record of transforming customer imagination into reality.”

Dear Shareholders

I am pleased to inform you that we have successfully closed FY 19-20 with solid operational improvements across all parameters with **Revenue of Rs 273 crores** & becoming a Net Debt Zero company. This has led to the Board of Directors recommending **15% Dividend for FY 19-20** our fifth consecutive dividend in a row since 2016.

As we look forward to entering our **30th year of operations** starting August 2020, it is imperative I acknowledge the primary reason of your Company's success – our people, and the expertise they bring to the table. Our team is passionate about making a measurable impact in everything we do, including active contribution & participation through our **CSR initiatives** in our communities. It is the power of our

people, our collaborative culture and partnership approach, which will help us further accelerate to deliver results consistently.

Despite the increasingly challenging environment arising from Covid-19, we clearly see growth in areas we strategized to focus on – Digital Transformation & Industry 4.0, domains with multiple opportunities across our existing clients. We continue to invest & develop our service offerings to help our clients achieve their goals.

FY19-20 Overview:

Your Company has been able to stand firm in a difficult year and lay down the platform to gear up for growth in the new normal post Covid-19. Following are important highlights of FY19-20:

- **Customer WINS**

Our focus and investment have always been on strengthening our existing client relationships & new customer acquisition from North America & Europe with supporting them near-shore & from offshore in India. Our strategy has helped us make significant progress in adding several new large clients in multiple industries such as Healthcare, Agricultural Equipment, Automotive & Industrial Equipment – each account with 3-5x growth potential

- **Free Cashflow & Net Debt Zero Goal**

I'm pleased to share that we achieved a significant milestone of Net Debt Zero Goal in FY 19-20. There are several additional areas we are working on which will improve cashflows further:

- Focus on Operational excellence through Automation & simplifying our business model

- Income Tax Refund - We have approx. Rs 16 crores+ of TDS (advance Income tax) refund expected over the next 24-28 months
- Bring the DSO down to 60 days in line with industry levels
- Closure of subsidiary OPPL (final stages)
- Merger of 100% Onward eServices Ltd (OeSL) into the parent organisation will improve cost & resource duplication across India offices

GOALS for next 3 years:

Onward Technologies aspires to maintain and grow our preferred Technology Services partner status to top global companies who are leading innovation at the intersection of the digital and physical worlds. We remain positive that the substantial investments we have made in new digital capabilities and capacities, (post Covid-19) gives us an excellent platform to deliver double digit Revenue & Bottom-line growth & increase our revenue share from our Top 20 customers.

I take this opportunity to express my sincere gratitude to our shareholders, Board of Directors, Management, team members, esteemed customers, suppliers, bankers and investors, for their unrelenting dedication, support and commitment to Onward Technologies. We are onto something very exciting and remain confident that we will continue to make significant progress over the next 3 years.

Yours sincerely

Jigar Mehta
Managing Director



Who is Onward?

For large global companies Onward Technologies is the Services provider that translates your vision into reality with flawless execution and capabilities across the digital transformation suite, embedded systems, engineering services, data analytics, Artificial Intelligence (AI) and Machine Learning (ML).



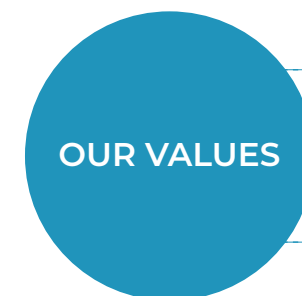
OUR VISION

Become one of the most preferred Technology Services partners to top global companies who are leading innovation at the intersection of the digital and physical worlds

OUR MISSION

We are on a mission to help clients shape the imagination of a new world by leveraging our domain knowledge and delivery experience across connected systems, Engineering R&D and digital transformations.

We strive to add value to every customer requirement with the right deployment of experts, capabilities and systems for perfect execution and nimble turnaround.



- OPENNESS
- HUNGER FOR EXCELLENCE
- CUSTOMER FIRST
- RESPONSIVE
- INTEGRITY

Your Imagination. Delivered to Perfection.

What we do

What we do	Industries we serve	Pedigree of Customers
Deliver Experience across: <input type="checkbox"/> Connected Systems <input type="checkbox"/> Engineering R&D <input type="checkbox"/> Digital Transformation <input type="checkbox"/> Engineering Automation <input type="checkbox"/> Value Engineering	 Automotive  Consumer  Off-Highway  Healthcare  BFSI  Industrial  Locomotive  Heavy Engg.	World's Largest Construction Equipment Manufacturer Leading US based Agricultural and Farm Equipment Manufacturer UK based Luxury Car Manufacturer World's largest Global Automotive OEM Global Leader of Locomotive and freight car manufacturer Global Conglomerate Swedish Medical Equipment Manufacturer World Leader of Spray Nozzle Technology US based Speciality engineered products manufacturer Leading US based Food processing company

In a world where industries expect more than just vendors, but for reliable, strategic partners, we have managed to serve our customers and their ever evolving needs for years together. This is evident from our decade long partnerships with the likes of one the largest medical equipment companies in Europe, a global off-highway manufacturing major and many more.

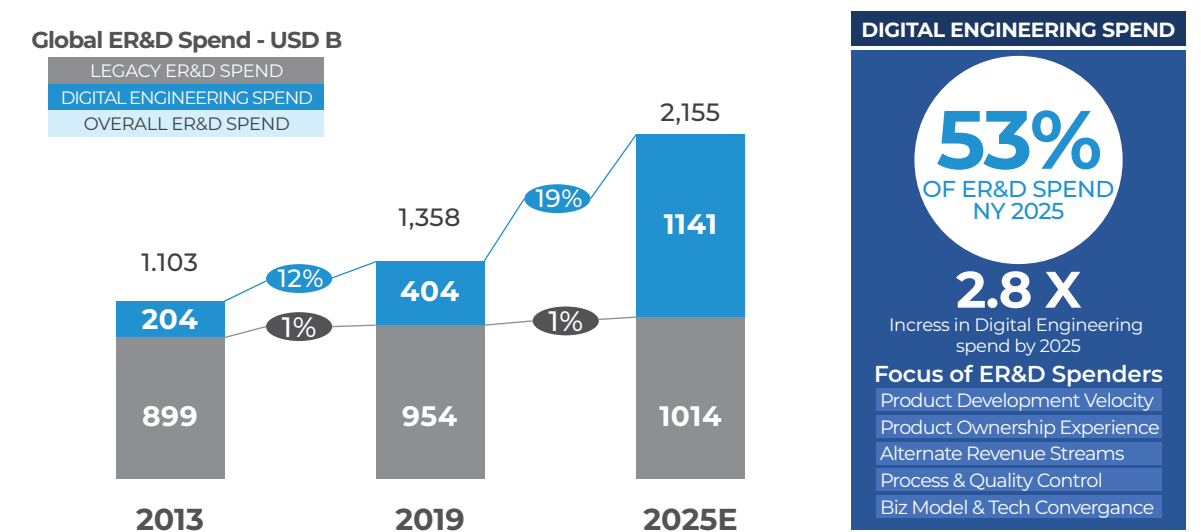
Over the last 6 years we have made major investments to upgrade our global infrastructure, focus on our primary target markets of North America, Europe and India, attracted 2000+ high quality professionals globally to join our team & become a preferred partner to 80+ large global companies in North America, Europe and India. Onward Technologies caters to customers who are leading players in their respective fields. With a strong team operating from multiple offices across India, US, UK, & Germany, and client locations, now our goal is to switch gears & focus on building on this strong foundation.

Addressable market size:

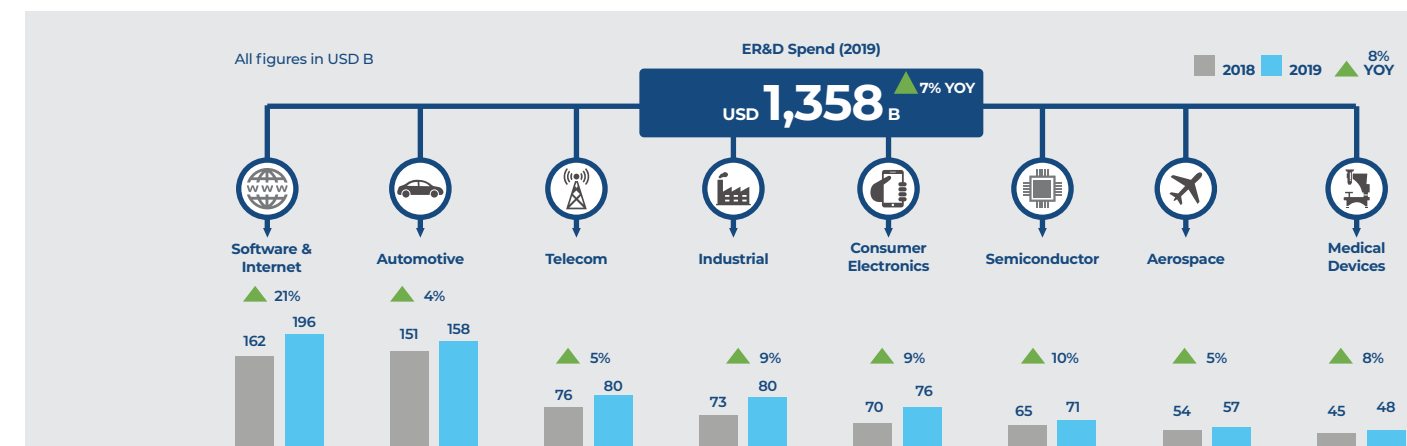
Global ER&D spend is resilient and has witnessed growth despite slowdown and geo-political factors - Zinnov Zones 2019

According to research by Zinnov, the overall global ER&D spend is expected to increase from **USD 1358 Billion in 2019 to USD 2155 Billion by 2025**. A significant proportion of this will be in the digital engineering space which is expected to command **53% of the overall ER&D spend**. The ongoing pandemic will only hasten spends in this space, as organisations look to re-calibrate supply chains and business models.

According to IDC research survey, many organisations feel that the **outbreak of the COVID-19 epidemic has showcased the value of IT and digital transformation and organisations should turn the crisis into an opportunity to accelerate the transition**. Now, more so than ever before, we will see not just organisations, but entire industries quicken their digital journeys. **The addressable market size will be able to accommodate all the service providers to play their parts in this expanding digital business growth.**



While the market for traditional engineering services will continue to grow, higher spend and growth is expected from new age technologies - a clear indication that Digital Engineering will complement traditional services. This is Onward Technologies' sweet spot - as we converge our offerings across the two for our customers.






To provide further colour, over the past few years, we have seen industries continuously upgrading their products to meet consumer expectations of constant innovation. Companies are using technologies to create new or modify existing businesses - in the form of processes, culture, and customer experiences. **This reimagining of business in the digital age is digital transformation.** Any technology infusion into the business is only to improve the top line or bottom line and to bring in exponential efficiencies and productivity improvements. As industries enter this 4.0 phase, digital technologies are fast becoming the new normal. Organisations use

- **Automation technologies** to automate the repetitive human tasks to free humans from mundane activities and to concentrate and listen more to what their customer is requiring
- **Cloud technologies** are being upgraded only to bring down Capex cost and to enable employees to stay connected and work remotely from anywhere anytime
- **IoT technologies** are giving real time insights to the top management to take quicker decisions thereby solving the disconnect between top floor and shop floor and
- **Data** is being created by every organisation at every second and using analytics and advanced technologies like AI/ML, quicker business decisions are being taken.







There is no doubt **digital is the new normal**, as per NASSCOM, these are foundational and advanced technologies which will shape up products and services for the next decade. Onward has made significant investments to address this upcoming trend in the recent few years as we listen more to our customers and where they are headed.



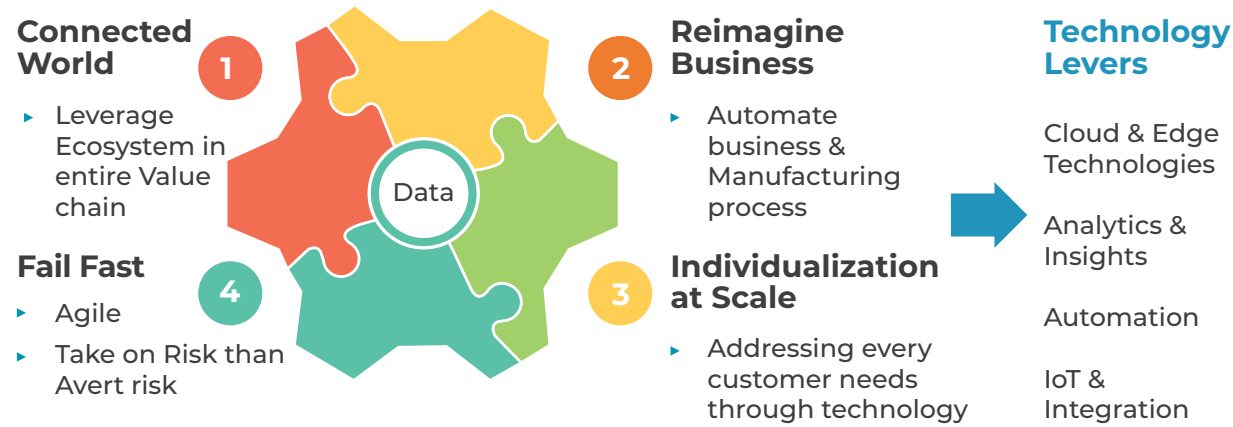
FOUNDATIONAL TECHNOLOGIES

	Key Components	Impact potential (2020-2030)
 CLOUD COMPUTING	<ul style="list-style-type: none"> • Cloud Management Software • Data Center Hardware • High-Speed Network • saas/paas 	<ul style="list-style-type: none"> • USD 6.2 trillion global GDP impact by 2025
 BIG DATA AND ANALYTICS (BDA)	<ul style="list-style-type: none"> • Apps & infrastructure • Data Analytics-AI-Based & Traditional • BI/Visualization 	<ul style="list-style-type: none"> • 175 zettabytes of data created 50 per cent of which will be stored in public cloud
 CYBERSECURITY	<ul style="list-style-type: none"> • Security • Intelligence Detection • Remediation Adaptation • End-User Education 	<ul style="list-style-type: none"> • USD 6 trillion global GDP impact by 2025

ADVANCED TECHNOLOGIES

	Key Components	Impact potential (2020-2030)
 ARTIFICIAL INTELLIGENCE (AI)	<ul style="list-style-type: none"> • AI Algorithms • Machine Learning (ML) • Deep Learning 	<ul style="list-style-type: none"> • USD 6.7 trillion global GDP impact by 2025
 INTERNET OF THINGS (IOT)	<ul style="list-style-type: none"> • Consumer Wearables • Advanced, Low-Cost Sensors • Wireless/NFC Devices 	<ul style="list-style-type: none"> • USD 6.2 trillion global GDP impact by 2025 • > 1 trillion IoT things installed
 3D PRINTINGS	<ul style="list-style-type: none"> • Additive Manufacturing • Rapid Prototyping 	<ul style="list-style-type: none"> • USD 0.6 trillion global GDP impact - 35-60 per cent costs saved per printed product
 ROBOTICS	<ul style="list-style-type: none"> • Robotic Dexterity • Sensors • Distributed Robotics • Robotics Exoskeletons 	<ul style="list-style-type: none"> • USD 4.5 trillion global GDP impact by 2025
 BLOCKCHAIN	<ul style="list-style-type: none"> • Distributed Ledger Technology (DLT) • Cryptocurrencies • DApps 	<ul style="list-style-type: none"> • 10 per cent of global GDP- USD 125 trillion* - stored in blockchains by 2027
 IMMERSIVE MEDIA	<ul style="list-style-type: none"> • Virtual Reality (VR) • Augmented Reality (AR) • Mixed Reality (MR) • Extended Reality (XR) 	<ul style="list-style-type: none"> • USD 1.5 trillion of student debt freed up in the US alone

Foundation Pillars of a successful Digital enterprise

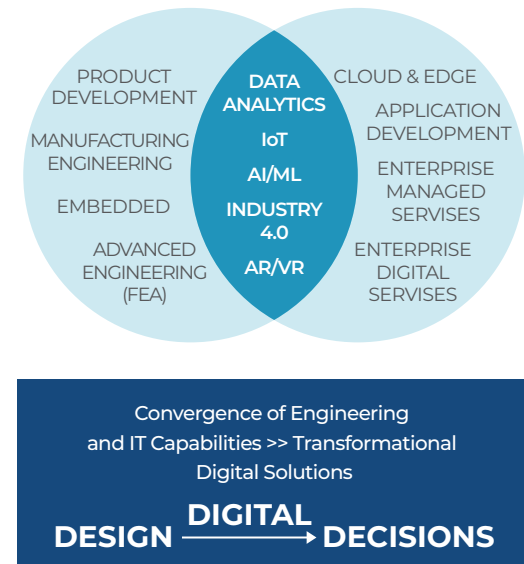


How will Onward remain relevant and win more ground

Onward has significantly invested in technologies that will define the organisations in the next decade. Also, as and when technologies evolve, we will keep continuously investing in and follow where our customers are going.

Onward Offerings – Design → Digital → Decisions

Onward is at an enviable position since very few service providers can **seamlessly complement the engineering services and IT services and provide the converging digital platform solutions.** Customers also prefer to build a two-way relationship with a partner who has the capabilities to add value to every task, and to fulfil their requirements in a constantly changing world.



Our investments are already delivering the results as we sign up with several global customers in the last year alone.

1. Leading **Automotive Tier 1 Supplier based in Germany** for high end **simulation** work
2. Leading **French based Automotive OEM** for Embedded services project
3. One of the **world's largest Automotive OEM** for their manufacturing engineering services
4. German **based Luxury Automotive OEM** for the digital services
5. Leading **Global Pharma Company**

We also celebrated a **decade long partnership with leading Swedish based Medical equipment manufacturer and World's largest Construction Equipment manufacturer**

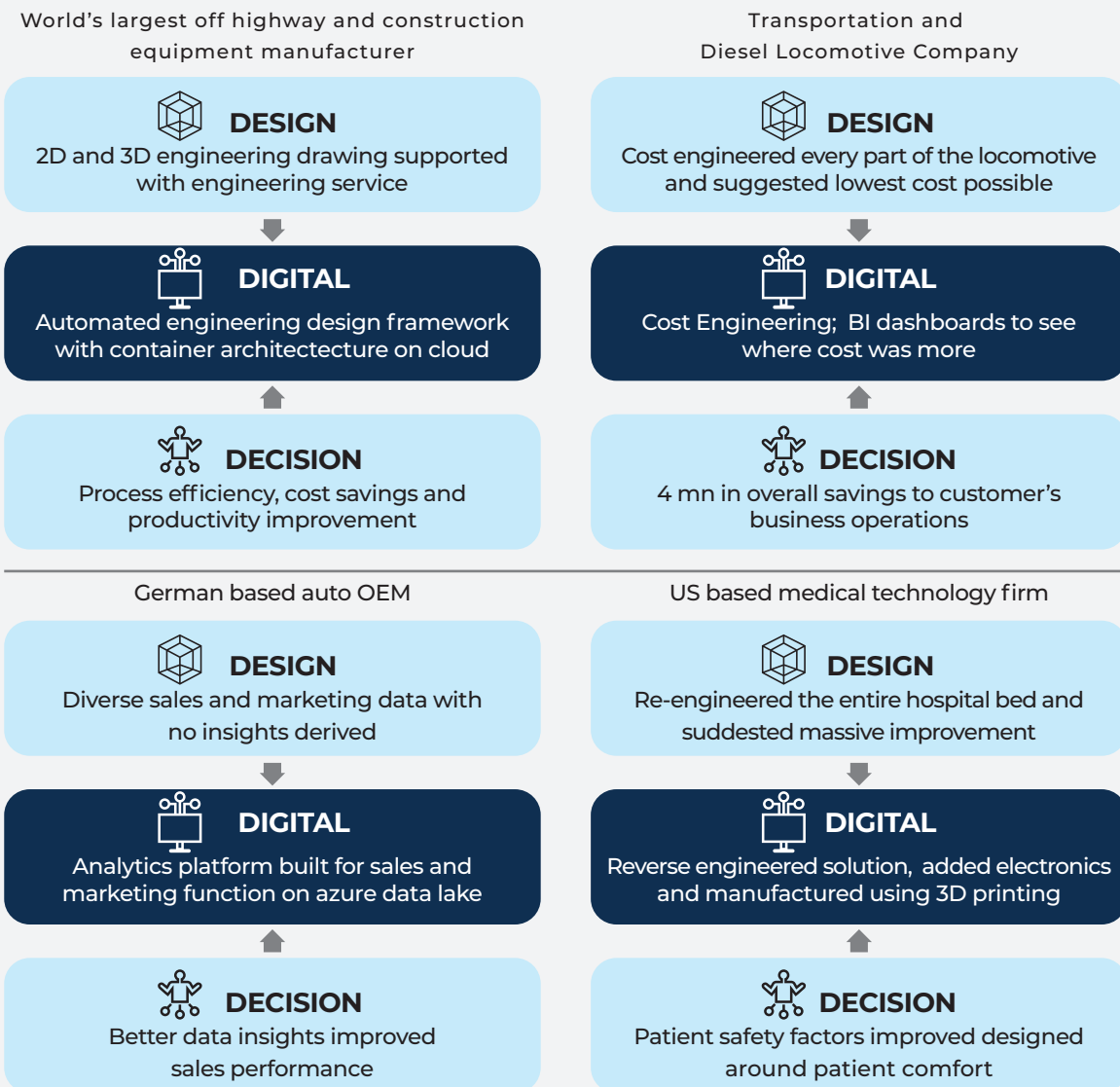
It gives me immense pleasure to inform that our investments in newer practices such as Data Analytics in Mumbai has begun to deliver results. Buoyed by this success and constant listening to our customers who use technology levers as value differentiators, a separate **strategic solutions group** has been formed with the sole intent of building cutting edge Digital technologies capabilities especially IoT, Embedded, and Automation and Cloud technologies.

We have already started to see a very **positive consequence in the form of upskilling eligible existing employees from the traditional IT Services** business in order to move them into newer practices. This includes their training & development and industry-relevant certification in Data Sciences, Cloud Technologies, Artificial Intelligence, and Machine Learning.



Adding more global customers to ever growing roster

Design to Decisions through Digital in action



Some of the work we do

- **Engineering and digital services for one of the World's largest off-highway and construction equipment manufacturers (multibillion \$)**
 - o Built an engineering design automation framework - delivered huge cost benefits through process efficiency & automation
 - o Designed and developed container-based architecture, cloud adoption & migration
 - o Creating Machine learning model that learns test cell output and feeding back to NPI programs
 - o Image processing and Image based search for after sales activities
- **Leading UK based Luxury Automotive OEM:** for one of their premium models we are supporting design and Development of Interior & Exterior parts for facelift and future models. We support right from feasibility of concepts, Design & Development of various parts, support for tool kick-off and through to series production.

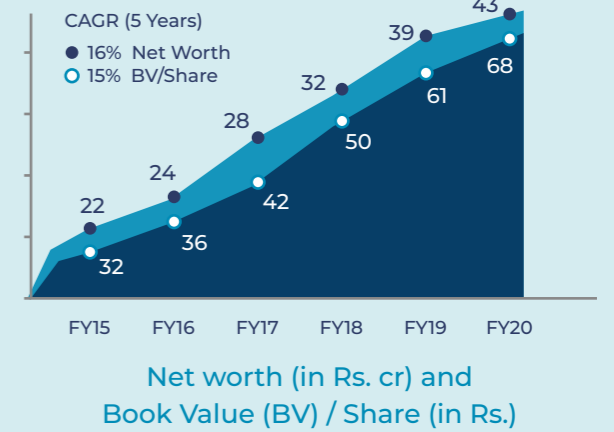
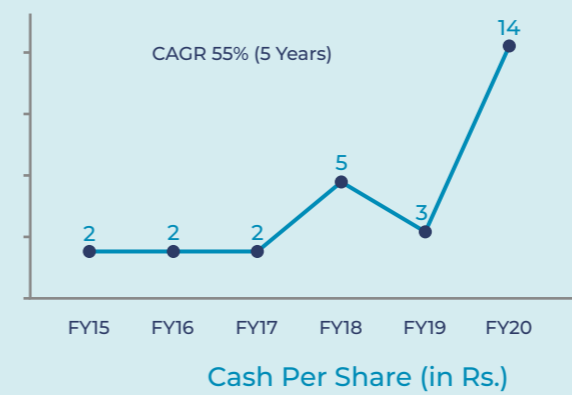
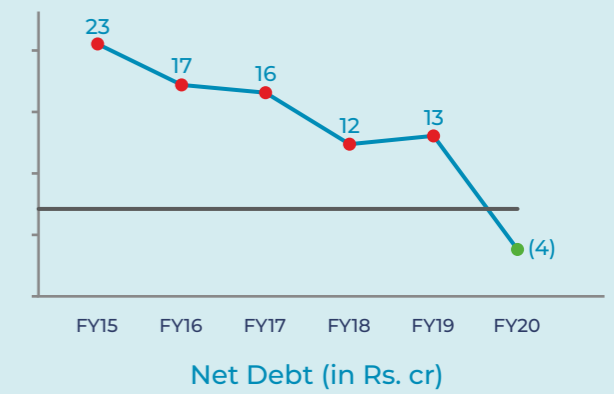
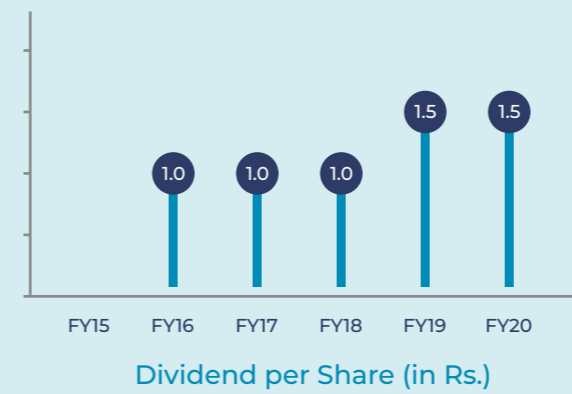
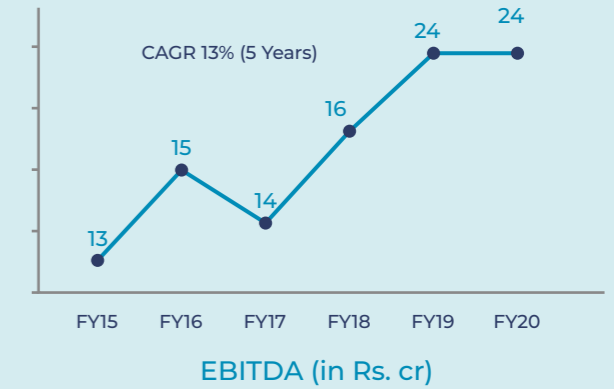
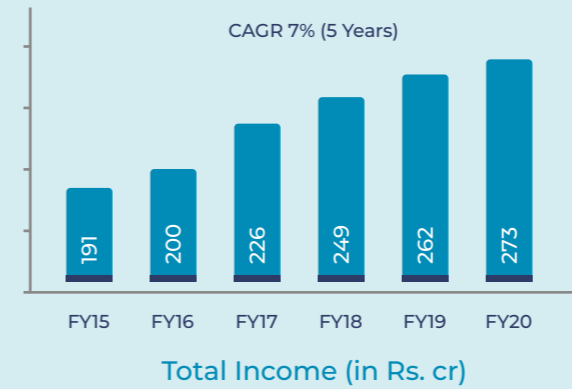
- **For a leading global Industrial equipment conglomerate (Multibillion \$ conglomerate)**
 - o Automation of engineering drawings using technologies to reduce cost and bring in efficiencies
 - o Built a thermal analysis simulation for a nickel sodium based battery for one of their companies to analyse how temperature is distributed across their battery
- **For a leading US based Life sciences and Lab furniture product company**
 With researchers all over the world working tirelessly to develop treatments and a vaccine for COVID-19, a wide range of laboratory equipment and instruments of our client are used in research laboratories who are in the fight to battle COVID-19. We have supported this client for several years to provide engineering design services for Biological Safety Cabinets, Laboratory Workstations & Fume Hoods, -80°C lab freezers, also known as ultra-low temperature freezers
- **For a leading Tier 1 supplier in Germany**
 We support in Design & Development of Advanced Driver Assisted System (ADAS) functions for the vehicles with trailers. It involves detection of various types of trailers, sufficiency of sensor systems and simulations for park assists
- **Leading US based child seat manufacturer**
 Right from concept development to detail design and supporting this design to series production
- **Leading US based medical technology firm**
 Our team reverse engineered the entire hospital bed basis on only the photo of the hospital bed without any CAD models/drawings. Our product design experts through some innovative reverse engineering added new embedded electronic parts to make the bed adjust automatically for patient safety and comfort. Compatible 3D printing designs made for cost effective production
- **Leading Transportation company**
 Our deep domain experts in manufacturing and design process, cost engineered the client's entire diesel locomotive to enable manufacturing with the lowest cost possible. Our team also supported the client in finding vendors who can manufacture the locomotives at the lowest cost

Why will we thrive

- Investments
 - People: reskilling, hiring as per industry trends
 - Process: constant upgrade of internal systems to automate and improve efficiency
- Right people, right place, right skills
- M&A: with a constant focus on addressing industry trends and tending to customer requirements, the young management team is keen to expand capabilities in areas through the mergers & acquisition route
- Total addressable market of over US \$1.3 trillion
- Focus on profitability and generation of Free Cash Flow
- Net Debt Zero
- Established client base of top 1000 global companies
- Agile, young and dynamic team with a hunger for excellence - supported by experienced and respected promoters & board of directors



Financial Summary



Calculation Methodology

- EBITDA = PBT + Interest + Depreciation
- Net Debt = Long Term Borrowings + Short Term Borrowings – Cash
- Cash includes cash equivalents and bank balances

DIRECTORS' REPORT

To

The Members,

The Directors of your Company are pleased to present before you the **29TH ANNUAL REPORT** on the business and operations of the Company together with annual audited financial statements of the Company for the financial year ended March 31, 2020.

CORPORATE OVERVIEW

Onward Technologies with its HQ at Worli, Mumbai supports leading global companies from its 5 Sales offices in Chicago, Detroit, Cleveland, London & Frankfurt & state of the art development and design centers from offshore in Chennai, Pune & Mumbai. We have assembled a young, but experienced team that translates vision into reality with flawless execution & capabilities across the Digital Transformation suite, Embedded Systems, Engineering Services, Data Analytics, Artificial Intelligence and Machine Learning for Fortune 1000 companies across multiple industries.

To recap for our shareholders, over the last 6 years we completed a **major investment** in upgrading our infrastructure globally, adapted our business model to better serve our customers, aligned the global team to our primary target markets of North America, Europe and India, attracted 2100+ high quality professionals to join our team across offices & become a preferred vendor for 80+ clients across North America, Europe and India. Now our goal is to switch gears & focus on building and scaling this strong foundation.

The Board of Directors of your company are pleased to share the company performance, operations details of the last financial year 2019-20 & our plans to bounce back post COVID-19.

FINANCIAL HIGHLIGHTS

The summarized financial performance of your Company is as follows:

(Amount in Lakhs)

Particulars	Consolidated Results		Standalone Results	
	For the year ended 31.3.2020	For the year ended 31.3.2019	For the year ended 31.3.2020	For the year ended 31.3.2019
Sales and other income (Net)	27,260.47	26,220.69	12,878.94	12,320.29
Profit before finance cost, depreciation and exceptional items	2,443.56	2,360.12	2,336.55	2,002.44
Finance costs	346.42	274.17	317.65	207.22
Depreciation	1,132.81	565.99	908.69	481.23
Operating profit	964.33	1,519.96	1,110.21	1,313.99
Exceptional items	-	-	-	-
Profit before tax	964.33	1,519.96	1,110.21	1313.99
Current tax	480.00	524.39	365.42	440.74
- Deferred Tax	(139.44)	(17.84)	(74.21)	(61.77)
Total tax expense/(credits)	340.56	506.55	291.21	378.97
Profit after tax	623.77	1,013.41	819.00	935.02

Consolidated Performance

Your Company's Total Revenue has gone up in FY 2019-20 to **Rs. 272.60 Crores** from Rs. 262.20 Crores a growth of **3.97% over the previous financial year**. **EBDITA** of the company also grew steadily to **Rs. 24.50** crores as compared to Rs. 23.60 crores in the previous financial year. **EBDITA performance** was plateaued due to the following 2 reasons, which were both onetime impact in Q4: 1) Change in invoicing policy of one large customer in India 2) Closure of Product Sales business.

On a consolidated level, we declared **Profit after Tax (PAT)** for FY 2019-20 at **Rs. 6.23 crores**.

Director's Report (Contd.)

Business Operations

Our team made significant progress over the last 12 months as we continued to transform the entire organization towards Digital and Industry 4.0.

Onward Technologies – Brand

We took up the opportunity in FY 2019 - 20 to focus on understanding our brand perception and positioning in the marketplace. After several conversations with internal & external stakeholders, we articulated what we probably always knew – Onward Technologies is looked at as a trusted and reliable partner. This insight has now taken on the shape of new positioning and renewed vision & mission statements. Your company has partnerships across geographies and industries, some which have been in existence for over a decade. The intent is to now enhance these partnerships even further. You will see your company become more vocal, consistent and assertive in communicating our proposition to the marketplace. New marketing channels, the right communication vehicles and several activities are already under development to reach all stakeholders, and to re-emphasize this brand proposition. You will see your company in a new light across all properties – a refreshed website, new marketing collateral, customer events, and many more.

Customers & Growth from Primary Markets:

o **North America (subsidiary, Onward Technologies Inc.):**

We continued the momentum in building a strong Leadership team in North America to expand relationships with our global clients across multiple industries i.e. **Automotive, Industrial Equipment, Healthcare, Medical Equipment and High-Tech**. Our revenues grew with one of the Big 3 Auto OEMs in the high growth technology areas of ADAS (Active Driver Assistance System) with further push expected in Electrification, Mobility Solutions & Digital Manufacturing. We continue to see good opportunities to grow further in the Michigan state across multiple OEMs and Tier1s in these areas. We further consolidated into the food processing & manufacturing industry across the mid-west region which is a large food supply chain hub. We expect this to become a significant contributor to our growth in the coming years.

o **Europe Region:**

We continue to invest in Europe, in particular in **Germany & UK** to expand both our existing client relationships & adding new customers. Last year has been instrumental in expanding our engagement with a large European Automotive OEM and winning new customers in high-growth technology areas like ADAS (Active Driver Assistance System), Electrification, Mobility Solution & Digital Manufacturing. We also celebrated our 10 year relationship with a large Medical Equipment manufacturer who we support for design & development in the UK & Europe.

o **India Region:**

We continue to expand our customer engagements with Fortune 1000 GIC/ captive business units in India. FY 2019-20 was a significant year with multiple new wins in **Off-highway, Agricultural Machinery, Construction & Mining Equipment, Pharma & Medical Devices, Industrial Equipment & Automotive** verticals. We became a preferred vendor to 3 large global Automotive OEMs in the areas of **Engineering Services, Process Automation, Electronic & Embedded systems, Data Analytics, Cloud & Digital Manufacturing**. We have also signed multi-year agreements with leading North American and European Engine & Powertrain manufacturing companies. Our focus & investment in building the **Data Analytics Practice** has enabled us to win multiple new projects with global companies and opened up new avenues for growth in the Digital Transformation world. We continue to view India as a high growth region for us with years of investment and relationship with our customers.

• **Onward eServices Limited (OeSL) – Wholly Owned Subsidiary**

- o The domestic IT Services business which is our wholly owned subsidiary Onward eServices Limited (OeSL) had a positive year with several wins & preferred vendor status with Fortune 1000 companies in the Data Analytics practice. On a consolidated performance level, OeSL closed FY 2019-20 with Revenues of Rs. 59.24 crores & 37 active clients in India. With the changes & investment made in the last 3 years, we expect this business to start delivering EBDITA in the range of 7-9% from FY 2020-21 in line with the industry.

Director's Report (Contd.)

- **Proposed merger of Onward eServices Limited (OeSL) into Onward Technologies Limited (OTL)**
 - o The proposed merger of OeSL into OTL will bring integration of business opportunities combining investment in high growth technology areas as mentioned above which we can offer to our customers in North America and Europe (along with India). The merger will also bring significant cost & process optimization, and savings.

Solutions & Way Forward:

We believe our investments in newer practices such as **Data Analytics, Electronic and Embedded systems, Cost Engineering and Process Automation** has begun to deliver results. Buoyed by this success and constant listening to our customers who use technology levers as value differentiators, a separate strategic solutions group has been formed with the sole intent of building cutting edge Digital capabilities.

The following are the multifaceted focus of this group:

- To provide the next generation services that are complementary to what we offer to our customers already and to give holistic spectrum of offerings to our customers.
- To build right skilled / competent people in technologies and industry domain areas.

Comprising of both Industry domain experts and technology specialists, this group gives the required push to everyone to be customer focused and enable "Follow the customer" model.

We have already started to see positive outcome in the form of upskilling eligible existing employees (through training, development and industry-relevant certification) from the traditional IT Services business to newer practices of **Data Sciences, Cloud Technologies, Artificial Intelligence, and Machine Learning**.

In order to accelerate our growth in the newer technologies & expanding our North American and European footprint, we evaluated several companies for acquisition last year. These potential target companies either brought access to marquee clients in our primary market and/or niche skills and solutions that were in demand. **We believe M&A will be an important growth driver for us** and our entire leadership team is evaluating multiple options in this space.

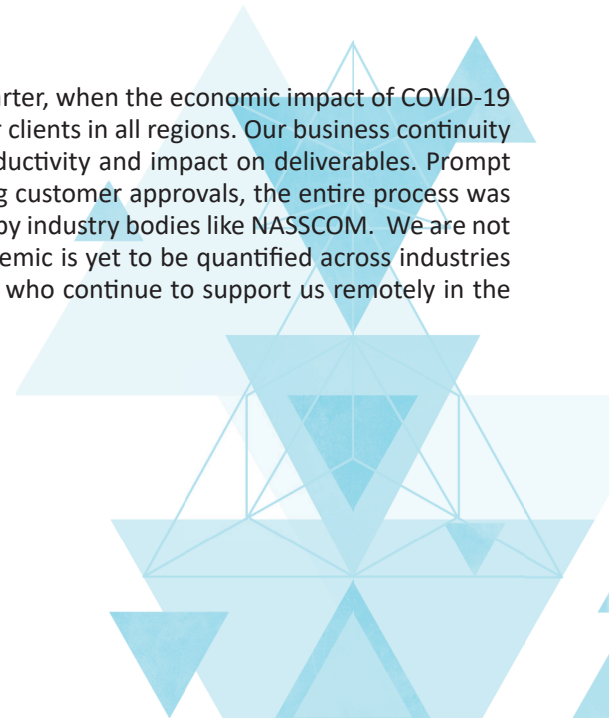
Automation:

We believe that a nimble company with global outreach like **Onward Technologies** should have world class tools and process for their employees to thrive. We are cognizant of this fact that automation drives efficiency and brings better productivity which has direct bearing to our bottom-line. This year, through a mix of technologies and process reengineering, we will bring in efficiencies to our

- HR processes – Simplify and to be employee centric right from hire to retire
- Finance & Commercial Functions - Our entire finance & accounting function will be through a centralized back office team in Pune.
- Sales & Marketing - Global CRM solutions to give our sales the necessary weapon to be more customer focused.

Impact of COVID-19

We had a good run towards our operational & financial goal till the last quarter, when the economic impact of COVID-19 took the world by surprise & led to a complete shutdown of majority of our clients in all regions. Our business continuity team ensured all necessary steps were taken to have minimal loss of productivity and impact on deliverables. Prompt communication to employees & customers with the way forward to getting customer approvals, the entire process was done efficiently in early days of the lockdown. Our efforts were highlighted by industry bodies like NASSCOM. We are not out in the clear yet, and the complete impact of this unprecedented pandemic is yet to be quantified across industries and the world in general. We are thankful to all our clients & entire team who continue to support us remotely in the toughest of environments.



Director's Report (Contd.)

DIVIDEND

Your Company had declared and paid final dividend in the 28th Annual General Meeting of the Company held on Thursday, July 25, 2019. The Company paid dividend of Rs. 2,39,66,955 (Rupees Two Crore Thirty Nine Lakhs Sixty Six Thousand Nine Hundred and Fifty Five Only), excluding dividend distribution tax, at the rate of Rs. 1.50 (Rupee One and Paise Fifty only) per equity share of face value Rs. 10 (Rupees Ten only).

Also, the Directors have recommended a dividend of Rs. 1.50 (15%) per equity share of face value Rs. 10 each, for the financial year ended March 31, 2020, 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 July 9, 2020 and
- (ii) to those whose names appear as beneficial owners, as on July 9, 2020 as furnished by the National Securities Depository Limited and Central Depository Services (India) Limited for the purpose.

TRANSFER TO RESERVES

Your Directors does not propose to transfer any amount to its reserves out of the profits of the Company for the year ended March 31, 2020.

SUBSIDIARIES

During the year under review the company has four subsidiaries:

1. **Onward eServices Limited (OeSL)**
2. **Onward Technologies Inc (OTI)**
3. **Onward Technologies GmbH (OTG)**
4. **Onward Properties Private Limited (OPPL)**

During the year under review, Your Company's subsidiary Onward Properties Private Limited (OPPL) has applied for Fast Track Exit under section 248 of Companies Act, 2013. The Management is waiting for the Certificate for Closure of the Company from ROC, Mumbai which is expected any day post COVID-19.

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 March 31, 2020 was hereunder:

Name of the Director	Designation	Category
Mr. Harish Mehta	Founder & 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

Director's Report (Contd.)

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 2019-20.

Independent Directors

Mr. Pranay Vakil, Mr. Nandkumar Pradhan, Mr. Parish Meghani and Mr. Rahul Rathi were the Independent Directors of the Company as on March 31, 2020. 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 May 15, 2020.

The Company would like to inform its stakeholders that Mr. Pranay Vakil and Mr. Nandkumar Pradhan have completed their two terms in the Company. Also, Mr. Parish Meghani and Mr. Rahul Rathi have completed their first term with the Company. They are eligible and reappointed for their second term subject to shareholders approval.

Your Company introduces two new Independent Directors on Board Mr. Subrata Kumar Mitra and Mr. Jay Sonawala to complete the composition of Board of Directors according to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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	May 17, 2019	Mumbai, India
2	Thursday	July 25, 2019	Mumbai, India
3	Wednesday	October 23, 2019	Mumbai, India
4	Friday	January 24, 2020	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 February 21, 2020, 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.

Change in Nature of Business :

During the period under review there is no change in nature of business. The company's revenues are generated 100% from Technology Services only.

Director's Report (Contd.)

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	Mr. Devanand Ramandasani	Chief Financial Officer	October 23, 2019

Further, in accordance with the relevant provisions of the Act, necessary declarations and submissions has been made to Registrar of Companies in Form MGT- 14 and Form DIR-12, 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 re-appointment 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 on February 21, 2020, reviewed the performance of Non-Independent Directors of your Company as well as Chairman of your Company and the Board as a whole. The online proficiency test for Independent Directors is a new parameter to analyse their independency and eligibility according to IICA and Independent Directors Databank. Your Directors have successfully registered themselves in this Databank.

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 March 31, 2020. 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. As Mr. Pranay Vakil and Mr. Nandkumar Pradhan are about to complete their tenures in the ensuing AGM, the reconstitution in the Committee Composition has taken place and Mr. Subrata Kumar Mitra and Mr. Jay Sonawala have been appointed as new members for Audit committee. Mr. Rahul Rathi being chairman of the Committee. w.e.f. third Board Meeting of the financial year 2020-21.

SHARE CAPITAL

During the year the paid up share capital of your Company increased from Rs. 1,580.49 lakhs to Rs. 1,604.26 lakhs by allotment of 237,700 new shares issued of face value Rs. 10 each under Company's Employees Stock Option Plan 2009. Further, on April 7, 2020 your Company had allotted 74,600 shares under ESOP scheme and at present, the paid-up share capital is Rs. 1611.72 lakhs divided into 16,117,170 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

Director's Report (Contd.)

The Company has regularly paid the Annual Listing fees to the respective Stock Exchanges. Annual Custody/Issuer fee for the financial year 2019-20 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 has launched Employee Stock Option Plan 2019 (ESOP 2019) for the benefit of employees of your Company and its subsidiaries. The aforesaid scheme was approved by the members of your Company at the 28th Annual General Meeting held on July 25, 2019 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 2019 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.

Your Company had implemented Employee Stock Option Plan 2009 (ESOP 2009) for the benefit of employees of your Company and its subsidiaries which has come to an end for new grants issues on March 31, 2020. The aforesaid scheme was approved by the members of your Company at the 18th Annual General Meeting held on August 31, 2009 and the scheme is monitored under the guidance of the members of Nomination and Remuneration Committee of the Board of Directors. All the new grants will be issued under the new ESOP Scheme 2019 whereas simultaneously the vesting, exercising and allotment under ESOP 2009 will continue till all the ESOP grants are exercised subject to options lapsed or forfeited, if any.

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.

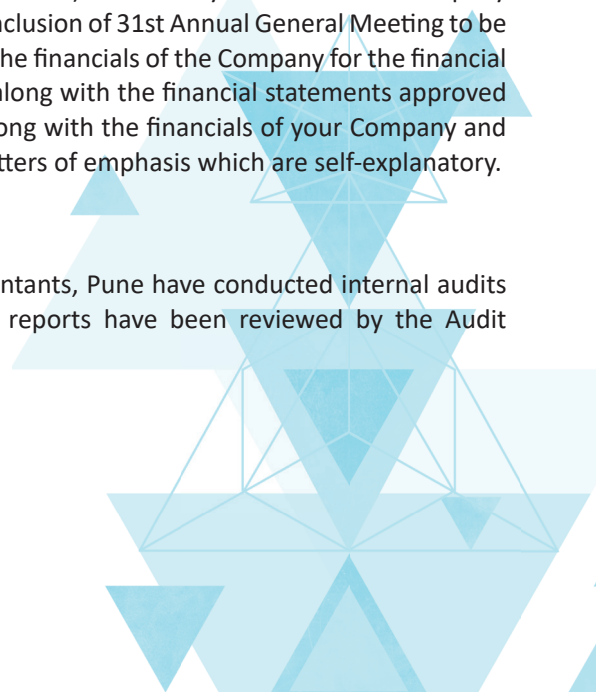
AUDITORS

Statutory Auditors

The members at the 26th Annual General Meeting of the Company held on Friday, July 21, 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 March 31, 2020 and have submitted their report to the Board along with the financial statements approved at the Board meeting held on May 15, 2020. 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.

Internal Auditors

The Internal Auditors, Mazars Business Advisors Pvt. Ltd., Chartered Accountants, Pune have conducted internal audits periodically and submitted their reports to the Audit Committee. Their reports have been reviewed by the Audit Committee.



Director's Report (Contd.)

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: 7478, CP No.: 7891) to undertake the secretarial audit of your Company for the financial year ended March 31, 2020. 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:

The intimation was unintentionally delayed and due to unavoidable circumstances to the Company which the Board has taken into knowledge and consideration. The Company has filed the intimation received well in the timeline prescribed by the Prohibition of Insider Trading Regulations, 2015 and has been compliant in true manner.

The notices received by the promoters were with respect to FY 2014-15 which were acted upon and rectified by paying the penalty levied by SEBI. No intervention or breaching of law was intended. The Promoters have taken the matter seriously and resolved the same after necessary compliances were completed.

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.

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. The Internal Auditor of your Company initiates an Internal Financial Control task wherein the processes of all the activities in the Company are being verified and analyzed. 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.

Director's Report (Contd.)

PARTICULARS OF LOANS, GUARANTEES, SECURITIES OR INVESTMENTS

Loans, guarantees, securities 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, securities and investments made by the Company during the Financial Year 2019-20 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 May 15, 2020 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.

The related party transactions that were entered during the financial year 2019-20, are given in the notes to financial statements as per Indian Accounting Standard 24 (IndAS 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 in **Annexure-5**.

INSIDER TRADING POLICY

Onward Technologies' Insider Trading Policy for Regulation of Trading by Insiders has formulated an Insider Trading Policy for promoters and promoter group along with Directors and employees to comply with SEBI (Prohibition of Insider Trading) Regulations, 2015. This policy is framed adopting the standards set in the Prohibition of Insider Trading Regulations to regulate, monitor, and report trading by its employees to achieve compliance with the said Regulations. The Insider Trading Policy for Regulation of Trading by Insiders is available on our website (www.onwardgroup.com)

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of Annual Return in form MGT-9 is annexed herewith as **Annexure-6** to this report. The same is available on our website www.onwardgroup.com.

Director's Report (Contd.)

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

According to the provisions of Section 135 of the Act, which relates to CSR, they are applicable to your Company from FY 2019-20. Now, the CSR Policy has been adopted which is available on the web link www.onwardgroup.com with specific objectives as prescribed in Schedule VII.

The Board has constituted Corporate Social Responsibility (CSR) Committee which comprised of Mr. Pranay Vakil as Chairperson; Mr. Harish Mehta and Mrs. Prachi Mehta as members. The Board has also approved a CSR policy on recommendations of CSR committee. As mentioned above for other Committee members, reconstitution for Committee Compositions has been undergone and Mr. Harish Mehta has been appointed as the Chairperson for CSR Committee.

Corporate Social Responsibility is an integral part of Onward Technologies' ethos and policy and it has been pursuing this on a sustained basis through its social welfare organization Onward Foundation. Similar to business activities, your Company aims to become a perfect partner to the communities it is a part of. Your Company's CSR policy focuses on using the capabilities of business to uplift the community by making significant contributions, monetary and through effort, to make education accessible and relevant for future generations.

Your Company undertook various activities through **Onward Foundation** during the year in line with its CSR policy and with provisions of Section 135 ready with Schedule VII of the Companies Act, 2013. The activities included an end-to-end project, from conceptualization to execution, at **St. Xaviers College, Mumbai**, which included renovation & up gradation of the Audio-Visual Room (**now named The Onward Hall**) & Sociology department on the ground floor, entire common area with a brand new garden, Volleyball Court, along with providing equipment towards improving infrastructure standards with a total investment of Rs. 28.48 lakhs. This was contributed 50% by Onward Technologies and 50% by the Promoter family directly. Our Mumbai team also participated in the Mumbai Marathon and ran for **Akanksha Foundation** (www.akanksha.org) and contributed towards cause of building networks of innovative schools that empowers children to maximize their potential and that influences systemic reform. The **Annexure-7** for our CSR Activities and policies has been given post Board's Report.

Director's Report (Contd.)

DISCLOSURES UNDER THE ACT

1. Material changes and commitment affecting financial position:

The Company has undergone a material change and commitments which could affect your Company's financial position and which has occurred between the end of the financial year and date of this report. Your Company has applied for acquiring and merging its wholly owned subsidiary Onward eServices Limited into Parent Company-Onward Technologies Limited. This scheme of arrangement, if passed by the NCLT Bench will be effected from the appointed date i.e. January 1, 2020 and hence, the impact will result on the financial position of the Company post-merger. Your Company is strong and determined and healthy for such acquisitions and the acquisition will lead to synergies in the segment of business, finance as well as compliances.

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. Material Transactions:

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. Material Orders:

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:

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. Secretarial Standards:

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



Director's Report (Contd.)

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

Your Company has zero tolerance 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.

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 March 31, 2020 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:

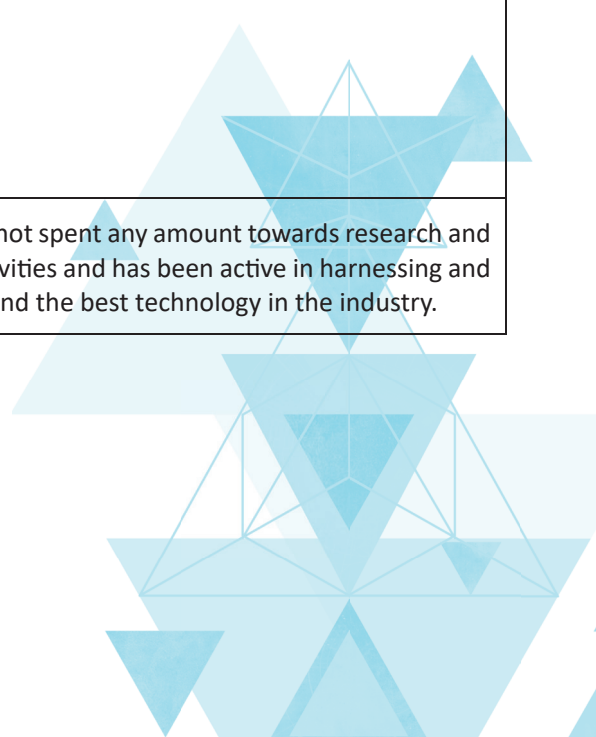
In line with the 'Green Initiative', your Company has effected electronic delivery of notice of Annual General Meeting and annual report to those shareholders whose email ids were registered with the respective depository participants and downloaded from the depositories viz. National Securities Depository Limited/Central Depository Services (India)

Director's Report (Contd.)

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.

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 periodically 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.



Director's Report (Contd.)

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

	<u>2019-20</u>	<u>2018-19</u>
Foreign exchange earnings	4,235.38 Lakhs	4,490.86 Lakhs
Foreign exchange outgo	1,398.47 Lakhs	1,537.10 Lakhs

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-8**.

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:

Name and Designation	Harish Mehta, Executive Chairman	Jigar Mehta, Managing Director
Nature of employment whether contractual or otherwise	Permanent	Permanent
Qualification & Experience & Age	Qualification: M.S. ELECTRICAL Experience: 41 years Age: 73 years	Qualification: Bachelor's in Business Administration with double major in Marketing and Management information system (MIS), Boston University, USA Experience: 19 years Age: 40 years
Date of Commencement of Employment	July 18, 1991	May 16, 2016
The last employment held by employee before joining Company	NA	NA
% of equity shares held by employee in the Company	216,528 (1.34%)	576,299 (3.59%)
Whether the employee is a relative of any Director, Manager of the Company. If yes provide the details	Relative of Mr. Jigar Mehta, Managing Director and Mrs. Prachi Mehta, Director of the Company	Relative of Mr. Harish Mehta, Executive Chairman and Mrs. Prachi Mehta, Director of the Company

Director's Report (Contd.)

Details of remuneration paid for the financial year ended March 31, 2020 to Executive Directors:

(Amount in lakhs)

Name of the Director	Mr. Harish Mehta (Executive Chairman)	Mr. Jigar Mehta (Managing Director)
Fixed Components		
Basic Pay	141.69	36.00
Allowances (HRA, Transport Allowance, LTA, Supplementary Allowances)	-	41.70
Medical Reimbursement	-	0.15
Employer's Contribution toward Provident Fund,	-	4.68
Variable Components		
Perquisite	27.73	-
Compensation or Incentives	50.00	50.00
Total	219.42	132.53

REMUNERATION POLICY:

Your Company recognizes the importance of aligning the business objectives with specific and measurable 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 Person 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. 0.75 lakhs and Rs. 0.50 lakhs per meeting, respectively. Also, sitting fees for attending Nomination and Remuneration Committee and Stakeholders' Relationship committee meetings shall be Rs. 0.05 lakhs 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

Director's Report (Contd.)

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(s) (KMPs) and Senior Management Personnel(s) (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.

As a policy, none of the Executive Directors are paid sitting fees.

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)

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.

Place: Mumbai
Date: May 15, 2020

**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

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 applied for strike off under section 248 of Companies Act, 2013
3	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	-	USD Rates for profit and loss Rs.71.08; balance sheet Rs.75.10	EURO Rates for profit and loss Rs. 78.90; balance sheet Rs.83.04	-
4	Share capital (including share application money) (Rs.)	2,462.00*	1,056.60	219.93	-
5	Reserves and surplus	(726.56)	978.68	(337.91)	-
6	Total assets	2,972.86	3,830.20	226.51	-
7	Total Liabilities	1,237.42	1,794.92	344.57	-
8	Investments	-	-	-	-
9	Turnover	5,850.64	11,084.72	787.75	-
10	Profit before taxation	(381.72)	423.86	(71.04)	-
11	Provision for taxation	(76.67)	107.62	-	-
12	Profit after taxation	(305.05)	316.24	(71.04)	-
13	Proposed Dividend	-	-	-	-
14	% of shareholding	100.00	100.00	100.00	100.00

Note: * This figure includes preference share capital at par value Rs. 100/- per share.

* There were no subsidiaries which were yet to commence operations or which were liquidated or sold during the year under review except Onward Properties Private Limited which have been applied for strikeoff under section 248 of Companies Act, 2013 and awaited ROC approval in form STK-8

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.

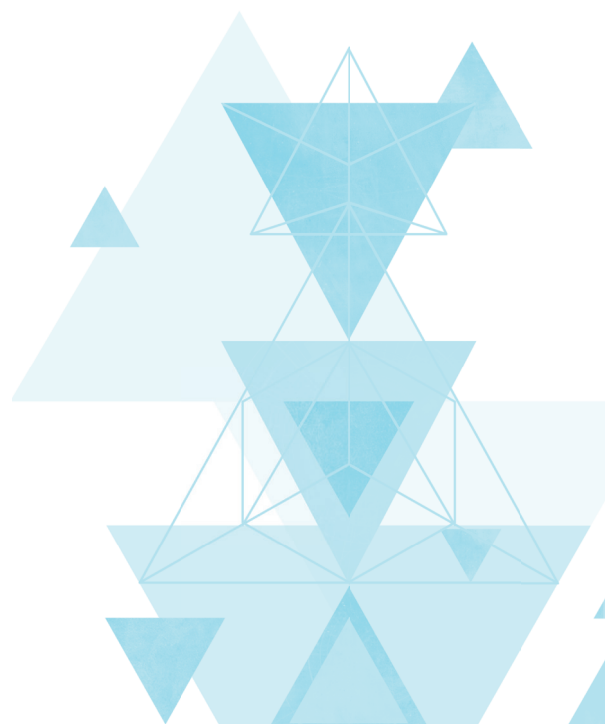
Annexure - 2

Disclosure of details pertaining to the shares allotted under Onward ESOP 2009 and Onward ESOP 2019 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		ESOP 2019
	2019-20	2018-19	2019-20
Date of Annual General Meeting	August 31, 2009	August 31, 2009	July 25, 2019
Total number of shares covered by ESOP Scheme approved by the shareholders	3,500,000	3,500,000	3,500,000
Vesting requirements	1 options equals to 4 shares to vested in 4 years	1 options equals to 4 shares to vested in 4 years	1 options equals to 4 shares to vested in 4 years
Options granted	186,500	50,000	79,700
Maximum term of options granted (includes lock-in period)	5 years	5 years	5 years
Source of shares	Primary	Primary	Primary
Options vested and exercisable (in shares)	878,200	569,400	0
Options exercised	59,425	65,700	0
The total number of shares arising as a result of exercise of option	237,700	262,800	0
Options forfeited	0	45,350	0
Options lapsed	45,875	22,600	4,000
Extinguishment or modification of options	None	None	None
The exercise price	Rs. 10	Rs. 10	Rs. 20
Pricing formula	Face Value	Face Value	Face Value (10/- and premium 10/-)
Variation of terms by exercise of options	None	None	None
Money realised by exercise of options	2,377,000	2,628,000	0
Total number of options outstanding at the end of the year	219,550	142,350	302,800
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	None

Director's Report (Contd.)

Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	None	None	None
Issued capital (excluding outstanding warrants and conversions of the Company at the time of grant.	Rs. 160,425,700 (16,042,570 equity shares)	Rs. 158,048,700 (15,804,870 equity shares)	Rs. 160,425,700 (16,042,570 equity shares)
Method used to accounting of options	Fair Value	Fair Value	Fair Value
Diluted EPS calculated in accordance with International Accounting Standards (IAS) 33	4.93	5.70	4.93



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 and Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020 (01-04-2019 to 31-03-2020)

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 March 31, 2020 complied with the Statutory provisions listed hereunder and also that the Company and its Subsidiary Company has 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 April 1, 2019 to March 31, 2020 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 April 1, 2019 to March 31, 2020 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 observations:

1. 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 disclosure to the Company from the promoter in one case. However the Company has submitted the disclosure after receipt of the same from promoter within time as prescribed in the Regulations and complied with the Regulations.
2. The promoters have completed the necessary formalities including payment of penalty as per orders issued by SEBI under Section 15-I of Securities And Exchange Board Of India Act,1992 read with SEBI (Procedure for Holding Inquiry and imposing penalties by adjudicating authorities)Rules, 1995 pursuant to in respect of notices dated July 10, 2019 received from the Securities And Exchange Board Of India under Rule 4(1) of SEBI (Procedure for Holding Inquiry and imposing penalties)Rules, 1995 for alleged violations of Regulation 13(4A) read with Regulation 13(5) of the SEBI(Prohibition Of Insider Trading) Regulations, 1992 read with Regulation 12 of the Securities And Exchange Board Of

Director's Report (Contd.)

India (Prohibition Of Insider Trading) Regulations, 2015. The Company has facilitated the appropriate compliance by the promoters by providing necessary information promptly and submission of necessary information/ disclosures to the Stock Exchange as required.

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. There are no changes in the composition of the Board of Directors that took place during the period under review.

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.

We further report that during the audit period, the Onward Properties Private Limited, wholly owned subsidiary company of the Company has filed application under Section 248 of the Companies Act, 2013 for removing its name from register of Companies.

We 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

Prajakta V. Padhye
Partner

FCS No: 7478

COP No: 7891

UDIN: F007478B000242240

Place: Dombivali
Date: May 15, 2020

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

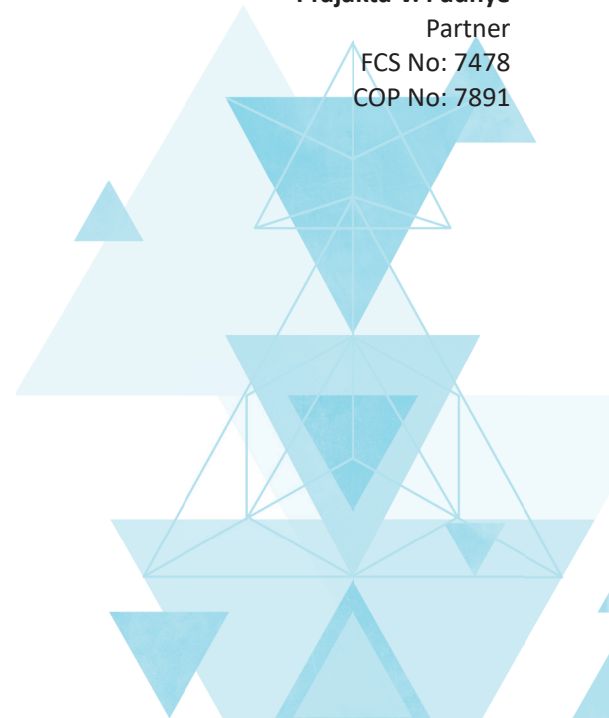
Our report of even date is to be read along with this letter

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is 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 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

Prajakta V. Padhye
Partner
FCS No: 7478
COP No: 7891

Place: Dombivali
Date: May 15, 2020



Annexure - 4

Particulars of Loan(s), Guarantee(s), Security(s) and Investment(s). for the financial year 2019-20

A Guarantee(s)/Security(s) provided during financial year 2019-20:

Company had not provided any Guarantee(s)/Security(s) during financial year 2019-20.

B Investments made during the financial year 2019-20:

(Amount in Lakhs)

Sr. No.	Particulars	Opening Balance	Change During the Year	Closing Balance
1	Onward eServices Limited 900,000 (March 31, 2019 : 900,000) optionally convertible redeemable preference shares of Rs. 100 per share	900.00	-	900.00
2	Onward eServices Limited 15,620,000 (March 31, 2019 : 15,620,000) equity shares of Rs. 10 per share	1,562.00	-	1,562.00
3	Onward Properties Private Limited 5,000 (March 31, 2019 : 5,000) equity shares of Rs. 100 per share	106.93	(106.93)	-
4	Onward Technologies GmbH Investment in Onward Technologies, GmbH	215.99	-	215.99
5	Onward Technologies Inc. 114,000 (March 31, 2019 : 114,000) equity shares of US\$ 20 per share	951.70	-	951.70
	Total	3,736.62	-	3,629.69

Note : The amount of investment is considered in face value and for detailed movement of investment please refer notes 5 "investments" to standalone financial statements.

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

Annexure - 5

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)
Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto :

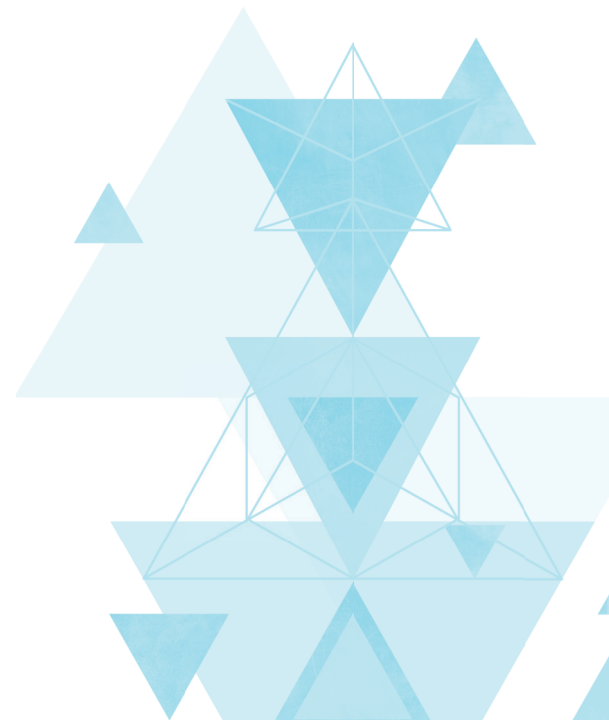
1. Details of contracts or arrangements or transactions not at arm's length basis : NIL
2. Details of material contracts or arrangements or transactions at arm's length basis: NIL

Note: Please refer to "Note 30" of Standalone financial statements, part of this report.

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

Date : May 15, 2020
Place : Mumbai

Jigar Mehta
Managing Director
DIN : 06829197



Annexure - 6 Form No. MGT 9

Extract of annual return as on financial year ended March 31, 2020
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	July 18, 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

All the business activities contributing 10% or more of the total turnover of the Company shall be stated

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

* Onward Properties Private Limited, wholly owned subsidiary of the company has applied for strike-off under section 248 of Companies Act, 2013 and approval from ROC, Mumbai is awaited.

Director's Report (Contd.)

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

Category of Shareholders	Shareholding at the end of the year -2019				Shareholding at the beginning of the year -2020				% 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	971,758	0	971,758	6.15	1,126,515	0	1,126,515	7.02	0.87
(b) Central Government / State Government(s)	0	0	0	0	0	0	0	0.00	-
(c) Financial Institutions / Banks	0	0	0	0	0	0	0	0.00	-
(d) Any Other (Specify)			0				0	0.00	-
Bodies Corporate	8,350,695	0	8,350,695	52.84	8,852,566	0	8,852,566	55.18	2.34
Sub Total : (A)(1)	9,322,453	0	9,322,453	58.99	9,979,081	0	9,979,081	62.20	3.22
[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)	9,322,453	0	9,322,453	58.99	9,979,081	0	9,979,081	62.20	3.22
(B) Public Shareholding									
[1] Institutions									
(a) Mutual Funds / UTI	150	3,600	3,750	0.0237	150	3,600	3,750	0.0234	0.0004
(b) Central Government	0	0	0	0.00	0	0	0	0.00	-
(c) State Government(s)	0	0	0	0.00	0	0	0	0.00	-
(d) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	-
(e) Alternate Investment Funds	0	0	0	0.00	0	0	0	0.00	-
(f) Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	-
(g) Foreign Portfolio Investor	0	0	0	0.00	0	0	0	0.00	-
(h) Financial Institutions / Banks	1,150	100	1,250	0.0079	250	100	350	0.0022	0.0057
(i) Insurance Companies	0	0	0	0.00	0	0	0	0.00	-
(j) Provident Funds/ Pension Funds	0	0	0	0.00	0	0	0	0.00	-
(k) Any Other (Specify)									-
Sub Total : (B)(1)	1,300	3,700	5,000	0.0316	400	3,700	3,750	0.0234	0.0061
[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

Director's Report (Contd.)

Category of Shareholders	Shareholding at the end of the year -2019				Shareholding at the beginning of the year -2020				% 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.	3,215,355	179,279	3,394,634	21.48	3,031,525	162,329	3,193,854	19.91	1.57
(ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	2,114,068	0	2,114,068	13.38	2,312,896	0	2,312,896	14.42	(27.80)
(b) NBFCs registered with RBI	1,100	0	1,100	0.01	0	0	0	0.00	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	291,915	0	291,915	1.85	173,592	0	173,592	1.0821	(0.76)
Non Resident Indians (Non Repat)	52,705	0	52,705	0.33	73,605	0	73,605	0.4588	(0.13)
Non Resident Indians (Repat)	92,062	6,350	98,412	0.62	53,926	6,350	60,276	0.3757	(0.2470)
Overseas Bodies Corporates	1,250	0	1,250	0.01	1,250	0	1,250	0.0078	(0.00)
Clearing Member	120,547	0	120,547	0.76	52,676	0	52,676	0.3284	(0.43)
Bodies Corporate	395,886	6,900	402,786	2.55	184,340	6,900	191,240	1.1921	(1.40)
Sub Total :(B)(3)	6,284,888	1,92,529	6,477,417	40.99	5,883,810	175,579	6,059,389	37.7707	(3.21)
Total Public Shareholding :(B)=(B)(1)+(B)(2)+(B)(3)	6,286,188	196,229	6,482,417	41.02	5,884,210	179,279	60,63,489	37.7962	(3.22)
Total :(A)+(B)	15,608,641	196,229	15,804,870	100.01	15,863,291	179,279	16,042,570	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)	15,608,641	196,229	15,804,870	100.01	15,863,291	179,279	16,042,570	100.00	-

Director's Report (Contd.)

(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	7,842,112	49.62	0	8,343,983	52.01	0	2.39
2	Desai Finwealth Investments and Securities Private Limited	508,583	3.22	0	508,583	3.17	0	(0.05)
3	Harish Shantilal Mehta	216,528	1.37	0	216,528	1.35	0	(0.02)
4	Jigar Harish Mehta	426,542	2.70	0	576,299	3.59	0	0.89
5	Heral Harish Mehta	187,186	1.18	0	187,186	1.17	0	(0.02)
6	Prachi Harish Mehta	141,502	0.90	0	146,502	0.91	0	0.02
	Total	9,322,453	58.98	0	9,979,081	62.20	0	3.22

(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	7,842,112	49.62				7,842,112	49.62
	Change during the year			05 Apr 2019	75,000	Market Purchase	7,917,112	49.12
				12 Apr 2019	3,500	Market Purchase	7,920,612	49.14
				14 Jun 2019	69,134	Market Purchase	7,989,746	49.57
				21 Jun 2019	60,343	Market Purchase	8,050,089	49.95
				29 Jun 2019	78,671	Market Purchase	8,128,760	50.44
				05 Jul 2019	36,045	Market Purchase	8,164,805	50.66
				30 Aug 2019	20,000	Market Purchase	8,184,805	50.78
				06 Sep 2019	35,000	Market Purchase	8,219,805	51.00
				13 Sep 2019	14,579	Market Purchase	8,234,384	51.09
				28 Feb 2020	7,500	Market Purchase	8,241,884	51.14
				06 Mar 2020	17,500	Market Purchase	8,259,384	51.25
				13 Mar 2020	17,500	Market Purchase	8,276,884	51.35
				20 Mar 2020	51,000	Market Purchase	8,327,884	51.67

Director's Report (Contd.)

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
				27 Mar 2020	16,099	Market Purchase	8,343,983	52.01
	At the end of the year						8,343,983	52.01
2	Jigar Harish Mehta							
	At the beginning of the year	426,542	2.67				426,542	2.67
	Change during the year			24 May 2019	10,000	Market Purchase	436,542	2.72
				31 May 2019	46,882	Market Purchase	483,424	2.65
				07 Jun 2019	34,765	Market Purchase	518,189	3.22
				02 Aug 2019	24,302	Market Purchase	542,491	3.37
				09 Aug 2019	31,808	Market Purchase	574,299	3.56
				30 Aug 2019	2,000	Market Purchase	576,299	3.58
	At the end of the year						576,299	3.59
3	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
4	Harish Shantilal 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
5	Heral Harish 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 Harish Mehta							
	At the beginning of the year	141,502	0.90				141,502	0.90
	Change during the year			27 Mar 2020	5,000	-	146,502	0.91
	At the end of the year						146,502	0.91

Note: 1. Paid up Share Capital of the Company (Face Value Rs. 10.00) at the end of the year is 1,60,42,570 Shares.

Director's Report (Contd.)

(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	Parish A. Meghani	285,918	1.78		285,918	Market Purchase	285,918	1.78
	Change During the Year	-	-			-	-	-
	At the end of the year						285,918	1.81
2	Byna Murli	110,742	0.69				110,742	0.69
	Change During the Year			07 Jun 2019	738	Market Purchase	111,480	0.69
				29 Jun 2019	1,000	Market Purchase	112,480	0.70
				26 Jul 2019	1,392	Market Purchase	113,872	0.71
				02 Aug 2019	1,200	Market Purchase	115,072	0.72
				20 Sep 2019	6,928	Market Purchase	122,000	0.76
				25 Oct 2019	150	Market Purchase	122,150	0.76
				10 Jan 2020	14,850	Market Purchase	137,000	0.85
				17 Jan 2020	13,000	Market Purchase	150,000	0.94
				07 Feb 2020	7,500	Market Purchase	157,500	0.98
				14 Feb 2020	3,000	Market Purchase	160,500	1.00
	At the end of the year						160,500	1.00
3	M V S S Narayanacharyulu	143,652	0.90				143,652	0.90
	Change During the Year			19 Jul 2019	10,000	Market Purchase	153,652	0.96
	At the end of the year						153,652	0.96
4	Ashish N Chowdhary	107,214	0.67				107,214	0.67
	Change During the Year			26 Apr 2019	10,000	Market Purchase	117,214	0.73
	At the end of the year						117,214	0.73

Director's Report (Contd.)

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
5	Raju Mohanlal Samtani	92,708	0.58				92,708	0.58
	Change During the Year			17 May 2019	20,000	Market Purchase	112,708	0.70
	At the end of the year						112,708	0.70
6	Sudhir Chukkapalli	0	0				0	0
				25 Oct 2019	10,984	Market Purchase	10,984	0.21
				01 Nov 2019	2,400	Market Purchase	13,384	0.24
				08 Nov 2019	484	Market Purchase	13,868	0.33
				15 Nov 2019	47,757	Market Purchase	61,625	0.40
				22 Nov 2019	26,258	Market Purchase	87,883	0.40
				29 Nov 2019	6,500	Market Purchase	94,383	0.41
				17 Jan 2020	592	Market Purchase	94,975	0.47
				24 Jan 2020	3,000	Market Purchase	97,975	0.50
				31 Jan 2020	8	Market Purchase	97,983	0.52
	At the end of the year						97,983	0.61
7	Pratish Mehta	74,500	0.46				74,500	0.46
	Change During the Year			25 Oct 2019	12,000	Market Purchase	86,500	0.54
	At the end of the year						86,500	0.54
8	S Manivasagam	70,500	0.44				70,500	0.44
	At the end of the year						70,500	0.44
9	Lokendra Singh Panwar	37,000	0.23				37,000	0.23
	Change During the Year			10 May 2019	7,500	Market Purchase	44,500	0.28
				17 Jan 2020	(20)	Market Sale	44,480	0.28
				24 Jan 2020	(4,480)	Market Sale	40,000	0.25
				31 Jan 2020	1,355	Market Purchase	41,355	0.26

Director's Report (Contd.)

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
				07 Feb 2020	2,645	Market Purchase	44,000	0.27
				21 Feb 2020	1,327	Market Purchase	45,327	0.28
				28 Feb 2020	2,673	Market Purchase	48,000	0.30
				20 Mar 2020	2,000	Market Purchase	50,000	0.31
	At the end of the year						50,000	0.31
10	Sweta Pranay Vakil Joint Holder Pranay Dhansukhlal Vakil	0	0				0	0
	Change During the Year			07 Feb 2020	20,015	Market Purchase	20,015	0.12
				14 Feb 2020	29,985	Market Purchase	50,000	0.31
	At the end of the year						50,000	0.31
				31 Dec 2018	1,495	Market Purchase	59,745	0.38
				04 Jan 2019	5,255	Market Purchase	65,000	0.41
				01 Feb 2019	750	Market Purchase	65,750	0.42
				08 Feb 2019	1,000	Market Purchase	66,750	0.42
				22 Feb 2019	1,991	Market Purchase	68,741	0.43
				01 Mar 2019	4,500	Market Purchase	73,241	0.46
				08 Mar 2019	1,759	Market Purchase	75,000	0.47
				29 Mar 2019	1,000	Market Purchase	76,000	0.48
	At the end of the year						76,000	0.48

Director's Report (Contd.)

V Indebtedness

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

(Amount in lakhs)

Particulars	Secured loans excluding deposits	Unsecured loans	Deposits	Total indebtedness
Indebtness at the beginning of the financial year				
i) Principal Amount	1,229.69	515.11	-	1,744.8
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	1,229.69	515.11	-	1,744.8
Change in indebtedness during the financial year				
Additions	689.26	947.00	-	1,636.26
Reduction	123.27	1,462.11	-	2,694.79
Net Change	(543.41)	(515.11)	-	(1,058.52)
Indebtedness at the end of the financial year				
i) Principal Amount	686.28	-	-	686.28
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	686.28	-	-	686.28

VI Remuneration of directors and key managerial personnel

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

(Amount in lakhs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Key Managerial Personnel	
		Mr. Jigar Mehta	Mr. Harish Mehta	Chief Financial Officer	Company Secretary
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	77.85	141.69	49.33	4.10
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	27.73	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock Option	-	-	6.19	-
3	Sweat Equity	-	-	-	-
4	Commission	50.00	50.00	4.93	-
	as % of profit (calculated as per section 198, Companies Act, 2013)	4.00%	4.00%	-	-
	others, specify	-	-	-	-
5	Others, please specify	4.68	-	1.64	0.22
	Total (A)	132.53	219.42	62.09	4.32
	Overall ceiling as per the Act	84.00	84.00	NA	NA

Director's Report (Contd.)

B. Remuneration to other directors:

(Amount in lakhs)

Sr. No.	Particulars of remuneration	Name of the Director				Total
		Mr. Nandkumar Pradhan	Mr. Rahul Rathi	Mr. Parish Meghani	Mr. Pranay Vakil	
1	Independent directors					
	(a) Fee for attending board/ committee meetings	2.65	2.60	5.40	5.10	15.75
	(b) Commission	-	-	-	-	-
	(c) Others, please specify	-	-	-	-	-
	Total (1)	2.65	2.60	5.40	5.10	15.75
2	Other Non-Executive directors	Mrs. Prachi Mehta	-	-	-	Total
	(a) Fee for attending/board committee meetings	3.25	-	-	-	3.25
	(b) Commission	-	-	-	-	-
	(c) Others, please specify.	-	-	-	-	-
	Total (2)	3.25	-	-	-	3.25
	Total (B) = (1 + 2)	5.90	2.60	5.40	5.10	19.00
	Total managerial remuneration					NA
	Overall ceiling as per the Act					NA

VII Penalties/Punishment/Compounding of Offences : None

VIII Officers In Default : None

Place: Mumbai
Date: May 15, 2020

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

Annexure - 7

Corporate Social Responsibility

[Pursuant to clause (o) of sub-section (3) of Section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

CSR may be understood to be a process by which an organization thinks about and evolves its relationships with stakeholders for the common good and demonstrates its commitment in this regard by suitable and strategically targeted activities. The Onward Corporate Social Responsibility program is all about giving back to society with gratitude, for what has been given to us. Onward has undertaken a number of CSR initiatives through Onward Foundation. Through their work with the foundation, Onward's employees take responsibility of considering the interests of those sections of society that are less fortunate than us. Onward foundation's aim is to extend support to the community in the fields of education and health. With a view of "Making a difference to our community."

1. Onward's CSR policy has been prepared in line with the provisions of Section 135 of the Companies Act, 2013. The Corporate Social Responsibility Policy of the Company, as approved by the Board of the Directors, is available on the Company's website at <http://www.onwardgroup.com/footer/investors/policies>
2. The Composition of the CSR Committee:

The composition of the CSR Committee as on March 31, 2020 is as follows:

Name of the Member	Nature of Directorship
Mr. Pranay Vakil	Chairperson
Mr. Harish Shantilal Mehta	Member
Mrs. Prachi Mehta	Member

3. Average net profit of the company for last three financial years: Rs. 630.53 lakhs
4. Prescribed CSR Expenditure (2% of this amount as mentioned in Sr. No. 3 above):. Rs. 12.61 lakhs
5. Details of CSR spent during the financial year:
 - (a) Total amount spent for the financial year : Rs. 15.00 lakhs
 - (b) Amount unspent:. Not Applicable
 - (c) Manner in which the amount spent during the financial year is detailed below.

Director's Report (Contd.)

1	2	3	4	5	6	7	8
Sr. No.	CSR project or activity identified	Sector in which The Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (Rs. In Lakhs)	Amount spent on the projects or programs wise (Rs. In Lakhs)	Cumulative expenditure upto to the reporting period	Amount spent : Direct or through implementing agency i.e Overheads
1	St. Xavier's college renovations/ development of ground	Promoting education and national sports	Maharashtra	15.00	15.00	15.00	Overheads

Onward has also executed certain activities with respect to conducting Blood Bank Camps, Tree Planation Projects, Visit to Orphanage and supporting Akansha Foundation via Marathon.

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report :- Onward considers social responsibility as an integral part of its business activities and endeavors to utilize allocable CSR budget for the benefit of society. Over the years, the company has continuously worked towards improving quality of life of the Society in its operational areas.

Even before the CSR was applicable to your Company, CSR was voluntarily executed by Onward Foundation and would continue to do so. We take pride and feel contented in contributing towards the society, our bit which can change the future and help us to build a stronger nation.

7. CSR Committee Responsibility Statement:

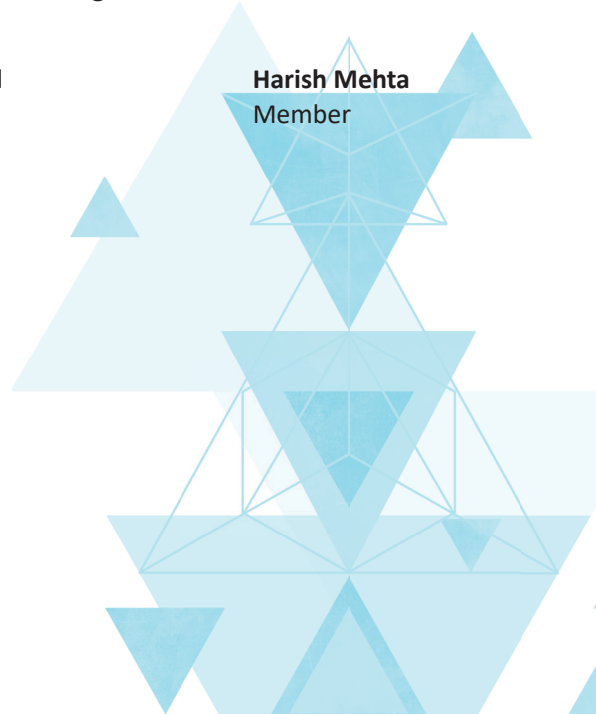
The CSR Committee confirms that the implementation and monitoring of the CSR activities of the Company are in compliance with the CSR objectives and CSR Policy of the Company

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

Pranay Vakil
Chairperson

Harish Mehta
Member

Date: May 15, 2020
Place : Mumbai



Annexure - 8

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: **(Amount in lakhs)**

Median remuneration (A)	9.00
Remuneration of Mr. Harish Mehta (Executive Chairman) (B)	219.42
Remuneration of Mr. Jigar Mehta (Managing Director) (C)	132.53
Ratio of A to B	1:24
Ratio of A to C	1:15

The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

Name of Director/Key Managerial Personnel	Percentage increase in remuneration
Mr. Harish Mehta (Executive Chairman)	30.60%
Mr. Jigar Mehta (Managing Director)	70.22%
Mr. MVSS Narayanacharyulu (01.04.2019-23.10.2019)	-
Mr. Devanand Ramandasani (23.10.2019-31.03.2020)	-
Ms. Dimple Chauhan	6.00%

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

Percentage increase in median remuneration	18.42%
--	--------

The number of permanent employees on the rolls of the Company: 977

Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year:	5.00%
Comparison of average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year with the percentile increase in the managerial remuneration and justification thereof	Not applicable as no percentile increase in managerial remuneration during the year.
Point out if there are any exceptional circumstances for increase in the managerial remuneration;	NA
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/GIC centers 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 Centers (or MNC Captive Centers) 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 centers in India do, it is \$12.5 billion in China.

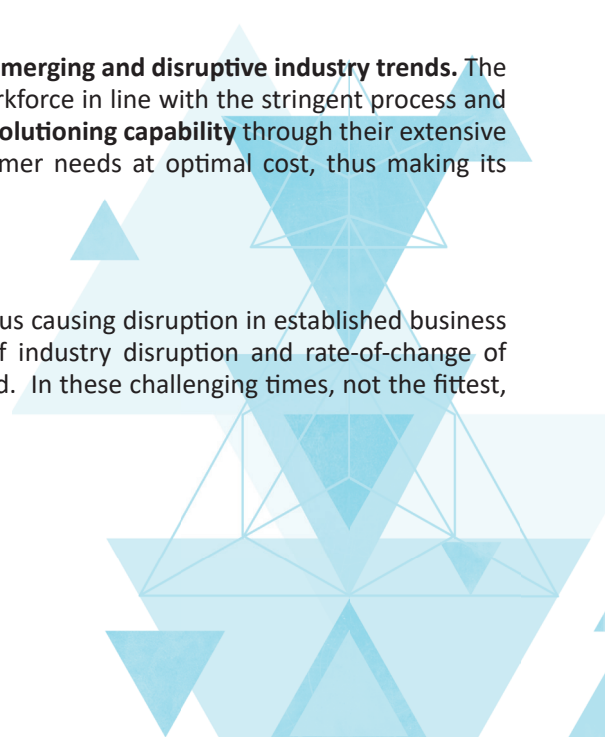
R&D spend in automotive is focused on **electronics, software and autonomous vehicles**; semiconductor firms are focused on **AI, IoT and cloud**; healthcare firms in **personalized medicine, AI in drug discovery**; consumer electronics in **connected and smart devices**; industrial in **predictive maintenance 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 for winning sizable deals**.

Your Company's current capabilities, global presence and investments in new/emerging areas helped increase client relevance, and building the right business model. As we look back at fiscal 2019-20, 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 programs. We expanded our offices across thereby gaining access and direct engagement with our clients.

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, but the most amateur visionary will survive.



Management Discussion And Analysis (Contd.)

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, we are exploring the vistas of new and disruptive business models for product manufacturers, technology firms, financial service sector, etc. Being a trusted advisor to many other Fortune 1000 companies, we recognize that to achieve digital transformation at scale is key to future success. .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 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 centers 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's employees are dedicated to provide expert consulting and value-added services to customers in the Automotive, Aerospace, Off-Highway, Industrial Equipment & Machinery, Healthcare & Laboratory Equipment, Pharmaceutical & Life Sciences, and 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.

Management Discussion And Analysis (Contd.)

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

Below are some of the achievements that stands testimony to our renewed vision, mission and values of your company.

For a top global off highway equipment company of size \$50 billion, company has been partnering with them for the last 10+ years and have executed many digital transformation projects . Last year, we built a complex engineering automation single sign on portal for the entire organization. Through this initiative, we were able to achieve more than 50% productivity improvement and direct cost savings to customer. This is reflective of our innovation culture at the core of whatever we do and exhibiting our value of putting customer first.

For a global medical technology firm of size \$12 billion, we re-engineered and designed a new equipment with embedded electronic components which can ease the patients' life in a hospital set up through complex design and 3D printing. Again exhibiting and going the extra mile to help not only our customer but their customers as well.

Company received many accolades from customer on outstanding delivery of our projects. The Vice President (Supply Chain) of a leading Swedish based precision radiation medical company of size \$120 million has appreciated our team for achieving multiple deployments and installations perfectly.

One of your Company's leading manufacturing domain experts has written an article on flexible manufacturing system in "Manufacturing Technology Insights" magazine for their special edition on Metal Manufacturing.

Your company's Technical Publishing team was highly appreciated by a leading OEM for a "Proof of Concept" assignment.

In the area of Cost Engineering, your Company continues to be at the highest levels of expertise. A leading locomotive manufacturer having revenues of US\$8 billion+ continues to rely on your Company in this area of work.

Your Company recently completed 10+ years of partnership with a Swedish based precision radiation company of size US\$120 million and also for a US\$50 billion + global off-highway equipment manufacturer.

This shows our true strategic partnership of choice for digital and engineering services to many of our global customers.



Management Discussion And Analysis (Contd.)

F. Operations Performance – including Subsidiaries

For the FY 2019-20, the Company reaffirmed its commitment and position in the Engineering and IT segments.

Subsidiaries Performance: Each subsidiary continued to operate with adopting the customer-first attitude and operational discipline with right business strategy, Right People @ Right Role @ Right Job.

G. Outlook

Leading Analysts research reports indicate that the investments in Global Engineering R&D and Digital transformation is set to grow to approximately US\$660 billion by 2023. While the traditional R&D will see a flat trend, **the newer investments are bound to see a huge jump in the coming years.**

Hence, your company's strategy to **stay invested in the new age digital technologies will be the top priority.** All the new investments is aimed at building these multi-level digital capabilities.

Our rebranded vision:

Onward Technologies aspires to become one of the most preferred Technology Services partners to top global companies who are leading innovation at the intersection of the digital and physical worlds.

This is the vision Onward Technologies subscribes to and there is a defined path laid out for each one of us to play our roles. While Covid created uncertainty is looming large, **we see many customers transitioning to Industry 4.0 as quickly as they can.** Hence, **we will continue to invest significantly in these new digital transformation capability areas** to have the right people in the right place with the right set of capabilities, added to our laser focus approach on aggressive growth to serve them.

A sales focused culture along with a renewed brand strategy and first time right delivery approach will place us favorably to achieve this. With a 2,100+ strong team pulling this together, there is no end to what we can achieve.

H. Material Development in Human Resources

As a business partner, Human Capital Management has been the key during the year by centralizing HR operations at Pune, in ensuring **Right People @ Right Role @ Right Place.** With the accelerated pace of changes in market and technology disruption, keeping up with the change and continuously striving to transform talent is hard work.

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.

We are transforming our workplaces into open, collaborative spaces allowing employees to connect with each other and co-create seamlessly. This makes for an agile, immersive environment conducive for ideas to take shape and innovations to be at speed. More over top-performing employees seeking to proactively shape their careers to leverage emerging opportunities and to also develop corresponding skills. **We deeply acknowledge and incentivize skill-building, training and on-the-job experience in new areas.**

Performance based culture with Predefined Objectives, Standardized Appraisal Process, Regular review of objective (Goals Vs Achieved) 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.**

Employee Engagement/Welfare/R&R with More focussed approach on employee engagement & motivation through Skip level & One on One connect through HR business partners, Continuous Engagement activities & awareness sessions to boost employee morale

Create a vibrant and highly motivated workforce. Better retention rate has created strong experienced team. Gender Diversity, Culture of Transparency & Strong Compliance align the human capital to company's core values and encourage positive minds.

Management Discussion And Analysis (Contd.)

I. 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	2018-19	2019-20	Change (%)	Reason for such change
Debtors Turnover Ratio	5.34	5.41	1.38	-
Inventory Turnover Ratio*	NA	NA	NA	-
Interest Coverage Ratio	6.54	3.78	(42.18)	Due to one-time impact of change in closure of low margin business.
Current Ratio	1.70	1.53	(10.30)	-
Debt Equity Ratio	0.26	0.27	0.93	-
Operating Profit Margin (%)	9.00	8.96	(0.41)	Due to one-time impact of change in closure of low margin business.
Net Profit Margin (%)	3.86	2.29	(40.80)	Due to one-time impact of change in closure of low margin business.

J. Details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof

Ratio	2018-19	2019-20	Change (%)	Reason for such change
Return on Net Worth (%)	18.29	9.66	(47.16)	Drop in net profit and increase in equity base

Formulae:

Debtors Turnover Ratio = Net Credit Sales/Average Net Accounts Receivables

Average Net Credit Accounts Receivable= (Opening Net Accounts Receivable + Closing Net Accounts Receivable)/2

Interest Coverage Ratio = EBIT/Total Finance Costs

Current Ratio = Current Assets/Current Liabilities

Debt Equity Ratio = (Short Term Borrowings + Long Term Borrowings)/Total Equity

Operating Profit Margin (%) = EBITDA/Total Income

EBITDA = Profit Before Tax + Finance Cost + Depreciation and Amortisation Expenses

Net Profit Margin (%) = Net Profit/Total Income

Return on Net Worth (%) = Net Profit/Average Total Equity

Average Total Equity = (Opening Equity + Closing Equity)/2

* Inventory Turnover Ratio is not applicable because the company is service oriented

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

Harish Mehta
Executive Chairman

Place: Mumbai
Date: May 15, 2020

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2019-20

I Company's philosophy on corporate governance:

Corporate governance is maximizing the shareholder value in a corporation while ensuring fairness to all 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 March 31, 2020:

Name of the Director	Designation/ Category	No. of Directorships in other public companies in India ¹	No. of other committee/ chair- manship ²		No. of Board meetings attended	Per- centage atten- dance	Last annual general meeting attended
			member- ships				
Mr. Harish Mehta	Executive Chairman	2	-	1	4	100%	Yes
Mr. Jigar Mehta	Managing Director	2	-	1	4	100%	Yes
Mrs. Prachi Mehta	Non-Independent/ Non-Executive	1	-	1	4	100%	Yes
Mr. Pranay Vakil	Independent/ Non-Executive	3	2	2	4	100%	Yes
Mr. Nandkumar Pradhan	Independent/ Non-Executive	1	1	1	2	50%	No
Mr. Rahul Rathi	Independent/ Non-Executive	2	-	2	2	50%	Yes
Mr. Parish Meghani	Independent/ Non-Executive	2	2	1	4	100%	Yes

Report on corporate governance for the year 2019-20 (Contd.)

- 1 Includes listed companies, including Onward Technologies Limited and Excludes private companies, foreign Companies & Section 8 Companies.
- 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 Godrej Properties Limited	Non-Executive Director Director
2	Mr. Rahul Rathi	Plastiblends India Limited	Director

C. Skills / Expertise / Competencies of the Board of Directors and Chart Setting out their competencies:

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.

In the table below, the specific areas of focus and expertise of individual Board Members have been highlighted.

Sr No.	Names of the Directors	Skills possessed
1	Mr. Harish Mehta	<ul style="list-style-type: none"> • Business Strategy, • Decision Making, leadership skills
2	Mr.Jigar Mehta	<ul style="list-style-type: none"> • Business Strategy, Sales & Marketing • Decision Making, leadership skills • Business Administration • Sales & Marketing
3	Mr.Pranay Vakil	<ul style="list-style-type: none"> • Compliance and Strategic Decision-Making • Audit operation and management skills • Leadership skills
4	Mr.Nandkumar Pradhan	<ul style="list-style-type: none"> • Business Administration • Engineering Technologies

Report on corporate governance for the year 2019-20 (Contd.)

Sr No.	Names of the Directors	Skills possessed
5	Mr.Rahul Rathi	<ul style="list-style-type: none">• Forex Management
		<ul style="list-style-type: none">• Audit Views
		<ul style="list-style-type: none">• Financial Operational skills
		<ul style="list-style-type: none">• Strategic Investments
6	Mr. Parish Meghani	<ul style="list-style-type: none">• Business Strategy
		<ul style="list-style-type: none">• Equity Market
		<ul style="list-style-type: none">• Strategic Investments
7	Mrs. Prachi Mehta	<ul style="list-style-type: none">• Advertising and Marketing

D. Independent Directors:

Mr. Pranay Vakil, Mr. Rahul Rathi, Mr. Parish Meghani and Mr. Nandkumar Pradhan were the Independent Directors of the Company as on March 31, 2020. All the Independent Directors have confirmed that they meet the criteria of 'independence' as mentioned under Companies Act, 2013 and 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 21st February, 2020, 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.

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. 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

Report on corporate governance for the year 2019-20 (Contd.)

- 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 resignation of Chief Financial Officer and the Company Secretary.
- Proposal for amalgamation, merger, acquisitions, buybacks 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.

Four Board Meetings were held during the financial year 2019-20. The Board Meetings were held on: May 17, 2019, July 25, 2019, October 23, 2019 and January 24, 2020, respectively.

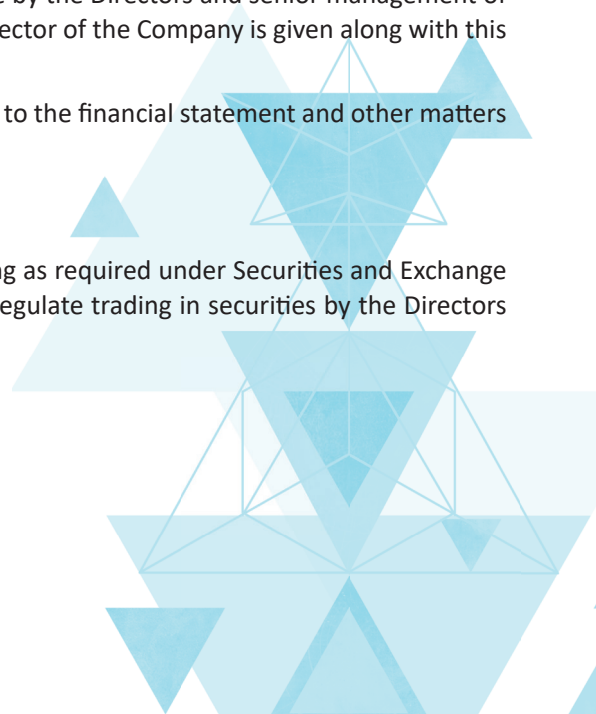
F. Code of conduct:

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.



Report on corporate governance for the year 2019-20 (Contd.)

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.

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.

Report on corporate governance for the year 2019-20 (Contd.)

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 March 31, 2020 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	146,502 equity shares
2	Mr. Pranay Vakil	Independent/ Non-Executive	50,000 equity share bought by Mrs. Sweta Pranay Vakil (immediate relative)
3	Mr. Nandkumar Pradhan	Independent/ Non-Executive	--
4	Mr. Rahul Rathi	Independent/ Non-Executive	--
5	Mr. Parish Meghani	Independent/ Non-Executive	285,918 equity shares

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

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.

Report on corporate governance for the year 2019-20 (Contd.)

- 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.
- 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: : May 17, 2019, July 25, 2019, October 23, 2019 and 24th January, 2020, respectively.

The Directors who were members of the Committee as on March 31, 2020 and the attendance of each of the members is given below:

Report on corporate governance for the year 2019-20 (Contd.)

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	2
Mr. Rahul Rathi	Member	Independent and Non-Executive	2
Mr. Parish Meghani	Member	Independent and Non-Executive	4

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.
- 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, two meetings of the Nomination and Remuneration Committee were held on May 17, 2019 and January 24, 2020. Further, the Directors who were members of the Committee as on March 31, 2020 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	2
Mr. Rahul Rathi	Member	Independent and Non-Executive	1
Mr. Parish Meghani	Member	Independent and Non-Executive	2

Report on corporate governance for the year 2019-20 (Contd.)

3. Non-executive Directors' remuneration details for the financial year ended March 31, 2020:

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. 0.75 lakhs and Rs. 0.50 lakhs per meeting, respectively. Further, sitting fees for attending meetings of Nomination and Remuneration Committee, Stakeholders' Relationship Committee and other committee is Rs. 0.05 lakhs 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.

(Amount in lakhs)

Name of the Director	Sitting fees paid	TDS Deducted	Total
Mr. Pranay Vakil	4.59	0.51	5.10
Mr. Nandkumar Pradhan	2.39	0.27	2.65
Mrs. Prachi Mehta	2.93	0.33	3.25
Mr. Parish Meghani	4.86	0.54	5.40
Mr. Rahul Rathi	2.34	0.26	2.60

Further, details of remuneration paid to Mr. Harish Mehta, Executive Chairman and Mr. Jigar Mehta, Managing Director of the Company for FY 2019-20 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:

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.

Report on corporate governance for the year 2019-20 (Contd.)

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 March 31, 2020 to Executive Directors:

(Amount in lakhs)

Name of the Director	Mr. Harish Mehta (Executive Chairman)	Mr. Jigar Mehta (Managing Director)
Fixed Components		
Basic Pay	141.69	36.00
Allowances (HRA, Transport Allowance, LTA, Supplementary Allowances)	-	41.70
Medical Reimbursement	-	0.15
Employer's Contribution toward Provident Fund	-	4.68
Variable Components		
Perquisite	27.73	-
Compensation or Incentives	50.00	50.00
Total	219.42	132.53

All other terms and conditions are according to the companies Act, 2013 and no stock options are being provided to the executive directors of the company.

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.

2. Composition:

The Stakeholders' Relationship Committee comprised of three members. During the year under review, four meetings of the Committee were held on: : May 17, 2019, July 25, 2019, October 23, 2019 and January 24, 2020, respectively.

Report on corporate governance for the year 2019-20 (Contd.)

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	4
Mrs. Prachi Mehta	Member	Non-Executive Director	4

3. Status of investors' complaints received during the year ended March 31, 2020:

Nature of complaints	Received	Resolved	Solved not to the satisfaction of Shareholder	Pending as on March 31, 2020
Relating to transfer, transmission, etc.	-	-	-	-
Other/miscellaneous	04	04	-	-
Total	04	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 under review there was no banking committee meetings were held.

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. During the year under review One CSR Committee meeting was held on October 23, 2019.

Report on corporate governance for the year 2019-20 (Contd.)

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
2016-17	The Victoria Memorial School for the Blind,73, Tardeo Road, Mumbai – 400 034	Friday, July 21, 2017	11.00 a.m.	Yes (4)
2017-18	The Victoria Memorial School for the Blind,73, Tardeo Road, Mumbai – 400 034	Friday, July 20, 2018	03.00 p.m.	No
2018-19	The Victoria Memorial School for the Blind,73, Tardeo Road, Mumbai – 400 034	Friday, July 25, 2019	03.00 p.m.	Yes (5)

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.

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 28th Annual General Meeting of the Company held on Friday, July 25, 2019. The Company declared and paid dividend of Rs. 2,39,66,955 (Rupees Two Crore Thirty Line lakhs Sixty Six Thousand Nine Hundred and Fifty Five only), excluding dividend distribution tax, at the rate of Rs. 1.50 (Rupee One Paise Fifty only) per equity share of Face Value Rs. 10 (Rupees

Report on corporate governance for the year 2019-20 (Contd.)

Ten only) each. The company paid dividend on date 31st July, 2019 into the separate dividend account opened with Yes Bank named "Onward Technologies Limited-Dividend Account-2018-19."

Also, the Directors have recommended a dividend of Rs. 1.50 (15%) per equity share of face value Rs. 10 each, for the financial year ended March 31, 2020, 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 July 9, 2020 and
- (ii) to those whose names appear as beneficial owners, as on July 9, 2020 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, 2020, 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.
- (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 Secretary, has submitted a certificate to this effect. A compliance certificate from Nilesh A. Pradhan & Co., LLP, Company Secretary 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 2019-20, the Board has accepted all the recommendations of its Committees.

Report on corporate governance for the year 2019-20 (Contd.)

- (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:

(Amount in Lakhs)

Sr. No.	Particulars	Price Waterhouse Chartered Accountants LLP	Shah Khandelwal Jain & Associates, Chartered Accountants*	Total
	As Auditors			
1	Statutory Audit	10.75	3.50	14.25
2	Limited Review	6.00	1.25	7.25
3	Tax Audit Fees	1.00	1.00	2.00
	In other capacities			
4	Fees For Other Services	4.75	0.25	5.00
5	Reimbursement of out of pocket expenses	2.07	-	2.07
	Total	24.57	6.00	30.57

* Shah Khandelwal Jain & Associates, Chartered Accountants are Statutory Auditors of Onward eServices Limited, wholly owned subsidiary of the Company.

- (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	-
b	number of complaints disposed of during the financial year	-
c	number of complaints pending as on end of the financial year:	-

- (m) The Company has complied with the requirements of Corporate governance as specified under regulation 17 to 27 and clauses (b) to (l) 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:

- 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 not be applicable.
- Company shall endeavor to provide half yearly declarations on financial performance of the Company including significant events in last six months of operations.
- Company strives towards having an unmodified audit opinion. Further, there has not been any modified audit opinions during the financial year 2019-20.
- M/s. Mazars Business Advisors Private Limited, internal auditors of the Company for the financial year 2019-20 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.

Report on corporate governance for the year 2019-20 (Contd.)

IX 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, Mint or financial Express 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.

X General Shareholders' information: CIN: L28920MH1991PLC062542

Annual general meeting:

Date	:	July 16, 2020
Time	:	03.00 PM
Venue	:	via video conferencing
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 2019-20 and 2020-21.

Report on corporate governance for the year 2019-20 (Contd.)

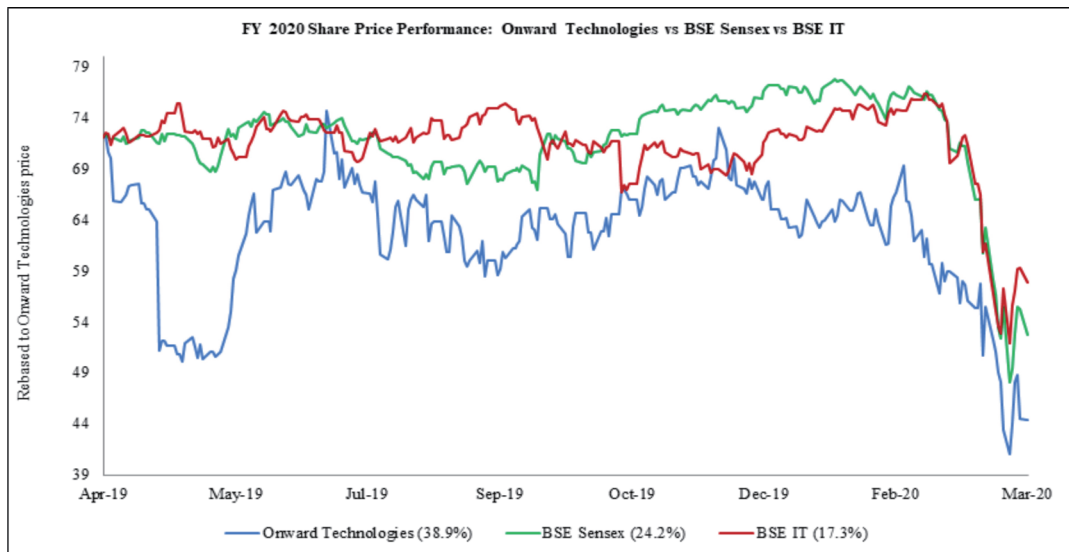
Market price data: Monthly High/Low during each month in the financial year 2019–20 is as follows:

Amount (Rs.)

Month	BSE		NSE	
	High	Low	High	Low
April, 2019	79.00	45.55	72.50	50.10
May, 2019	67.00	50.00	66.60	49.50
June, 2019	75.00	59.60	75.00	60.00
July, 2019	74.65	59.00	76.00	58.25
August, 2019	68.90	58.20	68.00	57.50
September, 2019	67.70	58.05	67.90	58.00
October, 2019	67.50	58.25	67.90	58.00
November, 2019	73.20	61.00	73.55	61.25
December, 2019	76.90	62.25	77.00	62.10
January, 2020	69.80	62.30	69.80	61.20
February, 2020	69.35	55.65	69.50	54.25
March, 2020	60.95	36.00	62.00	34.40

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

Stock price performance in comparison: Onward Technologies vs BSE Sensex vs BSE IT in the financial year 2019-20:



Note: The securities of the Company were not suspended from trading during the financial year 2019-20.

Report on corporate governance for the year 2019-20 (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, 2020:

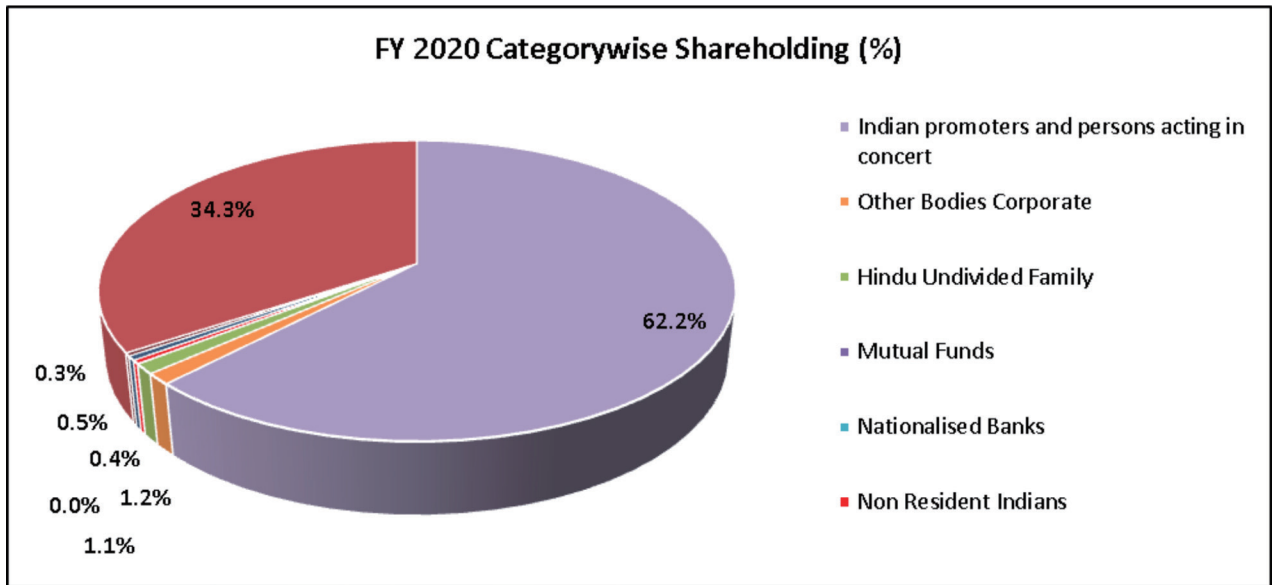
Shareholding of nominal value (Rs.)	No. of share holders	% of share holders	Amount of Shares in lakhs	% of shareholding
1 to 5,000	6,996	83.54	113.82	7.09
5,001 to 10,000	590	7.05	48.52	3.02
10,001 to 20,000	378	4.51	56.52	3.52
20,001 to 30,000	115	1.37	29.36	1.83
30,001 to 40,000	73	0.87	26.22	1.63
40,001 to 50,000	61	0.73	29.10	1.81
50,001 to 100,000	77	0.92	55.91	3.49
100,001 to -----	84	0.00	1244.81	77.59
Total	8,374	100.00	1604.26	100.00

Shareholding pattern as on March 31, 2020:

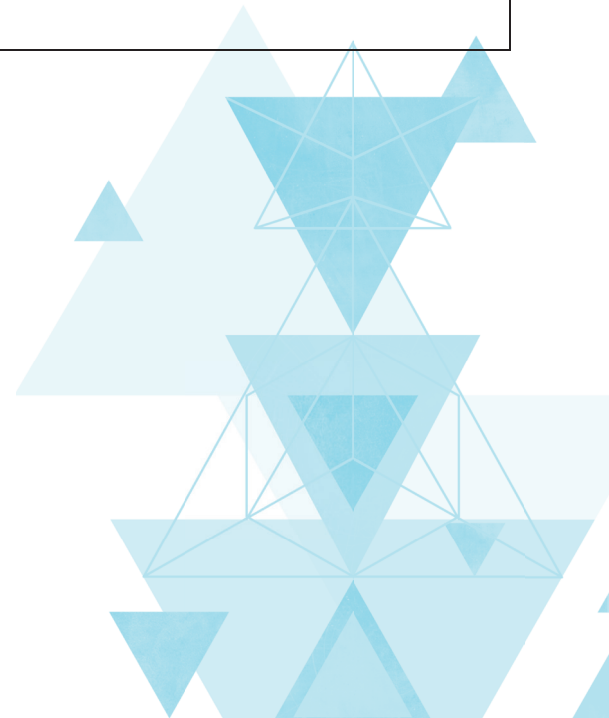
Categories	No. of shares held	Percentage of shareholding (%)
Indian promoters and persons acting in concert	9,979,081	62.20
Other Bodies Corporate	191,240	1.19
Hindu Undivided Family	173,592	1.08
Mutual Funds	3,750	0.02
Nationalised Banks	350	0.00
Non Resident Indians	60,276	0.38
Non Resident (Non Repatriable)	73,605	0.46
Clearing members	52,676	0.32
Overseas Corporate Bodies	1,250	0.01
Public	5,506,750	34.33
Total	16,042,570	100.000

Report on corporate governance for the year 2019-20 (Contd.)

Shareholding pattern as on March 31, 2020:



De-materialization of shares and liquidity	As on March 31, 2020, 15,863,291 shares representing 98.88% 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
Credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit program or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad.	Onward Technologies Limited obtained its rating from ICRA Ltd. As on 16th January, 2020 The long term reaffirmed to Onward Technologies Limited and was [ICRA]BBB- being stable and assigned short term non fund based rating [ICRA](A3). The documents related to credit rating is available on www.onwardgroup.com .



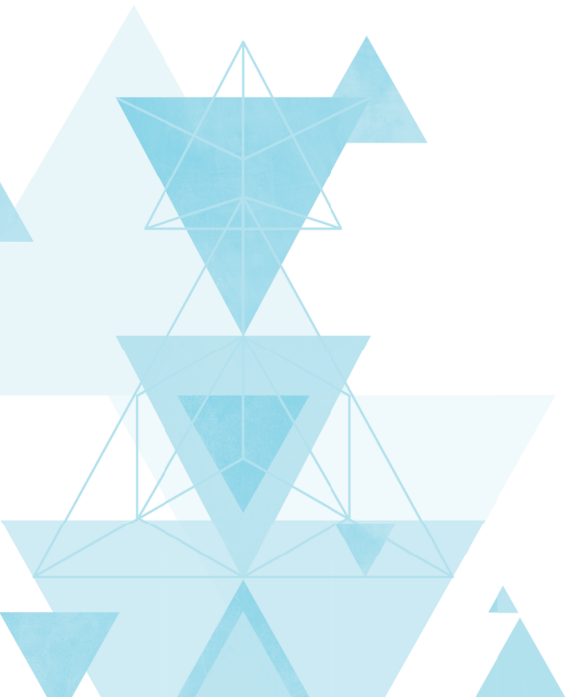
Report on corporate governance for the year 2019-20 (Contd.)

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	<p>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 :</p> <p>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: Mrs. Nayna Wakle</p>

For and on behalf of the Board of Directors

Place : Mumbai
Date : May 15, 2020

Jigar Mehta
Managing Director
(DIN: 06829197)



CEO & CFO Certification

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

1. We have reviewed the financial statements and the cash flow statement for the year 2019–20 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
Date: May 15, 2020

Jigar Mehta
Managing Director

Devanand Ramandasani
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 March 31, 2020.

For and on behalf of the Board of Directors

Jigar Mehta
Managing Director
(DIN: 06829197)

Place : Mumbai
Date : May 15, 2020

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, 2020, 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

Prajakta V. Padhye

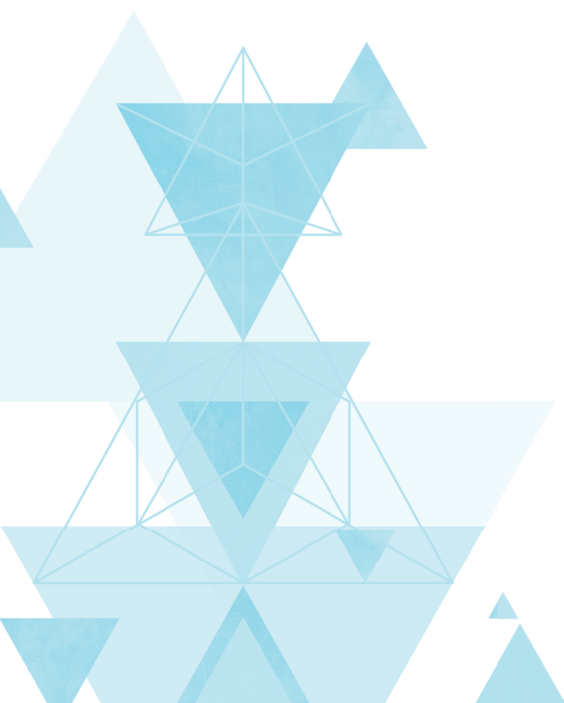
Partner

FCS No: 7478

COP No: 7891

UDIN: F007478B000242317

Place : Dombivali
Date : May 15, 2020



**Certificate [Pursuant to Regulation 34(3) read with Schedule V Para C clause (10)
(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure
Requirements) Regulations, 2015]**

To
The Members
Onward Technologies Limited,

We have examined the relevant registers, records, forms and returns maintained / filed by Onward Technologies Limited (CIN : L28920MH1991PLC062542) having its Registered Office at Sterling Centre, 2nd Floor, Dr. A.B. Road, Worli, Mumbai - 400018 ("hereinafter referred to as the Company") and notices and disclosures received from the Directors of the Company and produced before us by the Company for the purpose of issuing this certificate, in accordance with Regulation 34(3) read with Schedule V Para C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) 2015.

In our opinion and to the best of our information and according to the verifications (including verification of Director Identification Number status at the portal www.mca.gov.in) as considered necessary by us and explanations furnished to us by the Company, we hereby certify that none of the Directors on the Board of the Company as on March 31, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other statutory authority.

Ensuring the eligibility of the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

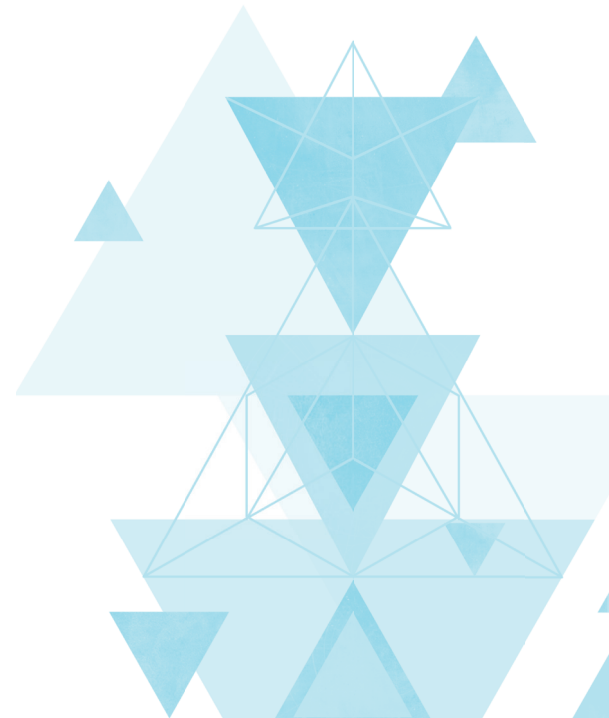
Prajakta V. Padhye
Partner

FCS No: 7478

COP No: 7891

UDIN: F007478B000242317

Place : Dombivali
Date : May 15, 2020



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") (refer Note 1(a) to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at March 31, 2020, and the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated statement of changes in equity and the consolidated statement of cash flows 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 Group as at March 31, 2020, of consolidated total comprehensive income (comprising of profit 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 ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by ICAI and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 15 of the Other Matters paragraph below, other than the financial information as certified by the management and referred to in sub-paragraph 16 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

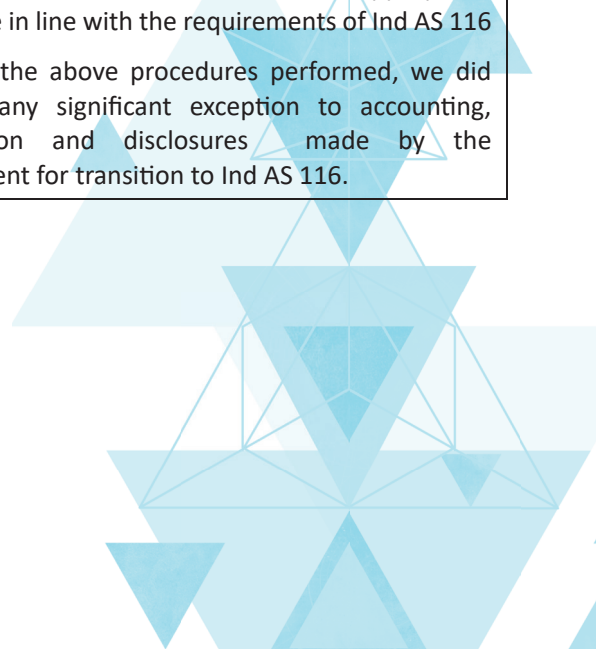
4. We draw your attention to Note 39 to the consolidated financial statements, which explains the uncertainties and the management's assessment of financial impact on consolidated financial statements of the Group due to lock-downs and other restrictions imposed by local Governments and other conditions related to the outbreak of Coronavirus (COVID-19) pandemic situation which might impact the operations of the Group, for which a definitive assessment in subsequent period is highly dependent upon circumstances as they evolve. Our opinion is not modified in respect of this matter.

Key Audit Matters

5. 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.

Independent Auditor’s Report (Contd.)

Key audit matter	How our audit addressed the key audit matter
Transition from the Indian Accounting Standard Ind AS 17 to Ind AS 116	
<p>Refer note 1 (i) and 30 in the consolidated Financial Statements.</p> <p>Effective from April 1, 2019, the Group has adopted Ind AS 116 “Leases”. The Group has applied the standard retrospectively with the cumulative effect (if any), being recognised at the date of initial application in the retained earnings.</p> <p>The application of new standard leads to recognition of right of use asset and lease liability at the present value of the remaining lease payments discounted at the incremental borrowing rate.</p> <p>In transition to new standard management has applied following judgements and estimates</p> <ul style="list-style-type: none"> • Identifying if contract conveys right to use the asset • Assessment of lease term considering options to renew and terminate the lease • Identification of incremental borrowing rate as discount rate <p>We have considered this to be a key audit matter as the transition to new standard is significant to our audit and the balances as on transition date as well as at balance sheet date are material to the consolidated financial statements. Further implementation process requires extraction and processing of extensive data that required significant audit efforts to test the completeness and adequacy of such information.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • Obtain an understanding of the process followed by the management and testing of the design and operating effectiveness of key controls around accounting for leases. • Review of the accounting policy and options elected as a part of transition process • Evaluating the underlying lease contract and ensuring that relevant data was recorded correctly for representative lease samples selected for testing. • Assessing the appropriateness of the assumptions of discount rates, application of single discount rate for portfolio of leases in light of the market conditions, publicly available information, and consistency with other assumptions made in the preparation of consolidated financial statements. • Recalculating the right of use the asset and lease liability workings for arithmetical accuracy for samples selected for testing • Reviewing key service and supply contracts, enquiries with finance personnel, scanning of expense ledgers and testing reconciliation with operating lease commitments, to identify any arrangement or expense in the nature of lease and ensure the completeness of the information collected by the management. • Assessing whether disclosures made in the consolidated financial statement are appropriate and are in line with the requirements of Ind AS 116 <p>Based on the above procedures performed, we did not find any significant exception to accounting, presentation and disclosures made by the management for transition to Ind AS 116.</p>



Independent Auditor's Report (Contd.)

Assessment of Valuation of Employee Stock Options Scheme:	
<p>Refer note 1 (v) and note 37 in the consolidated Financial Statements.</p> <p>The Group has an Employee Stock Option Plans which are accounted for in accordance with Ind AS 102 "Share based payments".</p> <p>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.</p> <p>Further accounting for these options also require management to estimate the expected forfeiture before vesting of options.</p> <p>We have determined this to be a key audit matter considering the judgements involved in underlying estimates and assumptions and expense during the year is material to the consolidated financial statements.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none">• 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 independence of management's expert through enquiry procedures• Discussing with the Management's Expert the appropriateness of significant assumptions used in the valuation and independently evaluating the appropriateness of the valuation model and the key assumptions used as input in the valuation.• Checking the adequacy of the management estimate for expected forfeiture with regard to historical accuracy• Ensuring the arithmetical accuracy of the expense accounted during the year based on fair value arrived.• Assessing whether disclosures made in the consolidated financial statement are appropriate and are in line with the requirements of IndAS 102 <p>Based on the above audit procedures, we did not find any significant exceptions in respect of assessment of valuation of Employee Stock Options Scheme. Further disclosures made are appropriate and are in line with the requirements of IndAS 102.</p>

Other Information

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

Our opinion on the consolidated 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 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 15 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.

Independent Auditor's Report (Contd.)

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

7. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act 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 consolidated 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.
8. 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.
9. 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

10. 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.
11. 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 Act, we are also responsible for expressing our opinion on whether the Holding company has adequate internal financial controls with reference to consolidated 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.

Independent Auditor's Report (Contd.)

- 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 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 consolidated 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.
12. 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.
13. 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.
14. 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.

Other Matters

15. We did not audit the financial statements of one subsidiary whose financial statements reflect total assets of Rs. 2,972.86 lakhs and net assets of Rs. 835.44 lakhs as at March 31, 2020, total revenues of Rs. 5,850.64 lakhs, total comprehensive loss (comprising of loss and other comprehensive income) of Rs. 275.35 lakhs and net cash flows (net inflow) amounting to Rs. 583.04 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiary is based solely on the reports of the other auditor.
16. We did not audit the financial statements of two subsidiaries whose financial statements reflect total assets of Rs. 226.51 lakhs and net assets (negative) of Rs.118.06 lakhs as at March 31, 2020, total revenue of Rs. 787.75 lakhs,

Independent Auditor's Report (Contd.)

total comprehensive loss (comprising of loss and other comprehensive income) of Rs. 82.77 lakhs and net cash flows (net inflow) of Rs. 7.03 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial information are unaudited and have been furnished to us by the Management, and our opinion on the consolidated 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 insofar as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group.

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 auditor and the financial statements certified by the Management.

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 Statement of cash flows 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, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2020 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 with reference to consolidated financial statements 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(a) to the consolidated financial statements.
 - ii. The Group has long-term contracts as at March 31, 2020 for which there were no material foreseeable losses. The Group did not have any derivative contracts as on March 31, 2020.

Independent Auditor's Report (Contd.)

- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group during the year ended as on March 31, 2020.
 - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Group for the year ended March 31, 2020.
18. The Group has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

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

Neeraj Sharma
Partner
Membership Number : 108391
UDIN: 20108391AAAADD3450

Place: Pune
Date: May 15, 2020



Annexure A to Independent Auditors' Report

Referred to in paragraph 17(f) of the Independent Auditors' Report of even date to the members of Onward Technologies Limited on the consolidated financial statements for the year ended March 31, 2020

Report on the Internal Financial Controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2020, 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 is 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 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, 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, 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 auditor in terms of their report 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 system 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 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 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 is 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, 2020, 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. Also refer paragraph 4 of the main audit report.

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 in so far as it relates to one subsidiary, which is a company incorporated in India, is based on the corresponding reports of the auditor of such company incorporated in India. Our opinion is not qualified in respect of this matter.

Place: Pune
Date: May 15, 2020

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

Neeraj Sharma
Partner
Membership Number : 108391
UDIN: 20108391AAAADD3450

CONSOLIDATED BALANCE SHEET

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

	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
I. Non-current assets			
Property, plant and equipment	3	801.60	977.97
Intangible assets	4	408.53	566.00
Intangible assets under development	4	-	17.89
Right of use asset	31	1,594.14	-
Financial assets			
(a) Loans	5	303.21	286.37
Deferred tax assets	12 (a)	275.10	169.69
Income tax assets (net)	12 (b)	1,932.23	1,581.33
Other non-current assets	10	24.99	61.61
Total non-current assets		5,339.80	3,660.86
II. Current assets			
Financial assets			
(a) Trade receivables	6	4,979.90	4,891.25
(b) Cash and cash equivalents	7	1,778.65	433.93
(c) Bank balances other than (b) above	8	435.77	83.38
(d) Contract assets	9(a)	418.07	855.04
(e) Other financial assets	9(b)	14.68	105.83
Income tax assets (net)	12 (b)	-	194.28
Other current assets	11	646.60	441.82
Total current assets		8,273.67	7,005.53
Total assets		13,613.47	10,666.39
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	13 (a)	1,604.26	1,580.49
Other equity	13 (b)	5,202.68	4,521.48
Total equity		6,806.94	6,101.97
LIABILITIES			
I. Non-Current liabilities			
Financial liabilities			
(a) Borrowings	14	-	64.70
(b) Lease Liabilities	31	1,088.06	-
Employee benefit obligations	18 (a)	246.72	337.86
Deferred tax liabilities	12 (a)	67.44	51.95
Total non-current liabilities		1,402.22	454.51

Consolidated Balance sheet (Contd.)

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

	Notes	As at March 31, 2020	As at March 31, 2019
II. Current liabilities			
Financial liabilities			
(a) Borrowings	15	1,806.12	1,545.44
(b) Trade payables	16		
- Total outstanding dues of micro enterprises and small enterprises		41.70	43.82
- Total outstanding dues of creditors other than micro enterprises and small enterprises		720.61	562.22
(c) Lease Liabilities	31	570.93	-
(d) Other financial liabilities	17	1,333.50	1,413.40
Employee benefit obligations	18 (b)	207.22	98.90
Income Tax Liabilities	12 (b)	54.45	-
Contract Liabilities	19 (a)	48.85	6.38
Other current liabilities	19 (b)	620.93	439.75
Total current liabilities		5,404.31	4,109.91
Total liabilities		6,806.53	4,564.42
Total equity and liabilities		13,613.47	10,666.39

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

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

Neeraj Sharma
Partner
Membership No.: 108391

Harish Mehta
Executive
Chairman

Jigar Mehta
Managing
Director

Dimple Chauhan
Company Secretary

Devanand Ramandasani
Chief Financial Officer

Pranay Vakil
Audit Committee
Chairman

Place : Pune
Date : May 15, 2020

Place : Mumbai
Date : May 15, 2020

Place : Pune
Date : May 15, 2020

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

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

	Notes	As at March 31, 2020	As at March 31, 2019
Revenue from operations	20	27,154.51	26,102.21
Other income (net)	21	105.96	118.48
Total Income		27,260.47	26,220.69
Expenses			
Purchase of Software Licenses	22	44.57	440.00
Employee benefits expense	23	21,097.97	18,870.86
Finance costs	24	346.42	274.17
Depreciation and amortisation expense	25	1,132.81	565.99
Other expenses	26	3,674.37	4,549.71
Total expenses		26,296.14	24,700.73
Profit before tax		964.33	1,519.96
Income tax expense			
Current tax	12(b)	480.00	524.39
Deferred tax	12(a)	(139.44)	(17.84)
Total tax expense		340.56	506.55
Profit for the year		623.77	1,013.41
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurement of post-employment benefit obligations	18(b)	42.63	(67.90)
Income tax relating to these items	12(b)	(10.73)	19.65
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on foreign operations	13(b)	154.20	123.45
Income tax relating to these items		(3.12)	-
Total other comprehensive income for the year, net of tax		182.98	75.20
Total comprehensive income for the year		806.75	1,088.61
Earnings per share			
Basic	27	3.90	6.45
Diluted	27	3.76	6.17

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

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

Neeraj Sharma
Partner
Membership No.: 108391

Harish Mehta
Executive
Chairman

Jigar Mehta
Managing
Director

Dimple Chauhan
Company Secretary

Devanand Ramadasani
Chief Financial Officer

Pranay Vakil
Audit Committee
Chairman

Place : Pune
Date : May 15, 2020

Place : Mumbai
Date : May 15, 2020

Place : Pune
Date : May 15, 2020

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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

A Equity share capital

	Notes	
As at March 31, 2018		1,545.91
Change in equity share capital	13 (a)	34.58
As at March 31, 2019		1,580.49
Change in equity share capital	13 (a)	23.77
As at March 31, 2020		1,604.26

B Other Equity

	Note	Securities premium account	Retained Earnings	Share option outstanding account	Foreign Currency Translation Reserve	Share Application Money pending allotment	Total
As at April 1, 2018		1,379.25	1,739.00	320	(23.10)	10.75	3,425.90
Profit for the year		-	1,013.41	-	-	-	1,013.41
Other Comprehensive Income		-	(48.25)	-	123.45	-	75.2
Total comprehensive income for the year		-	965.16	-	123.45	-	1,088.61
Issue of equity shares	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 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		1,541.96	2,547.19	324.05	100.35	7.93	4,521.48

Consolidated statement of changes in equity (Contd.)

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

	Note	Securities premium account	Retained Earnings	Share option outstanding account	Foreign Currency Translation Reserve	Share Application Money pending allotment	Total
Profit for the year		-	623.77	-	-	-	623.77
Other Comprehensive Income		-	31.9	-	151.08	-	182.98
Total comprehensive income for the year		-	655.67	-	151.08	-	806.75
Issue of equity shares	37	162.29	-	(162.29)	-	-	-
Employee stock option expenses	37	-	-	165	-	-	165
Transactions with owners in their capacity as owners:							
Dividends paid	13 (b)	-	(239.67)	-	-	-	(239.67)
Utilisation of Tax credit for payment dividend distribution tax	13 (b)	-	(28.7)	-	-	-	(28.7)
Dividend Distribution tax on above	13 (b)	-	(19.99)	-	-	-	(19.99)
Shares allotted against the share application money received	13 (b)	-	-	-	-	(23.77)	(23.77)
Shares application money received for allotment of shares	13 (b)	-	-	-	-	21.58	21.58
As at March 31, 2020		1,704.25	2,914.50	326.76	251.43	5.74	5,202.68

The above consolidated statement of changes in equity should be read in conjunction 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

Harish Mehta

Executive

Chairman

Devanand Ramandasani

Chief Financial Officer

For and on behalf of the Board of Directors of

Onward Technologies Limited

Jigar Mehta

Managing

Director

Pranay Vakil

Audit Committee

Chairman

Dimple Chauhan

Company Secretary

Place : Pune

Date : May 15, 2020

Place : Mumbai

Date : May 15, 2020

Place : Pune

Date : May 15, 2020

CONSOLIDATED STATEMENT OF CASH FLOWS

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

	Year Ended March 31, 2020	Year Ended March 31, 2019
A) Cash flows from operating activities		
Profit before income tax	964.33	1,519.96
Adjustments for		
Depreciation and amortisation expense	1,132.81	565.99
(Profit) / loss on disposal of property, plant and equipment	(0.38)	-
Interest income	(13.41)	(30.86)
Unwinding of discount on security deposit	(21.62)	(15.23)
Amortisation of prepaid rent on security deposit	-	11.86
Employee share based payment expenses	164.48	166.76
Finance costs	346.42	274.17
Allowance for doubtful debts	49.81	(9.68)
Bad debts written off	53.82	-
Operating profit before working capital changes	2,676.26	2,482.97
Changes in operating assets and liabilities		
(Increase) / Decrease in trade receivables	(145.83)	(249.36)
(Increase) / Decrease in other financial assets	91.15	(92.40)
(Increase) / Decrease in other assets	(211.79)	(78.96)
(Increase) / Decrease in Contract assets	438.55	22.36
(Increase) / Decrease in loans	5.45	(0.42)
Increase / (Decrease) in trade payables	157.25	(168.28)
Increase / (Decrease) in other liabilities	234.27	10.13
Increase / (Decrease) in other financial liabilities	153.60	2.48
Increase / (Decrease) in employee benefit obligations	59.82	(1.82)
Cash generated from operations	3,458.73	1,926.70
Income taxes paid (net of refunds received)	(582.16)	(868.86)
Net cash inflow / (outflow) from operating activities	2,876.57	1,057.84
B) Cash flows from investing activities		
Payments for property, plant and equipment	(198.63)	(428.56)
Payments for intangible assets	(39.32)	(73.14)
Proceeds from sale of property, plant and equipment	14.31	3.32
Investment in Fixed deposits	(352.39)	(45.68)
Interest income	13.41	30.86
Net cash outflows from investing activities	(562.62)	(513.20)

Consolidated Statement of cash flows (Contd.)

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

	Year Ended March 31, 2020	Year Ended March 31, 2019
C) Cash flows from financing activities		
Interest paid	(356.86)	(263.73)
Principal elements of lease payments	(487.16)	-
Proceeds from issue of shares	23.77	26.28
Proceeds from share application money pending allotment	(2.19)	(2.82)
Proceeds/ (Repayment) from/ (of) borrowings	66.81	(477.66)
Payment of Dividend	(239.67)	(156.97)
Net cash inflows/ (outflow) from financing activities	(995.30)	(874.90)
Net increase / (decrease) in cash and cash equivalents	1,318.65	(330.26)
Cash and cash equivalents at the beginning of the year	433.93	755.72
Effect of foreign exchange on cash and cash equivalents	26.07	8.47
Cash and cash equivalents at the end of the year	1,778.65	433.93

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

	Year Ended March 31, 2020	Year Ended March 31, 2019
Cash and cash equivalents	1,778.65	433.93
Balances as per statement of cash flows	1,778.65	433.93

Cashflow are reported using indirect method

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

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

Neeraj Sharma
Partner
Membership No.: 108391

Harish Mehta
Executive
Chairman

Jigar Mehta
Managing
Director

Dimple Chauhan
Company Secretary

Devanand Ramandasani
Chief Financial Officer

Pranay Vakil
Audit Committee
Chairman

Place : Pune
Date : May 15, 2020

Place : Mumbai
Date : May 15, 2020

Place : Pune
Date : May 15, 2020

Notes to the consolidated financial statements

Background: Onward Technologies Limited (the “Holding Company”) and its subsidiaries as given below (together referred as the “Group”). The holding company is a public limited company domiciled in India. It was incorporated on July 18, 1991 under the provisions of the Companies Act, 1956 and is listed at both Bombay Stock Exchange and National Stock Exchange. The Group is a leading global player in Mechanical Engineering Design and IT consulting, and the holding company The Group has its offices in India, United States of America, United Kingdom and Germany.

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) Interest in Subsidiaries

Sr. No.	Name of the entity	% of Holding		Country of Incorporation
		As at March 31, 2020	As at March 31, 2019	
1	Onward eServices Limited	100%	100%	India
2	Onward Technologies Inc.	100%	100%	United States of America
3	Onward Technologies GmbH	100%	100%	Germany
4	Onward Properties Private Limited	100%	100%	India

(b) 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 15th, 2020.

(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 — Plan 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.

Notes to the consolidated financial statements (Contd.)

(iii) New and amended standards adopted by the Group

The Group had to change its accounting policies as a result of adopting IND AS 116. This is disclosed in note 30.

(c) 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 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.

(d) 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. The Group has only one operating segment which is Engineering Design and IT services. Accordingly, separate segment information is not required to be disclosed.

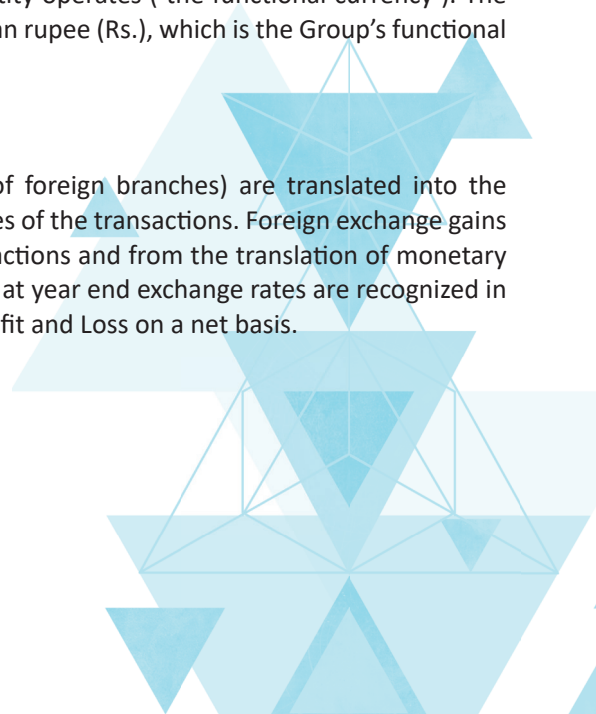
(e) Foreign currency translation

(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 (Rs.), 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.



Notes to the consolidated financial statements (Contd.)

(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.

(f) Revenue recognition

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.

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 Group 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:

Notes to the consolidated financial statements (Contd.)

- (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 Group 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 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 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 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 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.

Notes to the consolidated financial statements (Contd.)

(iii) 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.

(g) 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.

(h) 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. 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 liabilities are recognized for all taxable temporary differences associated with the carrying amount and tax base of investments in subsidiaries where the Group is able to control the timing of the reversal of temporary differences associated with that investment and it is probable that the temporary difference will be reversed in the foreseeable future.

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.

Notes to the consolidated financial statements (Contd.)

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.

(i) Leases

Effective from April 1, 2019

As a lessee

From April 01, 2019, the Group recognises leases as a right-of-use and a corresponding liability at the date at which the leased asset is available for use. Contracts may contain both, lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease component and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including - in-substance fixed payments), less any lease incentive receivable.
- amounts expected to be payable by the Group under residual value guarantees.
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use assets in a similar economic environment with similar terms, security and conditions.

To determine the incremental rate of borrowing, the Group:

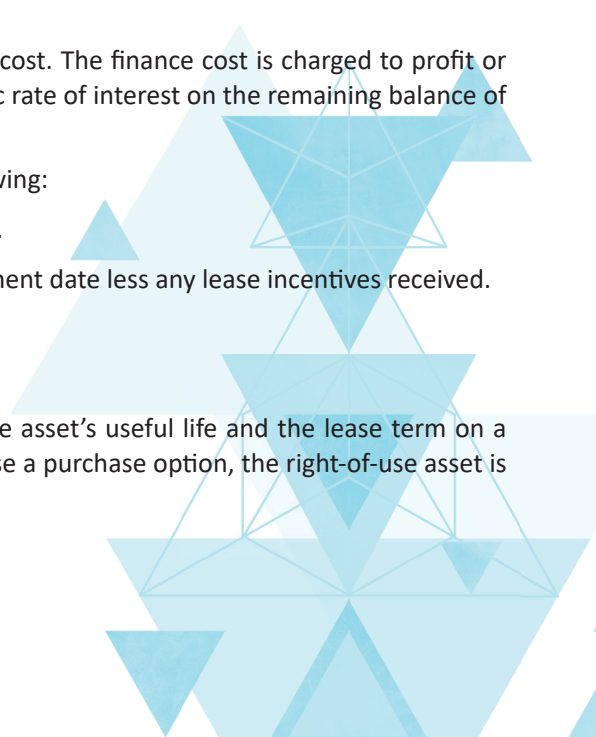
- where possible uses recent third party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since the third party financing, and
- makes adjustments specific to the lease.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability.
- any lease payments made at or before the commencement date less any lease incentives received.
- any initial direct costs, and
- restoration costs

Right-of-use are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.



Notes to the consolidated financial statements (Contd.)

Payments associated with the short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low value assets comprise IT equipment like computers and hardwares.

Further, the group has adopted the policy of accounting for Intangible Assets as per Ind As 38 and not as per the leases standard.

As a lessor

Lease income from operating leases where the Group is a lessor is recognised income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased asset are included in the balance sheet based on their nature.

Since there are no transactions whereby the Group is a lessor, there were no adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

Till March 31, 2019

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 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.

(j) 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.

(k) 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 consolidated financial statements (Contd.)

(l) 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.

(m) 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.

(n) 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.

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

Notes to the consolidated financial statements (Contd.)

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 derecognized 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.

(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.

(o) 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.

Notes to the consolidated financial statements (Contd.)

(p) 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.

(q) 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 derecognized 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 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.

Notes to the consolidated financial statements (Contd.)

(r) 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.

(s) 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.

(t) 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.

Notes to the consolidated financial statements (Contd.)

(u) 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.

(v) 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.

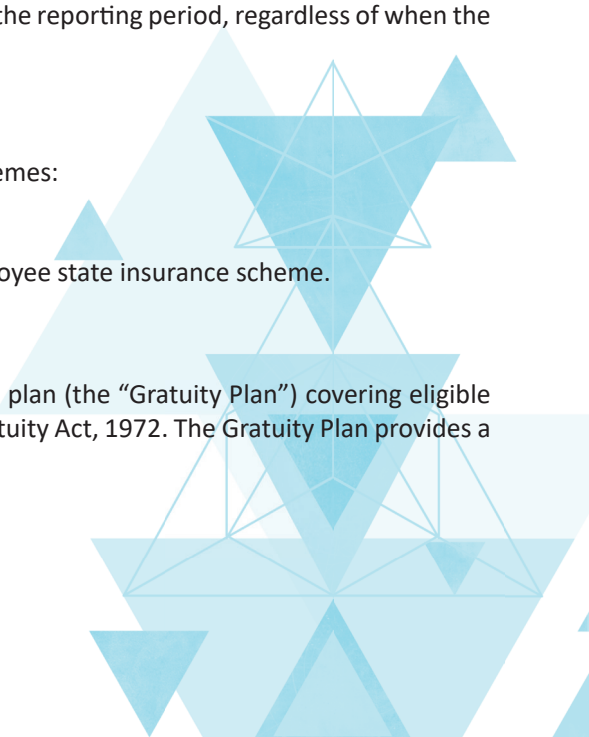
(iii) Post-employment obligations

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



Notes to the consolidated financial statements (Contd.)

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 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
- excluding the impact of any service and non-market performance vesting conditions and
- including the impact of any non-vesting conditions.

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.

Notes to the consolidated financial statements (Contd.)

(w) 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.

(x) 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.

(y) 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.

(z) 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

Notes to the consolidated financial statements (Contd.)

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 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

Notes to the consolidated financial statements (Contd.)

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.

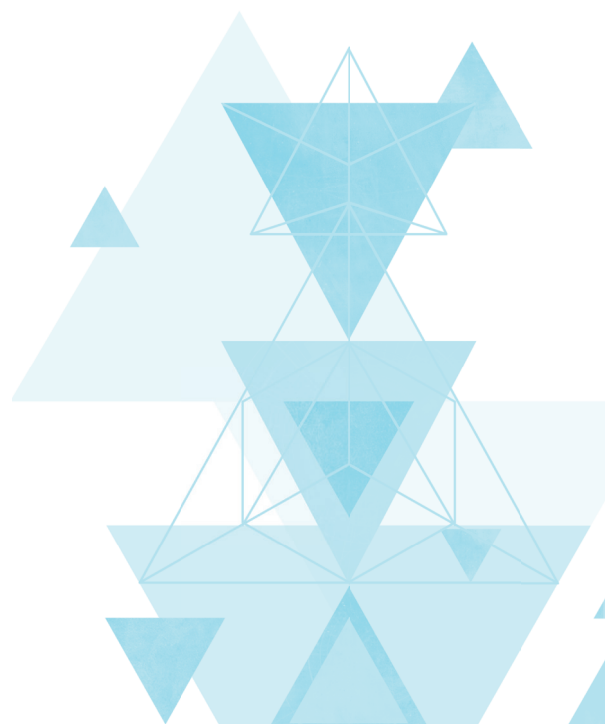
The useful lives and residual values of assets are determined by management at the time the asset is acquired and reviewed annually for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events which may impact their life such as changes 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 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 (2012-14) 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.)

(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, 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

Opening gross carrying amount as on April 1, 2019	432.94	381.15	141.86	146.24	15.66	789.63	1,907.48
Additions	34.47	14.97	-	28.79	-	82.85	161.08
Disposals	(1.67)	(7.10)	-	(20.20)	-	(48.08)	(77.05)
Effect of foreign currency exchange differences	4.48	6.98	-	(0.84)	-	2.71	13.33
Gross carrying amount as on March 31, 2020	470.22	396.00	141.86	153.99	15.66	827.11	2,004.84
Accumulated depreciation	231.16	121.62	51.44	58.89	6.48	459.92	929.51
Charge for the year	71.52	43.43	24.11	29.33	1.87	160.87	331.13
Disposals	(1.66)	(3.83)	-	(16.78)	-	(40.85)	(63.12)
Effect of foreign currency exchange differences	1.89	2.93	-	(1.27)	-	2.17	5.72
Closing accumulated depreciation as at March 31, 2020	302.91	164.15	75.55	70.17	8.35	582.11	1,203.24
Net carrying amount as on March 31, 2020	167.31	231.85	66.31	83.82	7.31	245.00	801.60

Notes:

1. Refer to note 28(b) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

4. Intangible assets

Particulars	Computer Software	Total
Opening gross carrying amount as on April 1, 2018	1,103.65	1,103.65
Additions	77.04	77.04
Disposals	(4.19)	(4.19)
Effect of foreign currency exchange differences	3.19	3.19
Gross carrying amount as on March 31, 2019	1,179.69	1,179.69
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
Opening gross carrying amount as on April 1, 2019	1,179.69	1,179.69
Additions	28.03	28.03
Disposals	(25.19)	(25.19)
Effect of foreign currency exchange differences	1.81	1.81
Gross carrying amount as on March 31, 2020	1,184.34	1,184.34
Accumulated Amortisation		
Balance as at April 1, 2019	613.69	613.69
Amortisation charge for the year	185.51	185.51
Disposals	(25.19)	(25.19)
Effect of foreign currency exchange differences	1.80	1.80
Closing accumulated amortisation as at March 31, 2020	775.81	775.81
Net carrying value as on March 31, 2020	408.53	408.53

Notes:

- Intangible assets under development mainly comprises of software under the process of implementation.

Notes to the consolidated financial statements (Contd.)

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

5. Loans

Non-current	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good		
Security deposits	303.21	286.37
Total	303.21	286.37

6. Trade receivable

	As at March 31, 2020	As at March 31, 2019
Trade Receivables	5,001.74	4,962.89
Less: Allowance for doubtful debts	(21.84)	(71.64)
Total	4,979.90	4,891.25

Break-up of security details

	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good	5,001.74	4,962.89
Doubtful	-	-
Less: Allowance for doubtful debts	(21.84)	(71.64)
Total	4,979.90	4,891.25

7. Cash and cash equivalents

	As at March 31, 2020	As at March 31, 2019
Cash in hand	1.20	0.70
Balances with banks		
In current accounts	1,547.90	433.23
Other Bank Deposit	229.55	-
Total	1,778.65	433.93

8. Bank balances other than 7 above

	As at March 31, 2020	As at March 31, 2019
In earmarked accounts		
Balances held as security against borrowings	425.50	76.44
Earmarked balances with banks*	10.27	6.94
Total	435.77	83.38

* Amount represents unclaimed dividend account held for dividend remittance and hence are not available for use.

Notes to the consolidated financial statements (Contd.)

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

9. (a) Contract Assets

	As at March 31, 2020	As at March 31, 2019
Contract Assets (Unbilled Revenue)	418.07	855.04
Total	418.07	855.04

Contract assets - Unbilled revenue

	Year Ended March 31, 2020
Amount as on April 01, 2019	855.04
Changes on account of:	
Invoice raised during the year	(855.04)
Work performed, invoice to yet to be raised	418.07
Total	418.07

9. (b) Others financial assets - current

	As at March 31, 2020	As at March 31, 2019
Derivative financial instrument not designated as hedges		
Foreign exchange forward contracts	-	77.05
Security deposits	14.68	28.78
Total	14.68	105.83

10. Other non-current assets

	As at March 31, 2020	As at March 31, 2019
Prepaid expenses	24.99	52.36
Capital advances	-	9.25
Total	24.99	61.61

11. Other current assets

	As at March 31, 2020	As at March 31, 2019
Prepaid expenses	348.54	336.49
Interest receivable on income tax refund	30.44	54.01
Export Incentives Receivable	30.16	-
Others*	237.46	51.32
Total	646.60	441.82

* Other include advance paid to suppliers and employees.

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, 2020	As at March 31, 2019
Tax Credits available		
MAT Entitlement	34.82	39.78
Tax Losses	94.32	44.15
Deferred tax assets		
Defined Benefit Obligation	95.73	91.75
Allowance for Doubtful debts	5.57	21.66
Disallowance u/s 43B	20.46	31.87
Lease Liabilities	23.95	-
Property, plant and equipment and intangible assets	25.00	-
Others	1.99	5.03
	301.84	234.24
Deferred tax liability		
Property, plant and equipment and intangible assets	-	23.00
Interest on income tax refund	4.54	8.94
Fair value gain on Preference Shares	22.20	10.17
Fair value gain on Foreign exchange Forward contracts	-	22.44
	26.74	64.55
Total deferred tax assets (net)	275.10	169.69

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

Particulars	As at March 31, 2020	As at March 31, 2019
Tax Credits available		
Tax Losses	1.21	1.62
Deferred tax assets		
Lease Liabilities	1.16	-
Others	-	0.50
	2.37	2.12
Deferred tax liability		
Property, plant and equipment and intangible assets	27.50	32.19
Undistributed earnings	42.31	21.88
	69.81	54.07
Total deferred tax (liabilities) (net)	(67.44)	(51.95)

Notes to the consolidated financial statements (Contd.)

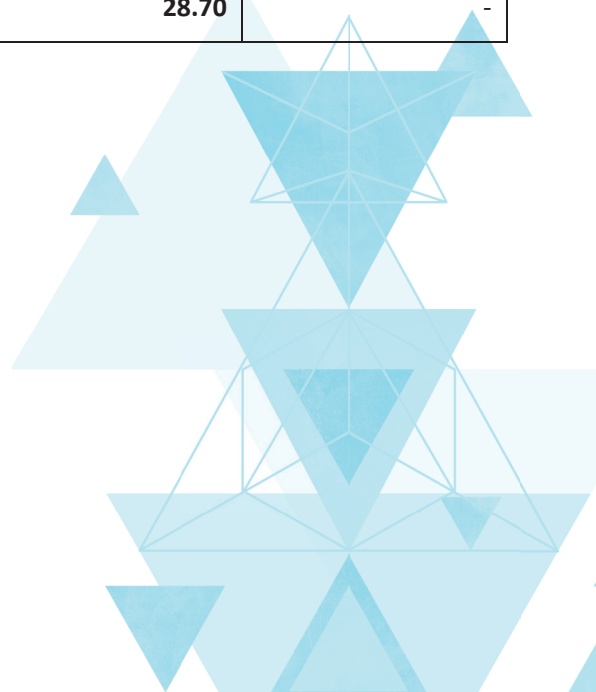
(All amounts in Rs. lakhs, unless otherwise stated)

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

Particulars	Year Ended	
	March 31, 2020	March 31, 2019
MAT Entitlement	(4.96)	39.78
Tax Losses	50.17	(54.76)
Defined Benefit Obligation	14.71	9.88
Allowance for Doubtful debts	(16.09)	(11.79)
Disallowance u/s 43B	(11.41)	(9.95)
Lease Liabilities	23.95	-
Others	(3.04)	(7.33)
Property, plant and equipment and intangible assets	48.00	97.87
Interest on income tax refund	4.40	(0.44)
Fair value gain on Preference Shares	(12.03)	(10.17)
Fair value gain on Foreign exchange Forward contracts	22.44	(22.44)
- Foreign subsidiaries		
Tax Losses	(0.75)	(0.12)
Lease Liabilities	0.84	-
Others	(0.50)	0.41
Property, plant and equipment and intangible assets	12.32	8.78
Undistributed earnings	(17.31)	(21.88)
Total	110.74	17.84

**Movement in Deferred tax assets/ (liabilities) in Retained earnings
[(charged)/credited during the year]**

Particulars	Year Ended	
	March 31, 2020	March 31, 2019
Utilisation of Tax credit for payment dividend distribution tax	28.70	-



Notes to the consolidated financial statements (Contd.)

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

12. (b) Taxation

Income tax liabilities / (Income tax assets)

	As at March 31, 2020	As at March 31, 2019
Opening 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
Add : Current tax payable for the year	(480.00)	(524.39)
Add / (Less) : (Refund Received) / Taxes paid	582.16	868.86
On account of Exchange differences on translation of foreign operations	0.01	3.05
Closing balance		
- Income tax liabilities (Current)	54.45	-
- Income tax assets (Non-Current)	1,932.23	1,581.33
- Income tax assets (Current)	-	194.28

The major components of income tax expense for the year ended March 31, 2020 and March 31, 2019

Income Tax Expenses

Profit and Loss section	Year ended March 31, 2020	Year ended March 31, 2019
Current income tax charge		
Current income tax		
-Current tax on profit for the current year	458.37	520.89
-Adjustments for current tax of prior periods	21.63	3.50
Deferred tax	(139.44)	(17.84)
Income tax expense reported in the consolidated statement of profit or loss	340.56	506.55

Other comprehensive income section	Year ended March 31, 2020	Year ended March 31, 2019
Deferred tax related to items recognised in OCI during the year	(13.85)	19.65
Income tax charged to OCI	(13.85)	19.65

Notes to the consolidated financial statements (Contd.)

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

Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate for March 31, 2020 and March 31, 2019

Profit and Loss section	Year ended March 31, 2020	Year ended March 31, 2019
Accounting profit before tax	964.33	1,519.96
Tax at Indian income tax rate of 25.17% (March 31, 2019: 29.12%)	242.70	442.61
Adjustments in respect of current income tax of previous years	21.63	3.50
Difference in tax rates	(31.72)	(16.13)
Deferred tax on Undistributed earnings	17.30	21.88
Tax Effects of amounts which are not deductible (taxable) in calculating taxable income	50.05	21.74
Deferred tax asset not recognized on losses incurred by subsidiaries	21.51	12.16
Tax credit utilised against DDT liability payable	(28.70)	-
Others	47.79	20.79
Total	340.56	506.55
Income tax expense reported in the statement of profit or loss	340.56	506.55

13. (a) Equity share capital

Particulars	As at March 31, 2019	As at March 31, 2018
Authorised share capital:		
18,000,000 (March 31, 2019 : 18,000,000) Equity shares of Rs. 10 each	1,800	1,800
1,000,000 (March 31, 2019 : 1,000,000) Preference shares of Rs. 10 each	100	100
1,000,000 (March 31, 2019 : 1,000,000) unclassified shares of Rs. 10 each	100	100
Total	2,000	2,000
Issued, subscribed and paid up :		
16,042,570 (March 31, 2019 : 15,804,870) Equity Shares of Rs. 10 eac	1,604.26	1,580.49
Total	1,604.26	1,580.49

Notes to the consolidated financial statements (Contd.)

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

(i) Reconciliation of number of equity shares issued

	As at March 31, 2020	As at March 31, 2019
Issued, subscribed and paid up		
Shares outstanding at the beginning of the year (Nos.)	15,804,840	15,542,070
Shares issued during the year(Nos.) (Refer Note 37)	237,700	262,770
Shares outstanding at the end of the year	16,042,540	15,804,840

(ii) Reconciliation of issued equity share capital

	As at March 31, 2020	As at March 31, 2019
Issued, subscribed and paid up		
Shares outstanding at the beginning of the year	1,580.49	1,554.21
Shares issued during the year	23.77	26.28
Shares outstanding at the end of the year	1,604.26	1,580.49

(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.

878,200 (March 31, 2019 : 569,400) equity shares are outstanding under ESOP 2009 and ESOP 2019 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) Shares held by ultimate holding Company

Particulars	As at March 31, 2020	As at March 31, 2019
Onward Network Technologies Private Limited	8,343,983	7,842,112

(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, 2020		As at March 31, 2019	
	% holding	No. of shares	% holding	No. of shares
Onward Network Technologies Private Limited	52.01%	8,343,983	49.62%	7,842,112

Notes to the consolidated financial statements (Contd.)

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

13. (b) Other equity

Particulars	As at March 31, 2020	As at March 31, 2019
Reserves and Surplus		
Securities premium account		
Opening Balance	1,541.96	1,379.25
Add : Additions on account of exercise of options under Employee Stock Option Plan	162.29	162.71
Closing Balance	1,704.25	1,541.96
Share option outstanding account		
Opening Balance	324.05	320.00
Less : Employee stock options exercised	(162.29)	(162.71)
Add : Employee stock option expenses	165.00	166.76
Closing Balance	326.76	324.05
Foreign currency translation reserve		
Opening Balance	100.35	(23.10)
Gain on translation of foreign currency balances	151.08	123.45
Closing Balance	251.43	100.35
Share Application Money pending allotment		
Opening Balance	7.93	10.75
Less : Shares allotted against the share application money received	(23.77)	(26.28)
Add : Shares application money received for allotment of shares	21.58	23.46
Closing Balance	5.74	7.93
Retained earnings		
Opening balance	2,547.19	1,739.00
Net profit for the year	623.77	1,013.41
	3,170.96	2,752.41
Less: Dividend paid	(239.67)	(156.97)
Less: Tax credit utilised against DDT liability payable	(28.70)	
Less: Dividend distribution tax on above	(19.99)	-
<i>Items of other comprehensive income recognised directly in retained earnings</i>		
Re-measurements of post-employment benefit obligations (net of tax)	31.90	(48.25)
Closing balance	2,914.50	2,547.19
Total	5,202.68	4,521.48

Notes to the consolidated financial statements (Contd.)

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

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 described 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.

14. Non-current borrowings

	As at March 31, 2020	As at March 31, 2019
Secured		
Term Loans from banks		
Rupee Loan	-	191.83
Vehicle loan	6.68	38.70
Total Non-Current Borrowings	6.68	230.53
Less : Current maturities of non-current borrowings (included in Note 17)	6.68	165.83
Total	-	64.70

Notes to the consolidated financial statements (Contd.)

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

15. Current borrowings

	As at March 31, 2020	As at March 31, 2019
Secured		
Cash credit	1,806.12	445.44
Working Capital Demand Loan	-	1,100.00
Total	1,806.12	1,545.44

(i) Terms of repayment for borrowings

	Name of the Company	Maturity Date	Terms of repayment	Coupon/ Interest rate
Loans repayable on demand				
Secured				
<i>From Banks</i>				
Cash Credit	Onward Technologies Limited	Payable on Demand	Payable on Demand	Overnight MCLR + 0.8%
Secured				
<i>From Banks</i>				
Cash Credit	Onward Technologies, Inc. USA	Payable on Demand	Payable on Demand	Prime rate + 1%

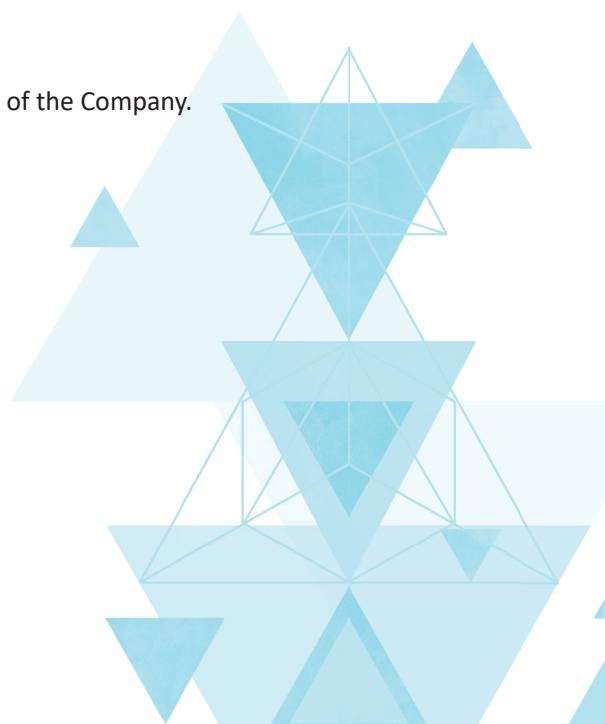
Security details for current and non-current borrowings

- Onward Technologies Limited

Secured by the Term deposits amounting to Rs. 348.22 lacs with Bank as on March 31,2020 and has exclusive charge on all present and future Current assets including Stocks and Book debts.

- Onward Technologies, Inc

The line of credit facility is secured by first charge on all assets of the Company.



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, 2020 and March 31, 2019

	As at March 31, 2020	As at March 31, 2019
Cash and cash equivalents	1,778.65	434.04
Other Bank Balance (Margin Money with HSBC)	425.50	76.44
Current and Non-current borrowings	(1,812.81)	(1,775.97)
Lease Liabilities	(1,658.99)	-
Interest accrued	-	(10.44)
Net Debt	(1,267.65)	(1,275.94)

	Other assets	Liabilities from financing activities	Liabilities from financing activities	
	Cash and Cash Equivalents	Other Bank Balance	Borrowings	Lease Obligation
Net debt as on March 31, 2018	755.72	329.90	(2,253.63)	-
Cash flows	(321.68)	(253.46)	477.65	-
Interest expenses	-	-	(274.17)	-
Interest paid	-	-	263.73	-
Net debt as on March 31, 2019	434.04	76.44	(1,786.42)	-
Recognised on adoption of Ind AS 116	-	-	-	(2,118.05)
Cash flows	1,318.54	349.06	(66.00)	487.16
Effect of foreign exchange on cash and cash equivalents	26.07	-	29.17	(28.10)
Interest expenses	-	-	(346.42)	(175.50)
Interest paid	-	-	356.86	175.50
Net debt as on March 31, 2020	1,778.65	425.50	(1,812.81)	(1,658.99)

Notes to the consolidated financial statements (Contd.)

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

16. Trade payables

	As at March 31, 2020	As at March 31, 2019
Total outstanding dues of micro enterprises and small enterprises	41.70	43.82
Total outstanding dues of creditors other than micro enterprises and small enterprises		
(i) Related Parties (Refer Note 29)	0.16	-
(ii) Others	720.45	562.22
Total	762.31	606.04

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, 2020	As at March 31, 2019
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	38.8	42.89
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	0.2	0.18
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	396.03	462.1
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	1.77	0.75
Further interest remaining due and payable for earlier years	0.93	-

17. Other financial liabilities - current

	As at March 31, 2020	As at March 31, 2019
Capital creditors	18.17	82.87
Current maturities of non-current borrowings	6.68	165.83
Unpaid Dividend	10.27	6.95
Interest accrued	-	10.44
Employee benefit payable	1,298.38	1,147.31
Total	1,333.50	1,413.40

Notes to the consolidated financial statements (Contd.)

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

18. (a) Non-current employee benefit obligations

	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits		
- Provision for Gratuity	185.86	276.83
- Provision for compensated absences	60.86	61.03
Total	246.72	337.86

18. (b) Current employee benefit obligations

	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits		
- Provision for Gratuity	161.18	43.41
- Provision for compensated absences	46.04	55.49
Total	207.22	98.90

A Defined contribution plan

(i) 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.633.73 lakhs (March 31, 2019 - Rs. 455.23 lakhs).

(ii) The expense recognised during the period towards defined contribution plan of Employee State Insurance Corporation, social security and Labour welfare fund is Rs. 67.29 lakhs (March 31, 2019 - Rs. 122.66 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.

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, 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

April 1, 2019	338.18	(17.94)	320.24
Current service cost	110.25	-	110.25
Past service cost	7.74	-	7.74
Mortality Charges and Taxes	-	-	-
Interest expense/(income)	14.81	(1.64)	13.17
Total amount recognised in Profit or Loss	132.80	(1.64)	131.16
Return on plan assets	-	1.21	1.21
(Gain)/loss from experience change	(14.02)	-	(14.02)
(Gain)/loss from demographic change	(2.73)	-	(2.73)
(Gain)/loss from change in financial assumption	(27.08)	(0.01)	(27.09)
Total amount recognised in Other Comprehensive Income	(43.83)	1.20	(42.63)
Employer contributions	-	(61.74)	(61.74)
Benefits paid	(52.51)	52.51	-
March 31, 2020	374.64	(27.61)	347.03

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, 2020	March 31, 2019
Present value of funded obligation	374.64	338.18
Fair value of plan assets	(27.61)	(17.95)
Deficit	347.04	320.24

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, 2020	March 31, 2019
Discount rate	6.10% - 6.40%	7.30% - 7.10%
Salary growth rate	3.00%	5.00%
Thereafter	3.00% - 5.00%	
Expected return on plan assets	7.30%	7.90%
Withdrawal rate		
Service greater than 4 years	5.00%	5.00%
Service less than 4 years	25.00%	21.00%
Expected average remaining working lives of employees (in years)		
- for employees of Onward Technologies Limited	5.82	6.47
- for employees of Onward eServices Limited	7.18	5.07

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, 2020	March 31, 2019
Discount rate		
1 % increase	(29.63)	(25.14)
1 % decrease	30.97	29.06
Salary growth rate		
1 % increase	28.27	25.23
1 % decrease	(24.84)	(22.23)
Withdrawal Rate		
1 % increase	(3.65)	(3.44)
1 % decrease	4.33	4.07

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 correlated. 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

	March 31, 2020	March 31, 2019
Less than a year	25.64	29.57
Between 1 to 5 years	162.54	153.15
Between 6 to 10 years	385.63	444.22
Total	573.81	626.94

The weighted duration of the defined benefit obligation for Onward Technologies Limited is 8.36 years. (March 31, 2019 : 9.35 years)

The weighted duration of the defined benefit obligation for Onward eServices Limited is 7.18 years. (March 31, 2019 : 8.01 years)

The Group expects to contribute Rs 161.18 lakhs (March 31, 2019 Rs 43.41 laks) during the year planned assets.

V The major categories of plan assets are as follows:

	March 31, 2020	March 31, 2019
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 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 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.

19. (a) Contract liabilities

	As at March 31, 2020	As at March 31, 2019
Advances from customers	5.71	1.77
Expected Sales reversal	8.95	-
Deferred Revenue	34.19	4.61
Total	48.85	6.38

Contract liability – Advances from customers

	Year Ended March 31, 2020
Amount as on April 01, 2019	1.77
Changes on account of:	-
Consideration received from customer - work yet to be performed	5.71
Revenue recognised in current year 2019-20 that was included in advance from customers as at April 01, 2019	(1.77)
Others	-
Total	5.71

19. (b) Other current liabilities

	As at March 31, 2020	As at March 31, 2019
Statutory dues payable	620.93	439.75
Total	620.93	439.75

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

20. Revenue from operations

	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from Contract with Customers		
Sale of services		
- Professional and consultancy services	26,718.30	25,427.78
Sale of products		
- Software products	39.97	522.11
	26,758.27	25,949.89
Other Operating Revenue		
- Export Incentive	396.24	152.32
	396.24	152.32
Revenue from operations	27,154.51	26,102.21

a) Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers year ended March 31, 2020 and March 31, 2019 by geographical region type. The Group 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, 2020	Year Ended March 31, 2019
India	13,557.20	13,447.37
Outside India	13,201.07	12,502.52
Total	26,758.27	25,949.89

b) Reconciliation of revenue recognised with contract price

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Contract Price	26,767.22	25,949.89
Adjustment for:- Expected Sales reversal	(8.95)	-
Revenue from continuing operations	26,758.27	25,949.89

c) Other Operating Revenue

Amount represents benefits claimed under Service Exports from India Scheme, 2015. Under this Scheme, the Group is entitled for duty credit scrips on export of services. Till previous year, the Group was recognising such incentive basis submission of application with respective authorities. Effective from year ended March 31, 2020, the Group has recognised for such incentive on an accrual basis as it is confident that such grant will be received considering the past trend and internal assessment, where payments are received from customers. There are no unfulfilled conditions or other contingencies attached to these incentives. Amount of such accrual for the current year is Rs. 203.82 lacs.

Notes to the consolidated financial statements (Contd.)

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

d) Unsatisfied revenue contracts

	Year ended March 31, 2020	Year ended March 31, 2019
Aggregate amount of transaction price allocated to contract that are fully unsatisfied as at reporting date	299.77	-

21. Other income

	Year ended March 31, 2020	Year ended March 31, 2019
Interest income from financial assets carried at amortised cost		
Interest on bank deposits	13.41	30.86
Interest income on security deposits	21.62	15.23
Interest on income tax refunds	37.08	-
Profit on disposal of property, plant and equipment	0.38	-
Miscellaneous income	33.47	72.39
Total	105.96	118.48

22. Purchase of Software Licenses

	Year ended March 31, 2020	Year ended March 31, 2019
Purchase of Software Licenses	44.57	440.00
Total	44.57	440.00

23. Employee benefits expense

	Year ended March 31, 2020	Year ended March 31, 2019
Salaries, wages and bonus	19,770.58	17,683.79
Gratuity Expenses	131.16	88.50
Contributions to provident and other funds, if any	701.02	577.89
Social security and other benefit plans for overseas employees	292.09	314.54
Employee share based payment expense (Refer note 37)	165.00	166.76
Staff welfare expenses	38.12	39.38
Total	21,097.97	18,870.86

Notes to the consolidated financial statements (Contd.)

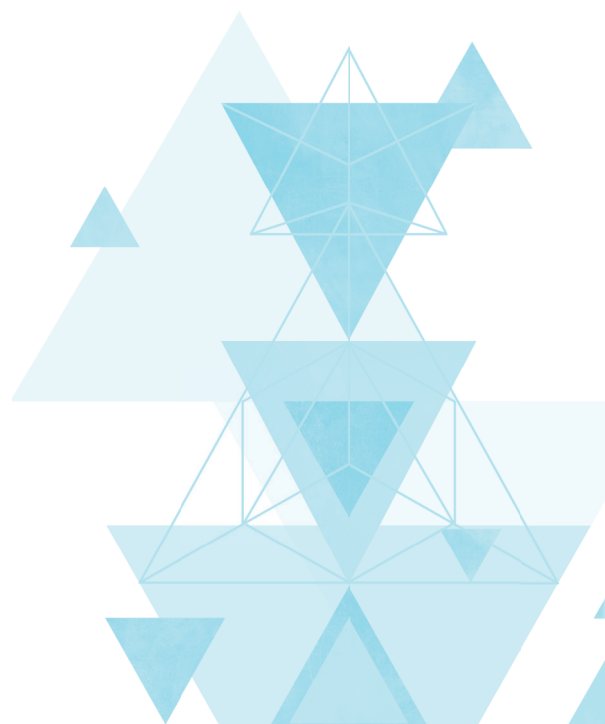
(All amounts in Rs. lakhs, unless otherwise stated)

24. Finance costs

	Year ended March 31, 2020	Year ended March 31, 2019
Interest and finance charges on financial liabilities not at fair values through profit or loss		
Interest on borrowings	150.56	246.65
Interest on Lease Liabilities	175.50	-
Other borrowing cost	20.36	27.52
Total	346.42	274.17

25. Depreciation and amortization expense

	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation on property, plant and equipment	331.13	360.92
Amortisation of intangible assets	185.51	205.07
Depreciation of right-of-use Assets	616.17	-
Total	1,132.81	565.99



Notes to the consolidated financial statements (Contd.)

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

26. Other expenses

	Year ended March 31, 2020	Year ended March 31, 2019
Water power and fuel	179.45	172.79
Rent (Refer note 29)	67.38	615.81
Software Expenses	398.14	456.63
Director sitting fees (Refer note 29)	19.00	24.95
Allowance for doubtful debts (Refer Note 6)	21.84	-
Bad Debts written off	53.82	89.16
Communication	98.17	92.42
Rates and taxes	29.76	57.94
Insurance	75.29	77.26
Repairs and maintenance		
- Others	229.74	152.04
Travelling and conveyance	809.14	946.39
Legal and professional charges (includes payment to auditors)	1,242.44	1,419.96
Payment to auditors (Refer note 26(a))	24.57	20.33
Advertisement and sales promotion	38.45	35.70
Office Expenses	103.35	78.02
Marketing Expenses	38.82	53.55
Net loss on foreign currency transactions and translations	59.68	63.45
Miscellaneous Expenses	185.33	193.31
Total	3,674.37	4,549.71

Payment to auditors

	Year ended March 31, 2020	Year ended March 31, 2019
As auditor		
Statutory Audit	10.75	9.75
Limited reviews	6.00	6.00
Tax audit fee	1.00	0.50
In other capacities		
Fees for other services	4.75	1.25
Reimbursement of out of pocket expenses	2.07	2.83
Total	24.57	20.33

Notes to the consolidated financial statements (Contd.)

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

27. Earnings per share (EPS)

	Year ended March 31, 2020	Year ended March 31, 2019
(a) Basic earnings per share		
Net Profit attributable to equity shareholders of the company	623.77	1,013.41
Weighted average number of equity shares	15,983,104	15,722,926
Basic earnings per share	3.90	6.45
(b) Diluted earnings per share		
Net Profit attributable to equity shareholders of the company	623.77	1,013.41
Weighted average number of Equity Shares (including potential shares) - Refer note (c) below	16,600,841	16,417,998
Diluted earnings per share	3.76	6.17

(c) Weighted Average number of shares used as denominator

	Year ended March 31, 2020	Year ended March 31, 2019
Weighted average number of equity shares used as a denominator in calculating basic earnings per share	15,983,104	15,722,926
Adjustments for calculating diluted earnings per share :		
Options	617,738	695,072
Weighted average number of equity shares and potential shares used as a denominator in calculating diluted earnings per share	16,600,841	16,417,998

28. Contingencies and commitments

a) Contingent liabilities

	As at March 31, 2020	As at March 31, 2019
Claims against the Group not acknowledged as debts		
Income-tax matters	921.27	326.73
Total	921.27	326.73

The honorable Supreme Court has issued a judgement in February, 2019 in relation to inclusion of certain allowances in the definition of basic wages as defined under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. The Group has completed its evaluation and it believes that there will not be any additional liability due to supreme court judgement. The Group will continue to monitor and evaluate its position based on future events and developments.

Notes to the consolidated financial statements (Contd.)

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

b) Lease commitments

Operating lease: Group as lessee

The Group leases various offices under non-cancellable operating leases expiring within one to five years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated. From 1 April 2019, the Group has recognised right-of-use assets for these leases, except for short-term leases.

	March 31, 2020	March 31, 2019
Lease payments recognised during the year	-	615.81
Within one year	-	735.15
Later than one year but not later than five years	-	1,762.17
More than five years	-	-

c) Capital commitments

- i) Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for is Rs. Nil (March 31, 2019 : 29.68)

29. Related party transactions

a. Parent Entity

Onward Network Technologies Private Limited

b. Subsidiaries:

Interests in Subsidiaries are set out in note 36.

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. Pranay Vakil (Independent Director)
5. Mr. Nandkumar Pradhan (Independent Director)
6. Mr. Parish Meghani (Independent Director)
7. Mr. Rahul Rathi (Independent Director)
8. Ms. Dimple Chauhan (Company Secretary)
9. Mr. Monik Damania (Company Secretary) (Upto July 31, 2018)
10. Mr. M.V.S.S Narayanachayulu (Chief Financial Officer) (Upto October 23, 2019)
11. Mr. Devanand Ramandasani (Chief Financial Officer) (w.e.f October 23, 2019)

e. Other related Parties

Onward Foundation

Notes to the consolidated financial statements (Contd.)

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

29. Transactions with related parties:

I

Nature of transaction	Holding Company		Fellow subsidiaries		Key managerial personnel		Other	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Rent paid	91.26	87.32	-	-	-	-	-	-
Reimbursement of Expenses received	0.42	-	0.05	0.05	-	-	-	-
Reimbursement of Expenses paid	5.30	6.59	0.05	0.05	-	-	16.50	20.50
Employee benefits (Refer note below)	-	-	-	-	412.17	304.65	-	-
Long term employee benefits (Refer not 1)	-	-	-	-	(3.30)	-	-	-
Post employee benefits (Refer not 2)	-	-	-	-	2.67	-	-	-
Employee share-based payments	-	-	-	-	6.19	10.89	-	-
Director sitting fees	-	-	-	-	19.00	22.45	-	-

Note 1: Amount included Reversal of provision made in previous year.

Note 2: Amount excludes payment of gratuity made during the year, provided in earlier years amounting to Rs 5.55 Lakhs.

Note 3: For year ending March 31, 2019 Key Managerial Personnel who were under the employment of the Company was 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, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Salary and Allowance payable	-	-	-	-	122.38	10.86
Trade Payable	0.16	-	-	-	-	-
Deposit	44.45	40.31	-	-	-	-

III Terms and conditions for outstanding balances

Transactions with related parties were made on normal commercial terms and conditions in the normal course of business.

All outstanding balances are unsecured and payable in cash.

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

30. Changes in accounting Policies

This note explains the impact of adoption of IND AS 116, Leases on the group's financial statements.

Impact on the financial statements - lease accounting

As indicated in note 1(b)(iii), the group has adopted Ind AS 116 retrospectively from April 1, 2019, but has not restated comparatives for year ended March 31, 2019, as permitted under the specific transition provisions in the standard. The reclassifications arising from the new leasing standard are considered in the opening balance sheet on April 1, 2019. The new accounting policies are disclosed in note 1(i).

On adoption of Ind AS 116, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of Ind AS 17, Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 April 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 April 2019 was 6.5%~10.00%.

(i) Practical expedients applied

In applying Ind AS 116 for the first time, the Group has used the following practical expedients permitted by the standard:

- recognising a lease liability at the date of initial application for leases previously classified as an operating lease applying Ind AS 17 and not to apply this Standard to contracts that were not previously identified as containing a lease applying Ind AS 17. Instead, for contracts entered into before the transition date the group relied on its assessment made applying IND AS 17 and Appendix C to IND AS 17, Determining whether arrangement contains a Lease.
- applying Ind AS 36, Impairment of Assets and Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets, and relying on its assessment of whether leases are onerous, performed immediately before the date of initial application as an alternative to performing an impairment review.
- opting not to make any adjustments on transition for leases for which the underlying asset is of low value. Further, the Group has adopted the policy of accounting for Intangible Assets as per Ind AS 38.
- applying a single discount rate to a portfolio of leases with reasonably similar characteristics.
- accounting for operating leases with remaining lease term of less than 12 months as at April 1, 2019 as short term leases.
- excluding initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- using hindsight, such as in determining the lease term if the contract contains options to extend or terminate the lease.

Notes to the consolidated financial statements (Contd.)

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

(ii) Measurement of lease liabilities

Operating lease commitments disclosed as at 31 March 2019	2,497.32
Discounted using the lessee's incremental borrowing rate at the date of initial application	2,037.13
(Less): short-term leases not recognised as a liability	(4.63)
(Less): Intangible assets not considered under IND AS116	(208.08)
Add/(less): adjustments as a result of a different treatment of extension and termination options	293.63
Lease liability recognised as at 1 April 2019	2,118.05
Of which are:	
Current lease liabilities	459.06
Non-current lease liabilities	1,658.99
	2,118.05

(iii) Measurement of right-of-use assets

Effective from April 1, 2019, the Group has adopted Ind AS 116 "Leases" by applying the standard retrospectively with the cumulative effect (if any), being recognised at the date of initial application in the retained earnings. The application of new standard leads to recognition of right of use asset and lease liability at the present value of the remaining lease payments discounted at the incremental borrowing rate.

(iv) Adjustments recognised in the balance sheet on 1 April 2019

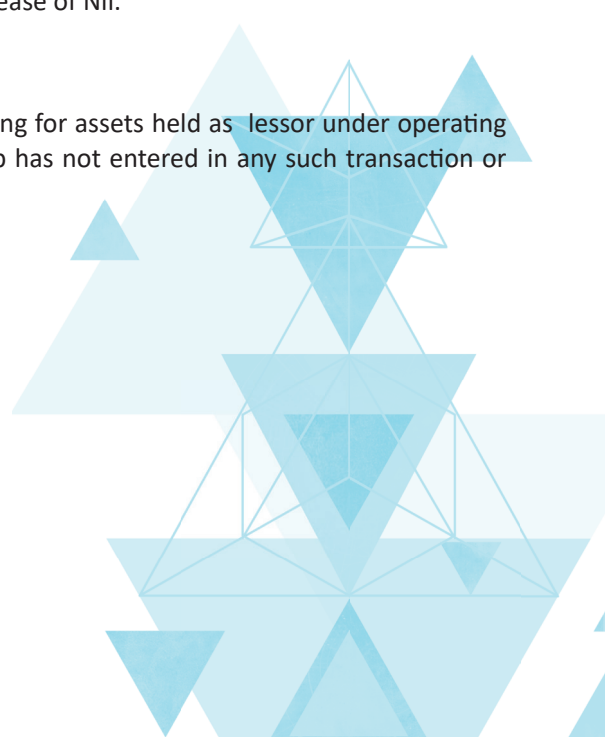
The change in accounting policy affected the following items in the balance sheet on 1 April 2019:

- Right-of-use assets – increase by Rs. 2,170.34 lakhs
- Prepayments – decrease by Rs. 52.29 lakhs
- Lease liabilities – increase by Rs. 2,118.05

The net impact on retained earnings on 1 April 2019 was decrease of Nil.

(iv) Lessor Accounting

The Group did not need to make any adjustment to accounting for assets held as lessor under operating leases as a result of the adoption of Ind AS 116 as the Group has not entered in any such transaction or arrangement.



Notes to the consolidated financial statements (Contd.)

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

31. Leases :

(i) Amounts Recognised in the balance sheet :

	As at March 31, 2020	As at March 31, 2019
Right-of-use assets		
Property	1,594.14	2,170.34
Lease Liabilities		
Current	570.93	459.06
Non Current	1,088.06	1,658.99
Total	1,658.99	2,118.05

The Ind AS 116 was adopted as on April 01, 2019 and before that, expenses related operating leases were recognised in Statement of Profit and Loss

For adjustments recognised on adoption of Ind AS 116 on April 01, 2019, please refer Note no. 30

Extension and termination options are included in a number of property across group. These are used to maximise operational flexibility in terms of managing the assets used in the group's operations.

(ii) Amounts Recognised in the Statement of Profit and Loss

	Year ended March 31, 2020
Interest Expenses (included in finance cost)	175.50
Expense relating to short-term leases (included in other expenses)	67.38
No Depreciation of right-of-use Assets	616.17
Total	859.05

The total cash outflow for leases for the year ended March 31, 2020 was Rs. 662.66 lacs

Notes to the consolidated financial statements (Contd.)

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

32. Fair value measurements

Financial instruments by category

	March 31, 2020		March 31, 2019	
	FVPL	Amortised cost	FVPL	Amortised cost
Financial assets				
Loans	-	303.21	-	286.37
Trade receivables	-	4,979.90	-	4,891.25
Cash and cash equivalents	-	1,778.65	-	433.93
Bank balances other than above	-	435.77	-	83.38
Derivative financial instrument not designated as hedges				
Foreign exchange forward contracts	-	-	77.05	-
Contract assets	-	418.07	-	855.04
Others	-	14.68	-	28.78
Total financial assets	-	7,930.28	77.05	6,578.75
Financial liabilities				
Borrowings	-	1,812.80	-	1,775.97
Trade payables	-	762.31	-	606.04
Capital Creditors	-	18.17	-	82.87
Lease Liabilities	-	1,658.99	-	-
Interest accrued	-	-	-	10.44
Employee benefit payable	-	1,298.38	-	1,147.31
Unpaid Dividend	-	10.27	-	6.95
Total financial liabilities	-	5,560.92	-	3,629.58

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, 2020				
Financial assets				
Derivative financial instrument not designated as hedges				
Foreign exchange forward contracts	-	-	-	-

Notes to the consolidated financial statements (Contd.)

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

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

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:

- Foreign currency forward contracts - the present value of future cash based on the forward exchange rates at the balance sheet date
- All of the resulting fair value estimates are included in Level 2.

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.

33. Financial risk management

The Group's activities expose it to market risk, liquidity risk and credit risk.

The Group's senior management oversees the activities to manage these risks. All derivative activities for risk management purposes are carried out by personnel with requisite knowledge, skills and experience. It is the Group's policy that no trading in derivatives for speculative purposes should be undertaken.

The Risk Management policies of the Group are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are approved and reviewed regularly by the Board to reflect changes in market conditions and the Group's activities. Management has overall responsibility for the establishment and oversight of the Group's risk management framework. The risks to which Group is exposed and related risk management policies are summarised below.

(A) Credit risk

(i) Credit risk management

The Group is exposed to credit risk from its operating activities (primarily trade receivables and contract assets) 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 considered necessary 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 obligations. Refer note 38 for the assessment of impact of COVID - 19 on credit risk.

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. Customer specific events/information is considered while assessing the adequacy of provision as on balance sheet date.

Reconciliation of loss allowance provision

Loss allowance on April 1, 2018	81.32
Changes in loss allowance	(9.68)
Loss allowance on March 31, 2019	71.64
Write offs against loss allowance (Refer note below)	(71.64)
Additional loss allowance provision made	21.84
Loss allowance on March 31, 2020	21.84

The Company does not expect to receive future cash flows or recoveries from collection of cash flows previously written off.

Notes to the consolidated financial statements (Contd.)

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

(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.

Management monitors rolling forecasts of the company liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. This is generally carried out at local level in the operating companies in accordance with practice and limits set by the Group. These limits vary by location to take into account the liquidity of the market in which the entity operates. In addition, the Group liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt covenants.

(i) Financing arrangements

The Group had access to the following undrawn borrowing facilities at the end of the reporting period:

	As at March 31, 2020	As at March 31, 2019
Floating rate		
- Expiring within one year (bank overdraft and other facilities)	1,072.92	1,656.60
- Expiring beyond one year (bank loans)	-	-
Total	1,072.92	1,656.60

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in Rs..

(ii) 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, 2020	< 1 year	> 1 year
Borrowings	1,806.12	-
Trade Payables	762.31	-
Payable for purchase of Property, Plant and Equipment	18.17	-
Lease Liabilities	570.93	1,088.06
Employee Benefit Payable	1,298.38	-
Unpaid Dividend	10.27	-
Current Maturities of Long-term Debt	6.68	-
Total	4,472.86	1,088.06

Notes to the consolidated financial statements (Contd.)

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

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	-
Employee Benefit Payable	1,147.31	-
Interest accrued	10.44	-
Unpaid Dividend	6.95	-
Current Maturities of Long-term Debt	165.83	-
Total	3,564.88	64.70

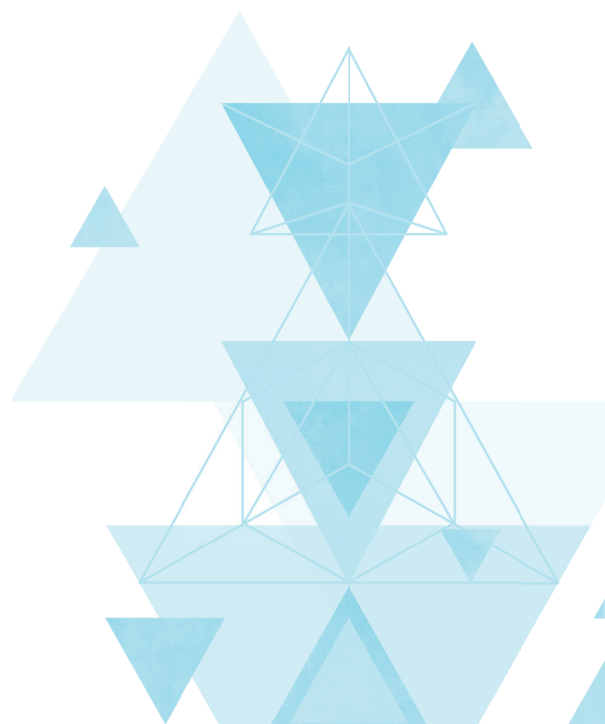
The Company has made detailed assessment of its liquidity position for next one year considering the outbreak of COVID 19 situation and it is confident to meet its financial obligations which will mature during next year.

(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 (Rs.). The risk is measured through forecast of foreign currency transactions.

The Group has a policy to maintain forex exposure on the books at reasonable levels considering forecast of transactions in next 12 months and natural hedge through foreign currency payables. As per the risk management policy, foreign exchange forward contracts are taken to hedge its exposure in the foreign currency risk. When a forward contract is entered into for the purpose of hedge, the Group negotiates the terms of those derivatives to match the terms of the underlying exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable that is denominated in the foreign currency.



Notes to the consolidated financial statements (Contd.)

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

i) Foreign currency risk exposure

The Group's exposure to foreign currency risk at the end of the reporting period expressed in Rs., are as follows :

	As at March 31, 2020			As at March 31, 2019		
	USD	Euro	GBP	USD	Euro	GBP
Financial assets						
Trade receivables	26.33	5.65	274.60	8.21	-	251.04
Bank balance in EEFC account	-	-	96.80	-	-	39.28
Derivative instruments						
- Foreign exchange forward contracts - Sell foreign currency	-	-	-	77.05	-	-
Net exposure to foreign currency risk (assets)	26.33	5.65	371.40	85.26	-	290.32
Financial liabilities						
Trade payables	2.26	31.41	17.80	2.77	26.57	-
Net exposure to foreign currency risk (liabilities)	2.26	31.41	17.80	2.77	26.57	-

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, 2020	March 31, 2019
USD sensitivity		
Rs./USD - Increase by 5% (31 March 2019 - 5%)	1.20	4.12
Rs./USD - Decrease by 5% (31 March 2019 - 5%)	(1.20)	(4.12)
EURO sensitivity		
Rs./Euro - Increase by 5% (31 March 2019 - 5%)	(1.29)	(1.33)
Rs./Euro - Decrease by 5% (31 March 2019 - 5%)	1.29	1.33
GBP sensitivity		
Rs./GBP - Increase by 5% (31 March 2019 - 5%)	17.68	14.52
Rs./GBP - Decrease by 5% (31 March 2019 - 5%)	(17.68)	(14.52)

Notes to the consolidated financial statements (Contd.)

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

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.

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:

	Weighted Average Interest rate	March 31, 2020	March 31, 2019
Variable rate borrowings	4.25% - 8.75%	1,806.12	1,775.97
Fixed rate borrowings	9.00%	6.68	-
Total borrowings		1,812.80	1,775.97

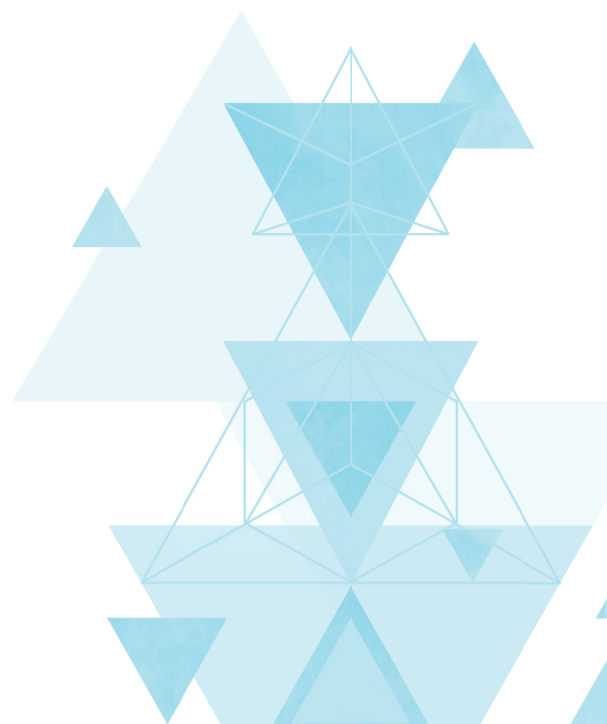
Sensitivity

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, 2020	March 31, 2019
Interest rate - Increase by 50 basis points (50bps) *	-8.96	-10.07
Interest rate - Decrease by 50 basis points (50bps) *	8.96	10.07

* Holding all other variables constant



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

34. 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, 2020 and March 31, 2019.

The gearing ratios were as follows:

	March 31, 2020	March 31, 2019
Net Debt	1,267.65	1,275.94
Total Equity	6,806.94	6,101.97
Net Debt to Equity Ratio	18.62%	20.91%

The net debt to equity ratio for the current year has increased from 0% to 18.62% following the adoption of IND AS 116. Both net debt and gross assets increased following the recognition of right-of-use assets and lease liabilities on April 1, 2019. Refer Note 30 for further information. Net debt includes lease liabilities of Rs. 1,658.99 lakhs as on March 31, 2020.

(i) Loan Covenants

Under the terms of the major borrowing facilities, the group is required to comply with the following financial covenants:

A) For Borrowings availed by Onward Technologies Limited

- Adjusted Total Net worth (Net off loans and advances and investments to group entities) to be maintained at minimum level of Rs. 250 million
- Not to provide any loans or advance or investment in any aggregating to more than Rs. 5 million in a year without prior consent of bank
- Security deposit under lien of 25% of Cash Credit facility availed

The company has complied with these covenants throughout the reporting period.

B) For Borrowings availed by Onward Technologies Inc.

- Onward Technologis Limited shall ensure that it shall continue to directly own 100 per cent of the issued and outstanding equity share capital of the Borrower.

The company has complied with these covenants throughout the reporting period.

Notes to the consolidated 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, 2020	March 31, 2019
i) Equity shares Final Dividend for the year ended March 31, 2019 of Rs. 1.5 (March 31, 2018 : Re. 1) per fully paid share	239.67	156.97
Dividend distribution tax thereon	-	-
i) Dividends not recognised at the end of reporting period	240.64	239.67
Dividend distribution tax thereon	-	-
The Directors have recommended the payment of a final dividend of Rs. 1.50 per fully paid equity share (March 31, 2019 Rs. 1.50 per equity share). This proposed dividend is subject to approval of shareholders in the ensuing annual general meeting.		

36. Interest in Other Entities

(a) Subsidiaries

The group's subsidiaries as on March 31, 2020 are set below. Unless otherwise stated, they have share capital consisting 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 incorporation	Ownership interests held by the Group		Ownership interests held by the non-controlling interests		Principal Activities
		March 31, 2020 %	March 31, 2019 %	March 31, 2020 %	March 31, 2019 %	
Onward eServices Limited	India	100.00	100.00	-	-	IT Consulting services
Onward Technologies Inc.	United States of America	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

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

37. Share-based payments**Employee Stock Option Plan**

The Company instituted the 2009 plan and 2019 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 and July 25, 2019 respectively. Schemes covers grant of options to specified permanent employees of the Company as well as its subsidiaries.

Pursuant to schemes, the Company has granted options each to eligible employees at an exercise price of Rs. 10 per equity share of Rs. 10 each and of Rs. 20 per equity share of Rs. 10 each respectively for 2009 and 2019 Plan. Under the term of schemes, 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.

Set out below is the summary of the options granted under the plan :

Particulars	March 31, 2020	March 31, 2019
	No. of Options	No. of Options
Opening Balance	142,350	226,000
Granted during the year	186,500	50,000
Forfeited/ cancelled during the year	-	45,350
Lapsed during the year	49,875	22,600
Exercised during the year	59,425	65,700
Outstanding as at the end of the year	219,550	142,350
Shares vested and exercisable	878,200	569,400

The weighted average share price at the date of exercise of options exercised during the year ended March 31, 2020 was Rs. 62.75 (March 31, 2019 - Rs. 77.41)

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, 2020	March 31, 2019
August 1, 2014	August 1, 2019	10	-	2,750.00
November 1, 2014	November 1, 2019	10	-	3,500.00
January 22, 2016	January 22, 2021	10	2,050.00	16,725.00
March 2, 2016	March 2, 2021	10	1,775.00	17,725.00
March 23, 2016	March 23, 2021	10	-	1,250.00

Notes to the consolidated financial statements (Contd.)

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

Grant Date	Expiry Date	Expiry Price	Share Options	
			March 31, 2020	March 31, 2019
July 1, 2016	July 1, 2021	10	9,875	19,750
September 1, 2016	September 1, 2021	10	-	2,500
December 5, 2016	December 5, 2021	10	-	-
January 24, 2017	January 24, 2022	10	2,500	6,750
May 10, 2017	May 10, 2022	10	18,875	28,350
August 11, 2017	August 11, 2022	10	1,500	2,250
April 17, 2018	April 16, 2023	10	24,625	40,800
April 1, 2019	March 31, 2024	10	50,350	-
July 15, 2019	July 14, 2024	10	7,500	-
September 1, 2019	August 31, 2024	10	3,500	-
September 16, 2019	September 15, 2024	10	12,800	-
March 4, 2020	March 3, 2025	10	8,500	-
November 18, 2019	November 17, 2024	20	65,700	-
March 4, 2020	March 3, 2025	20	10,000	-
Weighted average remaining contractual life of options outstanding at the end of the period			3.92 years	2.79 years

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, 2020 and March 31, 2019 included :

Particulars	Inputs as on March 31, 2020								Inputs as on March 31, 2018
	10.00	10.00	10.00	10.00	20.00	10.00	20.00	10.00	
Exercise Price (Rs)	10.00	10.00	10.00	10.00	20.00	10.00	20.00	10.00	
Grant Date	April 1, 2019	July 15, 2019	September 1, 2019	September 16, 2019	November 18, 2019	March 4, 2020	March 4, 2020	April 17, 2018	
Expiry Date	April 1, 2024	July 15, 2024	September 1, 2024	September 16, 2024	November 18, 2024	March 4, 2025	March 4, 2025	April 17, 2023	
Share Price as on Grant Date (Rs)	70.40	65.90	60.50	64.20	69.50	56.90	56.90	92.80	
Fair value as on Grant Date (Rs)	58.90	54.50	49.30	52.90	50.40	45.80	38.50	81.50	
Expected Volatility (%)	43.70%	42.80%	42.00%	42.00%	47.00%	45.90%	45.90%	43.50%	
Expected Dividend yield (%)	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.10%	
Risk free interest rate (%)	6.80%	6.40%	6.30%	6.50%	6.20%	5.70%	5.70%	7.20%	

Notes to the consolidated financial statements (Contd.)

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

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, 2020	Year ended March 31, 2019
Employee Option Plan	165.00	166.76
Total	165.00	166.76

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, 2020	100.74%	6,857.64	131.30%	819.00	0.70%	1.29	101.68%	820.29
March 31, 2019	100.28%	6,119.13	92.26%	935.02	(46.58)%	(35.03)	82.67%	899.99
Subsidiaries (group's share)								
Indian								
Onward eServices Limited								
March 31, 2020	12.27%	835.44	(48.90)%	(305.05)	16.14%	29.53	(34.15)%	(275.52)
March 31, 2019	18.21%	1,110.91	12.46%	126.31	(17.59)%	(13.23)	10.39%	113.08
Onward Properties Private Limited								
March 31, 2020	0.00%	-	(0.80)%	(5.00)	0.00%	-	(0.62)%	(5.00)
March 31, 2019	1.64%	99.93	(0.03)%	(0.34)	0.00%	-	(0.03)%	(0.34)
Foreign								
Onward Technologies Inc.								
March 31, 2020	29.90%	2,035.28	50.70%	316.24	0.00%	-	39.20%	316.24
March 31, 2019	29.02%	1,770.72	12.36%	125.25	0.00%	-	11.51%	125.25
Onward Technologies GmbH								
March 31, 2020	(1.73)%	(118.06)	(11.39)%	(71.04)	0.00%	-	(8.81)%	(71.04)
March 31, 2019	(0.66)%	(40.54)	(3.97)%	(40.22)	0.00%	-	(3.69)%	(40.22)
Consolidation adjustments								
March 31, 2020	(41.18)%	(2,803.36)	(20.90)%	(130.38)	83.16%	152.16	2.70%	21.78
March 31, 2019	(48.48)%	(2,958.18)	(13.08)%	(132.61)	164.17%	123.46	(0.85)%	(9.15)
Total								
March 31, 2020	100.00%	6,806.94	100.00%	623.77	100.00%	182.98	100.00%	806.75
March 31, 2019	100.00%	6,101.97	100.00%	1,013.41	100.00%	75.20	100.00%	1,088.61

Notes to the consolidated financial statements (Contd.)

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

39. Impact of COVID-19

The Novel Coronavirus (COVID-19), a Global Pandemic, is rapidly spreading throughout the world. Outbreak of COVID - 19 has significantly affected the social and economic activities worldwide and, as a result, could affect the operations and results of the Group. In line with the advisories, orders and directions issued by the local and state government authorities to prevent and contain the spread of Coronavirus, the Management has taken necessary measures.

The Management has taken into consideration the impact of the known internal and external events arising from COVID-19 pandemic in the assessment of recoverability of trade receivables, contract assets and certain investments in subsidiaries upto the date of approval of these financial results. In this assessment, the Group has performed sensitivity analysis on the key assumptions used. However the impact assessment of COVID-19 is a ongoing process, given the uncertainties associated with its nature and duration. The impact of global health pandemic might be different from that estimated as at the date of approval of these financial results and the Group will continue to closely monitor any significant impact on the Group's financial position.

40. Transfer Pricing

The Holding Company is in the process of updating its transfer pricing documentation with respect to its international transactions with its associate enterprises/ related parties.

Management believes that the Company's international transactions, with related parties post March 31, 2019 (last period upto which an Accountants' report has been submitted as required under the Income tax Act, 1961) continue to be at arm's length and that the transfer pricing legislation will not have any impact on these financial statements, particularly on the amount of tax expense and that of provision for taxation.

41. Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

42. The financial statements for the year ended March 31, 2020 incorporate the impact of the change in accounting policies as mentioned in Note 30. Thus, current year numbers are not comparable to previous year numbers. Further, previous year figures have been regrouped wherever necessary.

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

Neeraj Sharma
Partner
Membership No.: 108391

Place : Pune
Date : May 15, 2020

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

Harish Mehta
Executive
Chairman

Devanand Ramandasani
Chief Financial Officer

Place : Mumbai
Date : May 15, 2020

Jigar Mehta
Managing
Director

Pranay Vakil
Audit Committee
Chairman

Dimple Chauhan
Company Secretary

Place : Pune
Date : May 15, 2020

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, 2020, 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 standalone 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, 2020, and total comprehensive income (comprising of profit 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 standalone 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 standalone 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.

Emphasis of matter

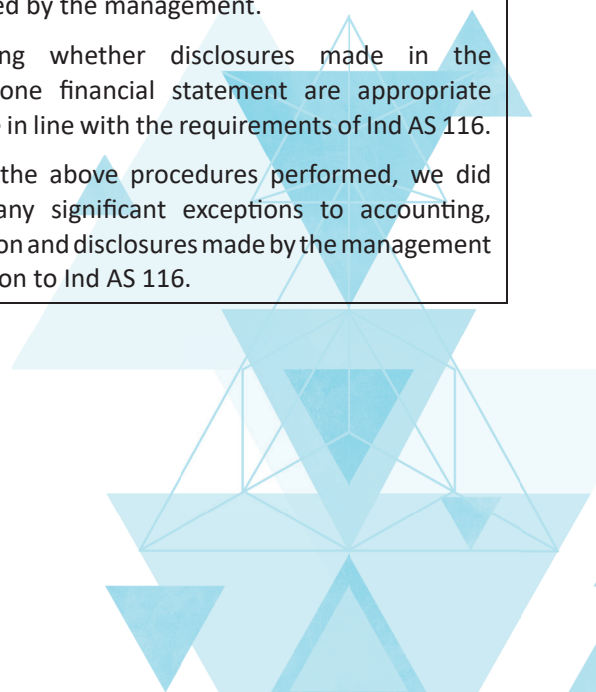
4. We draw your attention to Note 38 to the standalone financial statements, which explains the uncertainties and the management's assessment of financial impact on standalone financial statements of the Company due to lock-downs and other restrictions imposed by the Government of India and other conditions related to the outbreak of Coronavirus (COVID-19) pandemic situation which might impact the operations of the Company, for which a definitive assessment in subsequent period is highly dependent upon circumstances as they evolve. Our opinion is not modified in respect of this matter.

Key audit matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone 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
Transition from the Indian Accounting Standard Ind AS 17 to Ind AS 116	
<p>Refer notes 1 (g) and 31 in the Standalone Financial Statements.</p> <p>Effective from April 1, 2019, the Company has adopted Ind AS 116 "Leases". The Company has applied the standard retrospectively with the cumulative effect (if any), being recognised at the date of initial application in the retained earnings.</p> <p>The application of new standard leads to recognition of right of use asset and lease Liability at the present value of the remaining lease payments discounted at the incremental borrowing rate.</p> <p>In transition to new standard management has applied following judgements and estimates</p> <ul style="list-style-type: none"> • Identifying if contract conveys right to use the asset • Assessment of lease term considering options to renew and terminate the lease • Identification of incremental borrowing rate as discount rate <p>We have considered this to be a key audit matter as the transition to new standard is significant to our audit and the balances as on transition date as well as at balance sheet date are material to the standalone financial statements. Further implementation process requires extraction and processing of extensive data that required significant audit efforts to test the completeness and adequacy of such information.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • Obtain an understanding of the process followed by the management and testing of the design and operating effectiveness of key controls around accounting for leases. • Review of the accounting policy and options elected as a part of transition process • Evaluating the underlying lease contracts and ensuring that relevant data was recorded correctly for representative lease samples selected for testing. • Assessing the appropriateness of the assumptions of discount rates, application of single discount rate for portfolio of leases in light of the market conditions, publicly available information, and consistency with other assumptions made in the preparation of standalone financial statements. • Recalculating the right of use the asset and lease liability workings for arithmetical accuracy for samples selected for testing • Reviewing key service and supply contracts, enquiries with finance personnel, scanning of expense ledgers and testing reconciliation with operating lease commitments, to identify any arrangement or expense in the nature of lease and ensure the completeness of the information collected by the management. • Assessing whether disclosures made in the standalone financial statement are appropriate and are in line with the requirements of Ind AS 116. <p>Based on the above procedures performed, we did not find any significant exceptions to accounting, presentation and disclosures made by the management for transition to Ind AS 116.</p>

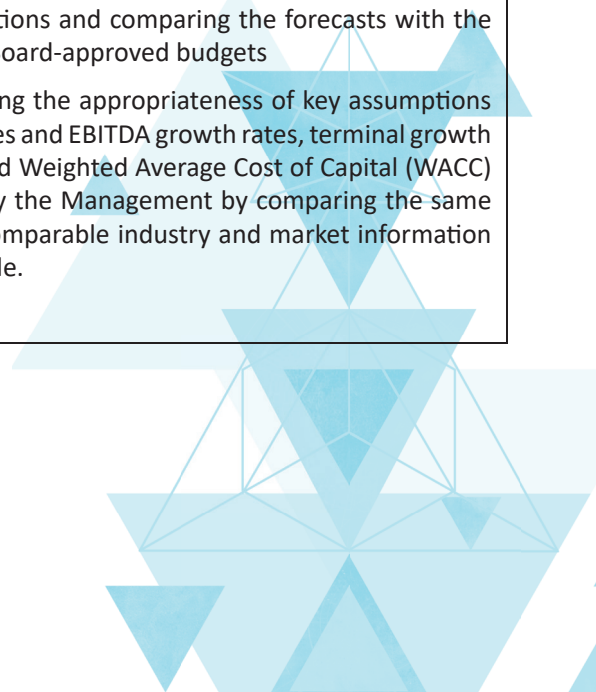


Independent Auditor's Report (Contd.)

Assessment of Valuation of Employee Stock Options Scheme:	
<p>Refer note 1 (t) and note 37 in the Standalone Financial Statements.</p> <p>The Company has an Employee Stock Option Plans that are accounted for in accordance with Ind AS 102 "Share based payments".</p> <p>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.</p> <p>Further accounting for these options also require management to estimate the expected forfeiture before vesting of options.</p> <p>We have determined this to be a key audit matter considering the judgements involved in underlying estimates and assumptions and expense during the year is material to the standalone financial statements.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • 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 independence of management's expert through enquiry procedures • Discussing with the Management's Expert the appropriateness of significant assumptions used in the valuation and independently evaluating the appropriateness of the valuation model and the key assumptions used as input in the valuation. • Checking the adequacy of the management estimate for expected forfeiture with regard to historical accuracy • Ensuring the arithmetical accuracy of the expense accounted during the year based on fair value arrived. • Assessing whether disclosures made in the standalone financial statements are appropriate and are in line with the requirements of Ind AS 102 <p>Based on the above audit procedures, we did not find any significant exceptions in respect of assessment of valuation of Employee Stock Options Scheme. Further disclosures made are appropriate and are in line with the requirements of Ind AS 102.</p>
Assessment of Valuation of Investment in Preference Shares	
<p>Refer note 1 (l), note 5 and note 33 in the Standalone Financial Statements.</p> <p>As at March 31, 2020, the Company has investment in preference shares of a subsidiary amounting to Rs. 988.21 lakhs, which are carried at fair value through profit and loss in accordance with requirements of Ind AS 109.</p> <p>This investment has been classified as Level 3 in the fair value hierarchy. Valuation has been carried out by independent valuer.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • Obtaining an understanding of the management's investment valuation process and testing of the design and operating effectiveness of key controls around it. • Evaluation of the competence and independence of Management's expert through enquiry procedures • Assessing the reasonableness of valuation model and key assumptions/inputs used in the valuation, such as cash flow projections, market multiples, terminal growth rate and discount rate through comparing it with comparable industries and market information available.

Independent Auditor’s Report (Contd.)

<p>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 are cash flow projections, market multiples, growth rate, terminal rate, discount rate etc.</p> <p>Given the inherent subjectivity in the valuation of level 3 investments, overall amount of investment in standalone financial statements and the nature and extent of audit procedures involved, we determined this to be a key audit matter.</p>	<ul style="list-style-type: none"> • Involvement of auditor’s valuation expert to assess the methodologies used and reasonableness of key assumptions used by the management • Performing sensitivity analysis on the key assumptions such as growth rate including terminal growth rate, discount rate to determine whether any reasonable and foreseeable change in assumptions would lead to significant change in the fair value of investment • Validation of the source data and testing the arithmetical accuracy of the calculation of valuation of investments. <p>Based on above audit procedures we consider that the management’s assessment of the fair valuation of investments in preference shares is reasonable.</p>
<p>Assessment of the impairment to the carrying value of investment in wholly owned subsidiaries</p>	
<p>Refer to note 1(h) and note 5 in the Standalone Financial Statements.</p> <p>The Company has gross investments amounting to Rs 1,792.84 lakhs in Onward eServices Limited and Onward Technologies GmbH, which are the wholly owned subsidiaries of the Company.</p> <p>During the year subsidiary companies have incurred losses and have accumulated losses as at year end, which is considered as an indicator of impairment as per Ind AS 36.</p> <p>Management has made evaluation of impairment risk in carrying value of investment in subsidiaries using estimated discounted cash flows (value in use) model and concluded that impairment provision made as on balance is adequate and no additional provision is required against these investments.</p> <p>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 and assumptions like Weighted Average Cost of Capital (WACC), growth rate, terminal value used in the valuation model.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • Obtaining an understanding of the management’s process around the impairment assessment including the budgeting process and valuation workings, and testing the design and operating effectiveness key controls around it • Assessing the appropriateness of the methodology and the valuation model used by management to derive the value in use of investments • Assessing the historical accuracy of the Company’s forecasts by comparing the forecasts with the actual performance • 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 sales and EBITDA growth rates, terminal growth rate and Weighted Average Cost of Capital (WACC) used by the Management by comparing the same with comparable industry and market information available.



Independent Auditor's Report (Contd.)

<p>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 and assumptions like Weighted Average Cost of Capital (WACC), growth rate, terminal value used in the valuation model.</p>	<ul style="list-style-type: none">• Performing a sensitivity analysis over the key assumptions as mentioned above to determine whether any reasonable and foreseeable change in assumptions to assess their potential impact on impairment results and ranges of possible outcomes of the recoverable amounts. <p>Based on the above procedures performed, we consider that management's assessment of impairment to the carrying value of investments in wholly owned subsidiaries is reasonable.</p>
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Other Information

6. 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 standalone financial statements and our auditor's report thereon.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone 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 standalone financial statements

7. 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, standalone financial performance, standalone changes in equity and standalone 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
8. In preparing the standalone 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,

Independent Auditor's Report (Contd.)

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 standalone financial statements

9. Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone financial statements.
10. 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 standalone 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 Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
11. 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.
12. 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.



Independent Auditor's Report (Contd.)

13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone 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

14. 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.
15. 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.
 - 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 with reference to standalone financial statements 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 standalone financial statements – Refer Note 29(a) to the standalone financial statements;
 - ii. The Company has long term contracts as at March 31, 2020 for which there are no material foreseeable losses. The company did not have any derivative contracts as at March 31, 2020.
 - 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, 2020.
 - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2020.

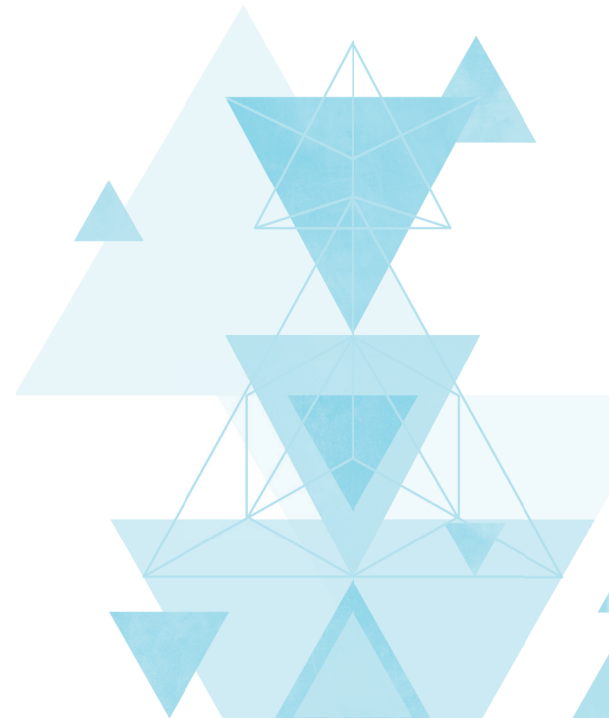
Independent Auditor's Report (Contd.)

16. The Company has provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

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

Neeraj Sharma
Partner
Membership Number : 108391
UDIN: 20108391AAAADE7621

Place: Pune
Date: May 15, 2020



Annexure A to Independent Auditors' Report

Referred to in paragraph 15(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, 2020

Report on the Internal Financial Controls with reference to standalone 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 standalone financial statements of Onward Technologies Limited (the "Company") as of March 31, 2020 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 standalone 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 standalone 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 standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone 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 standalone 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 standalone financial statements.

Meaning of Internal Financial Controls with reference to standalone financial statements

6. A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone 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

Independent Auditor's Report (Contd.)

transactions are recorded as necessary to permit preparation of standalone 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 standalone financial statements.

Inherent Limitations of Internal Financial Controls with reference to standalone financial statements

7. Because of the inherent limitations of internal financial controls with reference to standalone 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 standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

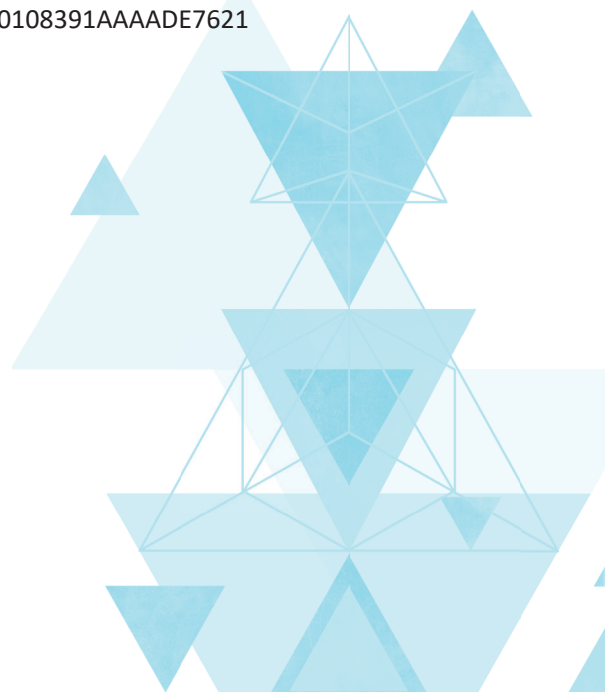
Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2020, 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. Also refer paragraph 4 of the main audit report.

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

Neeraj Sharma
Partner
Membership Number : 108391
UDIN: 20108391AAAADE7621

Place: Pune
Date: May 15, 2020



Annexure B to Independent Auditors' Report

Referred to in paragraph 14 of the Independent Auditors' Report of even date to the members of Onward Technologies Limited on the standalone financial statements as of and for the year ended March 31, 2020

- i.
 - (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
 - (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
 - (c) The Company does not own any immovable properties as disclosed in Note 3 on Property, plant and equipment to the Standalone 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, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (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 Sections 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, except for dues in respect of provident fund and Maharashtra Labour Welfare Fund, the Company is generally regular in depositing undisputed statutory dues, including employees' state insurance, income tax, cess, goods and service tax and other material statutory dues, as applicable, with the appropriate authorities. Further, for the period from March 1, 2020 to March 31, 2020, the company has paid Goods and Service Tax and filed GSTR 3B (after the due date but) within the timelines allowed by Central Board of Indirect Taxes and Customs under the Notification No. 31/2020 dated April 3, 2020 on fulfilment of conditions specified therein."

Independent Auditor's Report (Contd.)

The extent of the arrears of statutory dues outstanding as at March 31, 2020, for a period of more than six months from the date they became payable are as follows:

Name of the statute	Nature of dues	Amount (Rs. in lakhs)	Period to which the amount relates	Due date	Date of Payment
The Employees' Provident Funds And Miscellaneous Provisions Act, 1952	Provident fund	16.10	April 1, 2019 to June 31, 2019	15th day of subsequent month	May 13, 2020

Also refer Note 29(a) to the standalone 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 service-tax, 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, 2020, 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, 1962	Income Tax act	944.53	FY 2007-08, 2008-09 and 2010-11	ITAT, Mumbai
Income Tax Act, 1962	Income Tax act	54.31	FY 2006-07	High Court Mumbai

- 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 as at the balance sheet date. Further, there are no outstanding loans or borrowings from Government nor the company has issued any debentures as at balance sheet date.
- ix. The Company has not raised any moneys 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/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
[Also refer paragraph 16 of our main audit report]
- 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 standalone financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

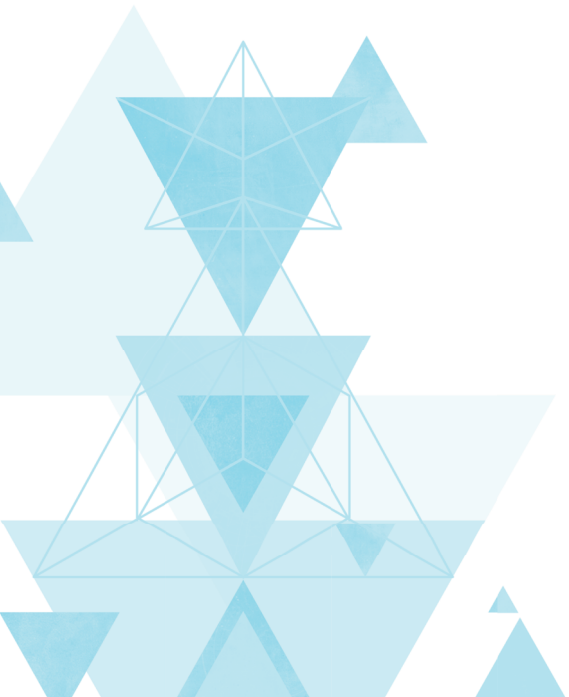
Independent Auditor's Report (Contd.)

- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. 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
UDIN: 20108391AAAADE7621

Place: Pune
Date: May 15, 2020



STANDALONE BALANCE SHEET AS AT MARCH 31, 2020

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

	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
I. Non-current assets			
Property, plant and equipment	3	623.66	745.01
Intangible assets	4	403.24	558.21
Intangible assets under development		-	17.89
Right-of-use-assets	32	1,331.13	-
Financial assets			
(a) Investments	5	3,775.58	3,883.21
(b) Loans	6	212.94	201.87
Deferred tax assets	13 (a)	92.85	47.76
Income-tax assets (net)	13 (b)	1,087.46	1,006.73
Other non-current assets	7	6.77	44.76
Total non-current assets		7,533.63	6,505.44
II. Current assets			
Financial assets			
(a) Trade receivables	8	2,505.48	2,152.90
(b) Cash and cash equivalents	9 (a)	134.69	213.81
(c) Bank balances other than (b) above	9 (b)	422.87	32.88
(d) Contract assets	10	247.94	356.76
(e) Other financial assets	11	64.12	209.03
Other current assets	12	519.88	329.66
Total current assets		3,894.98	3,295.04
Total assets		11,428.61	9,800.48
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	14 (a)	1,604.26	1,580.49
Other equity	14 (b)	5,253.38	4,538.64
Total equity		6,857.64	6,119.13
LIABILITIES			
I. Non-Current liabilities			
Financial liabilities			
(a) Borrowings	15	-	6.69
(b) Lease Liabilities	32	973.19	-
Employee benefit obligations	19 (a)	234.50	210.04
Total non-current liabilities		1,207.69	216.73

Standalone Balance sheet (Contd.)

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

	Notes	As at March 31, 2020	As at March 31, 2019
II. Current liabilities			
Financial liabilities			
(a) Borrowings	16	679.59	1,615.11
(b) Trade payables	17		
- Total outstanding dues of micro enterprises and small enterprises		27.73	23.04
- Total outstanding dues of creditors other than micro enterprises and small enterprises		662.67	437.27
(c) Lease Liabilities	32	411.74	-
(c) Other financial liabilities	18	570.32	785.98
Employee benefit obligations	19 (b)	77.48	86.73
Contract Liabilities	20 (a)	574.13	242.35
Other current liabilities	20 (b)	359.62	274.14
Total current liabilities		3,363.28	3,464.62
Total liabilities		4,570.97	3,681.35
Total equity and liabilities		11,428.61	9,800.48

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

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

Neeraj Sharma
Partner
Membership No.: 108391

Harish Mehta
Executive
Chairman

Jigar Mehta
Managing
Director

Dimple Chauhan
Company Secretary

Devanand Ramandasani
Chief Financial Officer

Pranay Vakil
Audit Committee
Chairman

Place : Pune
Date : May 15, 2020

Place : Mumbai
Date : May 15, 2020

Place : Pune
Date : May 15, 2020

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

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

	Notes	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from operations	21	12,205.35	11,818.71
Other income (net)	22	673.59	501.58
Total Income		12,878.94	12,320.29
Expenses			
Purchase of Software Licences	23	18.30	429.07
Employee benefits expense	24	8,412.75	7,547.13
Finance costs	25	317.65	207.22
Depreciation and amortisation expense	26	908.69	481.23
Other expenses	27	2,111.34	2,341.65
Total expenses		11,768.73	11,006.30
Profit before tax		1,110.21	1,313.99
Income tax expense			
Current tax	13(b)	365.42	440.74
Deferred tax	13(a)	(74.21)	(61.77)
Total tax expense		291.21	378.97
Profit for the year		819.00	935.02
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of post-employment benefit obligations	14(b)	1.72	(49.56)
Income tax relating to these items	13(b)	(0.43)	14.53
Total other comprehensive income for the year, net of tax	14(b)	1.29	(35.03)
Total comprehensive income for the year		820.29	899.99
Earnings per share			
Basic	28	5.12	5.95
Diluted	28	4.93	5.70

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

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

Neeraj Sharma
Partner
Membership No.: 108391

Harish Mehta
Executive
Chairman

Jigar Mehta
Managing
Director

Dimple Chauhan
Company Secretary

Devanand Ramandasani
Chief Financial Officer

Pranay Vakil
Audit Committee
Chairman

Place : Pune
Date : May 15, 2020

Place : Mumbai
Date : May 15, 2020

Place : Pune
Date : May 15, 2020

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

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

A Equity share capital

	Notes	
As at April 1, 2018		1,554.21
Change in equity share capital	13	26.28
As at March 31, 2019		1,580.49
Change in equity share capital	13	23.77
As at March 31, 2020		1,604.26

B Other Equity

Particulars	Note	Securities premium account	Retained Earnings	Share option outstanding account	Share application money pending allotment	Total
As at April 1, 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

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)	-	(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
Profit for the year		-	819.00	-	-	819.00
Other Comprehensive Income		-	1.29	-	-	1.29
Total comprehensive income for the year		-	820.29	-	-	820.29
Additions on employee stock option plan	36	162.29	-	(162.29)	-	-
Employee stock option expenses	36	-	-	108.89	-	108.89
Employee stock option expenses (for employees of subsidiary)	36	-	-	56.11	-	56.11
Transactions with owners in their capacity as owners:						-
Dividends paid	13 (b)	-	(239.66)	-	-	(239.66)
Utilisation of Tax credit for payment of dividend distribution tax	13 (b)	-	(28.70)	-	-	(28.70)
Shares allotted against the share application money received	13 (b)	-	-	-	(23.77)	(23.77)
Shares application money received for allotment of shares	13 (b)	-	-	-	21.58	21.58
As at March 31, 2020		1,704.24	3,216.63	326.77	5.74	5,253.38

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 : Pune
Date : May 15, 2020

Onward Technologies Limited

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

Harish Mehta
Executive
Chairman

Devanand Ramandasani
Chief Financial Officer

Place : Mumbai
Date : May 15, 2020

Jigar Mehta
Managing
Director

Pranay Vakil
Audit Committee
Chairman

Dimple Chauhan
Company Secretary

Place : Pune
Date : May 15, 2020

STANDALONE STATEMENT OF CASH FLOWS AS AT MARCH 31, 2020

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

	Year ended March 31, 2020	Year ended March 31, 2019
A) Cash flows from operating activities		
Profit before income tax	1,110.21	1,313.99
Adjustments for		
Depreciation and amortisation expense	908.69	481.23
(Profit) / loss on disposal of property, plant and equipment	(0.38)	0.90
Changes in fair value of investments at fair value through profit or loss	(53.31)	58.96
Dividend and interest income classified as investing cash flow	(281.63)	(208.80)
Provision for Impairment of Investment	160.93	-
Unwinding of discount on security deposit	(17.69)	(9.46)
Amortisation of prepaid rent on security deposits	-	9.90
Employee share based payment expenses	108.89	137.80
Finance costs	317.65	207.22
Allowance for doubtful debts	18.91	11.32
Bad Debts written off	0.72	-
Operating profit before working capital changes	2,272.99	2,003.06
Changes in operating assets and liabilities		
(Increase) / Decrease in trade receivables	(372.21)	(261.57)
(Increase) / Decrease in other financial assets	201.02	(63.69)
(Increase) / Decrease in other assets	(213.77)	(56.34)
(Increase) / Decrease in loans	3.72	(59.38)
(Increase) / Decrease in Contract assets	108.82	(99.30)
Increase / (Decrease) in trade payables	230.09	(187.15)
Increase / (Decrease) in other liabilities (including contract liabilities)	417.26	(97.73)
Increase / (Decrease) in other financial liabilities	(25.02)	2.41
Increase / (Decrease) in employee benefit obligations	16.93	1.30
Cash generated from operations	2,639.83	1,181.61
Income taxes paid (net of refunds received)	(446.16)	(445.93)
Net cash inflow/ (outflow) from operating activities	2,193.67	735.68
B) Cash flows from investing activities		
Payments for property, plant and equipment	(190.04)	(392.86)
Payments for intangible assets	(10.13)	(73.14)
Proceeds from sale of property, plant and equipment	2.70	2.42
Investment in Fixed deposits	(389.99)	(15.64)
Interest received	8.03	5.79
Dividend received	273.60	203.01
Net cash outflows from investing activities	(305.83)	(270.42)

Statement of cash flows (Contd.)

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

	Year ended March 31, 2020	Year ended March 31, 2019
C) Cash flows from financing activities		
Intercompany deposits taken (Paid) during the year	(515.11)	414.77
Principal elements of lease payments	(363.08)	-
Interest paid	(327.27)	(197.60)
Proceeds from issue of shares	23.77	26.28
Proceeds from share application money pending allotment	(2.19)	(2.82)
Proceeds/ (Repayment) from/ (of) borrowings	(543.42)	(515.43)
Payment of Dividend	(239.66)	(156.97)
Net cash outflow from financing activities	(1,966.96)	(431.77)
Net increase / (decrease) in cash and cash equivalents	(79.12)	33.49
Cash and cash equivalents at the beginning of the year	213.81	180.32
Cash and cash equivalents at the end of the year	134.69	213.81

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

	Year ended March 31, 2020	Year ended March 31, 2019
Cash and cash equivalents (Note 9)	134.69	213.81
Balances as per statement of cash flows	134.69	213.81

There is no non cash financing and investing activity.

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 : Pune

Date : May 15, 2020

Harish Mehta

Executive

Chairman

Devanand Ramandasani

Chief Financial Officer

Place : Mumbai

Date : May 15, 2020

For and on behalf of the Board of Directors of

Onward Technologies Limited

Jigar Mehta

Managing

Director

Pranay Vakil

Audit Committee

Chairman

Dimple Chauhan

Company Secretary

Place : Pune

Date : May 15, 2020

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 15, 2020.

(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.

(iii) New and amended standards adopted by the Company

The Company had to change its accounting policies as a result of adopting IND AS 116. This is disclosed in note 31.

(b) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company has only one operating segment which is Engineering Design and IT services. The chief operating decision maker are the Board of Directors. Refer note 1 (d) of the consolidated financial statements of the Company.

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 (Rs.), 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

Ind AS 115 Revenue from contracts with customers 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.

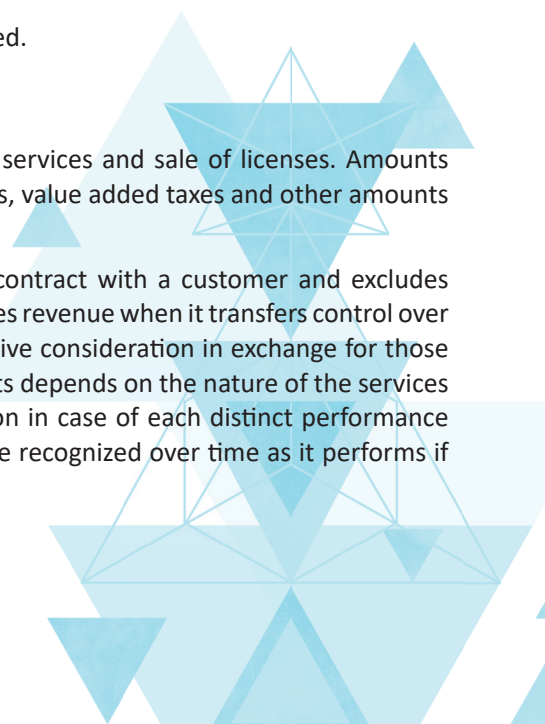
A new five-step process must be applied before revenue can be recognised:

- 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.

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 assesses 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:



Notes to the separate financial statements (Contd.)

- (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 recognises 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 employee hours spent relative to the total expected employee 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.

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).

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.

Notes to the separate financial statements (Contd.)

(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 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.

Notes to the separate financial statements (Contd.)

(g) Leases

Effective from April 1, 2019

As a lessee

From April 01, 2019, leases are recognised as a right-of-use and a corresponding liability at the date at which the leased asset is available for use by the Company. Contracts may contain both, lease and non-leases components. The company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the company is a lessee, it has elected not to separate lease and non-lease component and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including - in-substance fixed payments), less any lease incentive receivable.
- amounts expected to be payable by the company under residual value guarantees.
- the exercise price of a purchase option if the company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases of the company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use assets in a similar economic environment with similar terms, security and conditions.

To determine the incremental rate of borrowing, the company:

- where possible uses recent third party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since the third party financing, and
- makes adjustments specific to the lease.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability.
- any lease payments made at or before the commencement date less any lease incentives received.
- any initial direct costs, and
- restoration costs

Right-of-use are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Notes to the separate financial statements (Contd.)

Payments associated with the short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low value assets comprise IT equipment like computers and hardwares.

Further, the company has adopted the policy of accounting for Intangible Assets as per Ind As 38 and not as per the leases standard.

As a lessor

Lease income from operating leases where the company is a lessor is recognised income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased asset are included in the balance sheet based on their nature.

Since there are no transactions whereby the Company is a lessor, there were no adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

Till March 31, 2019

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 non-financial 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.

Equity investment in subsidiaries, associates and joint venture are carried at historical cost as per the accounting policy choice given by IND AS 27.

(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

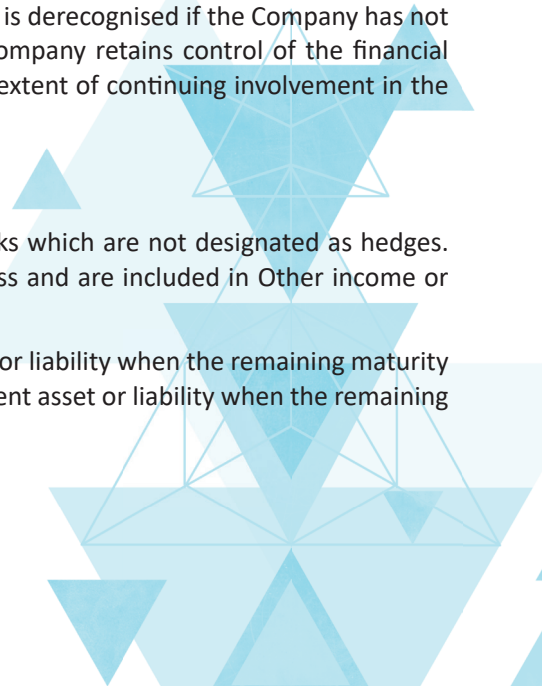
- The Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

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.

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.

(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

Notes to the separate financial statements (Contd.)

Transition to Ind AS

On transition to Ind AS, the Company 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 the property, plant and equipment.

(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.

(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.

(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.

Notes to the separate financial statements (Contd.)

(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.

(iv) Share-based payments

Share-based compensation benefits are provided to employees via the Onward ESOP Scheme 2009 and ESOP Scheme 2019. 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
- Excluding the impact of any service and non-market performance vesting conditions and
- Including the impact of any non-vesting conditions
- 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.

(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 from 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 and other statutory provisions which are subject to different legal interpretation. 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 assertion, 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 37.

Notes to the separate financial statements (Contd.)

ii. Fair value measurement of unquoted financial instrument

When the fair values of the financial asset recorded in the balance sheet cannot be measured based on the quoted price in active market, its fair value is measured using the valuation techniques which best depicts its fair value from market participants view. 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 33 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. 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), revenue and earnings growth rate, terminal growth rate. Refer Note 5 for further disclosures.

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.

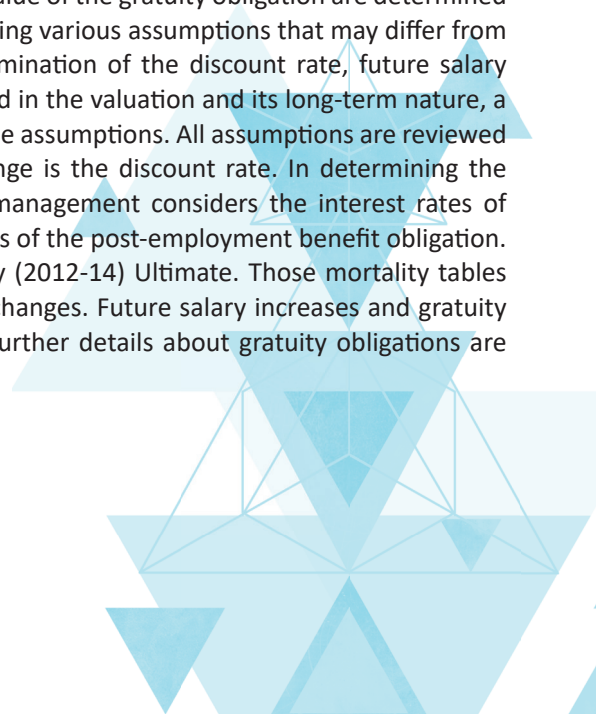
The useful lives and residual values of assets are determined by management at the time the asset is acquired and reviewed annually for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events which may impact their life such as changes 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 (2012-14) 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 19.



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, 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)	(24.65)
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	191.78	90.41	76.77	9.19	311.79	745.01

Particulars	Leasehold Improvements	Furniture & Fixtures	Vehicles	Office Equipment	Electrical Equipments	Computers	Total
Opening gross carrying amount as on April 1, 2019	206.99	271.34	141.85	125.99	15.66	691.86	1,453.70
Additions	34.47	5.13	-	28.27	-	66.74	134.61
Disposals	(1.66)	(0.29)	-	(15.46)	-	(27.94)	(45.35)
Gross carrying amount as on March 31, 2020	239.80	276.18	141.85	138.80	15.66	730.66	1,542.95
Accumulated depreciation	141.91	79.56	51.44	49.22	6.47	380.07	708.68
Charge for the year	30.00	24.66	24.11	26.04	1.87	146.97	253.65
Disposals	(1.66)	(0.29)	-	(13.91)	-	(27.17)	(43.03)
Closing accumulated depreciation as at March 31, 2020	170.25	103.93	75.55	61.35	8.34	499.87	919.29
Net carrying amount as on March 31, 2020	69.55	172.25	66.30	77.45	7.32	230.79	623.66

Notes:

- 1 Refer to note 29 (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
Opening gross carrying amount as on April 1, 2018	1,069.87	1,069.87
Additions	65.75	65.75
Disposals / Capitalised	(4.19)	(4.19)
Gross carrying amount as on March 31, 2019	1,131.42	1,131.42
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
Particulars	Computer Software	Total
Opening gross carrying amount as on April 1, 2019	1,131.42	1,131.42
Additions	28.03	28.03
Disposals / Capitalised	(19.36)	(19.36)
Gross carrying amount as on March 31, 2020	1,140.09	1,140.09
Accumulated Amortisation		
Balance as at April 1, 2019	573.22	573.22
Amortisation charge for the year	182.97	182.97
Disposals	(19.34)	(19.36)
Closing accumulated amortisation as at March 31, 2020	736.85	736.83
Net carrying value as on March 31, 2020	403.24	403.24

Notes to the separate financial statements (Contd.)

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

5. Investment

	As at March 31, 2020	As at March 31, 2019
Investment in equity instruments of subsidiaries		
Unquoted		
<i>Investment in Onward eServices Limited</i>		
15,620,000 (March 31, 2019 : 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
<i>Investment in Onward Technologies, Inc.</i>		
114,000 (March 31, 2019 : 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
<i>Investment in Onward Technologies, GmbH</i>		
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
Less:-Provision for Impairment (Refer Note a below)	(54.00)	
	165.68	219.68
<i>Investment in Onward Properties Private Limited</i>		
5,000 (March 31, 2019 : 5,000) equity shares of Rs. 100 per share	106.93	106.93
Less:-Provision for Impairment (Refer Note b below)	(106.93)	
	-	106.93
Total (equity instruments)	2,787.37	2,948.30
Investment in Preference Shares		
Unquoted		
<i>Investment in Onward eServices Limited</i>		
900,000 (March 31, 2019 : 900,000) optionally convertible redeemable preference shares of Rs. 100 per share	988.21	934.91
Total (preference shares)	988.21	934.91
Total non-current investments	3,775.58	3,883.21
Aggregate amount of quoted investments	-	-
Aggregate amount of unquoted investments	3,775.58	3,883.21
Aggregate amount of impairment in the value of investments	160.93	-

Notes to the separate financial statements (Contd.)

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

(a) **Investment in Onward Properties Private Limited**

The Company is in the process of striking off it's wholly owned subsidiary, Onward Properties Private Limited. The company has recognised provision for impairment on the investment in subsidiary amounting to Rs.106.93 lakhs in the Year ended March 31, 2020 in "Other Expenses".

(b) **Investment in Onward Technologies, GmbH**

The company has incurred recurring losses and net worth as on balance sheet is negative. Further amount of value in use based on future cash flow projections is lower than the value of investment and accordingly the impairment loss has been recognised.

Summary of key assumptions used for computing value in use is as follow:

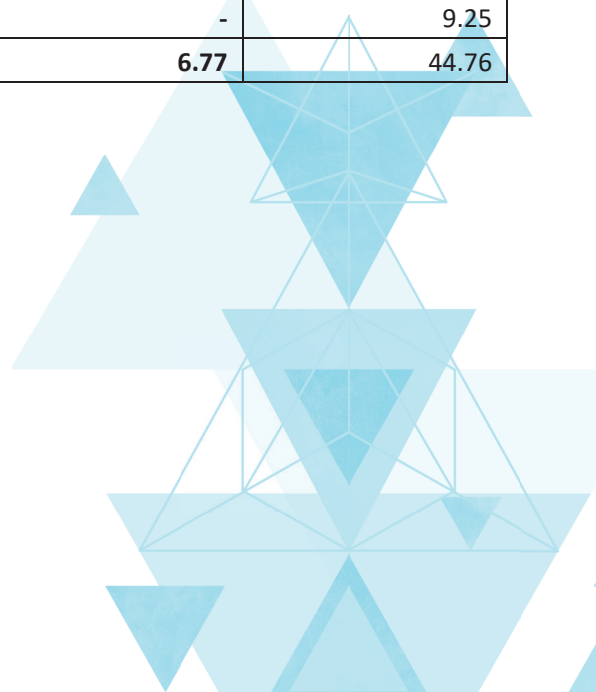
- a) Terminal growth rate - 2% (March 31, 2019 - 1%)
- b) Sales Growth rate - 4% to 6% (March 31, 2019 - 7%)
- c) EBITDA to Sales %- (9%) to 6% (March 31, 2019 - 4% to 6%)
- d) Discount rate - 6.43% (March 31, 2019 - 5.26%)

6. **Loans**

Non-current	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good		
Security deposits	212.94	201.87
Total	212.94	201.87

7. **Other non-current assets**

	As at March 31, 2020	As at March 31, 2019
Prepaid expenses	6.77	35.51
Capital Advances	-	9.25
Total	6.77	44.76



Notes to the separate financial statements (Contd.)

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

8. Trade receivable

	As at March 31, 2020	As at March 31, 2019
Trade Receivables	2,155.53	2,112.62
Receivables from related parties (Refer Note 30)	368.86	111.92
Sub total	2,524.39	2,224.54
Less: Allowance for doubtful debts	(18.91)	(71.64)
Total	2,505.48	2,152.90

Break-up of security details

	As at March 31, 2020	As at March 31, 2019
Trade receivable considered good - Secured	-	-
Trade receivable considered good - Unsecured	2,524.39	2,224.54
Trade receivable which have significant increase in credit risk	-	-
Trade receivable - credit impaired	-	-
Less: Allowance for doubtful debts	(18.91)	(71.64)
Total	2,505.48	2,152.90

9. (a) Cash and cash equivalents

	As at March 31, 2020	As at March 31, 2019
Cash in hand	0.72	0.39
Balances with banks		
In current accounts	133.97	213.42
Total	134.69	213.81

9. (b) Bank balances other than 9 (a) above

	As at March 31, 2020	As at March 31, 2019
In earmarked accounts		
Balances held as security against bank guarantees	412.60	25.93
Earmarked balances with banks*	10.27	6.95
Total	422.87	32.88

* Amount represents unclaimed dividend account held for dividend remittance and hence are not available for use.

Notes to the separate financial statements (Contd.)

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

10. Contract Assets

	As at March 31, 2020	As at March 31, 2019
Contract Assets (Unbilled Revenue)	247.94	356.76
Total	247.94	356.76

Contract assets - Unbilled revenue

	Year Ended March 31, 2020
Amount as on April 01, 2019	356.76
Changes on account of:	
Invoice raised during the year	(356.76)
Work performed, invoice to yet to be raised	247.94
Impairment	-
Total	247.94

11. Others financial assets - current

	As at March 31, 2020	As at March 31, 2019
Derivative financial instrument not designated as hedges		
- Foreign exchange forward contracts	-	77.05
Receivable from related party for employee stock options provided (Refer note 30)	42.60	74.24
Receivable from related party for Corporate Guarantee provided (Refer note 30)	21.52	57.74
Total	64.12	209.03

12. Other current assets

	As at March 31, 2020	As at March 31, 2019
Prepaid expenses	259.97	271.63
Interest receivable on income-tax refund	18.05	30.70
Export Incentives Receivable	203.82	-
Others*	38.04	27.33
Total	519.88	329.66

*Others include advances paid to suppliers.

Notes to the separate financial statements (Contd.)

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

13. (a) Deferred tax assets (net)

The balance of deferred tax comprises temporary differences attributable to:

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred tax assets		
Defined Benefit Obligation	58.06	59.49
Allowance for Doubtful debts	4.76	20.86
Disallowance u/s 43B	20.46	26.93
Lease Liabilities	22.12	-
Property, plant and equipment and intangible assets	12.20	-
Others	2.00	5.03
	119.60	112.31
Deferred tax liability		
Property, plant and equipment and intangible assets	-	23.00
Interest on income tax refund	4.55	8.94
Fair value gain on Preference Shares	22.20	10.17
Fair value gain on Foreign exchange Forward contracts	-	22.44
	26.75	64.55
Total deferred tax assets/ (liabilities) (net)	92.85	47.76

**Movement in Deferred tax assets/ (liabilities) in Statement of profit and loss
[(charged)/ credited during the year]**

Particulars	Year ended March 31, 2020	Year Ended March 31, 2019
Defined Benefit Obligation	(0.99)	(5.62)
Allowance for Doubtful debts	(16.10)	0.92
Disallowance u/s 43B	(6.47)	(3.81)
Lease Liabilities	22.12	-
Property, plant and equipment and intangible assets	35.20	79.48
Interest on income-tax refund	4.39	(0.44)
Fair value gain on Preference Shares	(12.03)	20.87
Fair value gain on Foreign exchange Forward contracts	22.44	(22.44)
Others	(3.05)	(7.19)
Total	45.51	61.77

Notes to the separate financial statements (Contd.)

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

**Movement in Deferred tax assets/ (liabilities) in Retained earnings
[(charged)/credited during the year]**

Particulars	Year Ended	
	March 31, 2020	March 31, 2019
Utilisation of Tax credit for payment dividend distribution tax	28.70	-

13. (b) Taxation

Income tax liabilities / (Income tax assets)

	As at March 31, 2020	As at March 31, 2019
Opening Balance		
- Income tax assets	1,006.72	1,001.53
Less : Current tax payable for the year	(365.42)	(440.74)
Add/ (Less) : Refund Received/ (Taxes paid)	446.16	445.94
Closing balance		
- Income tax assets	1,087.46	1,006.73

Income Tax Expenses

	Year ended March 31, 2020	Year Ended March 31, 2019
Current income tax charge		
Current income tax		
-Current tax on profit for the current year	343.79	437.24
-Adjustments for current tax of prior periods	21.63	3.50
Deferred tax	(74.21)	(61.77)
Income tax expense reported in the statement of profit or loss	291.21	378.97

	Year ended March 31, 2020	Year Ended March 31, 2019
Deferred tax related to items recognised in Other comprehensive income during the year	(0.43)	14.55
Income tax charged to OCI	(0.43)	14.55

Notes to the separate financial statements (Contd.)

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

Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate for March 31, 2010 and March 31, 2019

	Year ended March 31, 2020	Year Ended March 31, 2019
Accounting profit/ (loss) before tax	1,110.21	1,313.99
At Statutory income tax rate of 25.17% (March 31, 2019: 29.12%)	279.42	382.64
Adjustments in respect of current income tax of previous years	21.63	3.50
Tax Effects of amounts which are not deductible (taxable) in calculating taxable income	42.81	4.06
Tax effect of Income chargeable at lower tax rate	(15.26)	(23.65)
Tax effect of Exempt Income	(18.98)	-
Tax effect of Change in tax rate	6.48	-
Tax credit utilised against DDT liability payable	(28.70)	-
Others	3.81	12.42
Total	291.21	378.97
Income tax expense reported in the statement of profit or loss	291.21	378.97

14. (a) Equity share capital

	As at March 31, 2020	As at March 31, 2019
Authorised share capital:		
18,000,000 (March 31, 2019 : 18,000,000) Equity shares of Rs. 10 each	1,800.00	1,800.00
1,000,000 (March 31, 2019 : 1,000,000) Preference shares of Rs. 10 each	100.00	100.00
1,000,000 (March 31, 2019 : 1,000,000) unclassified shares of Rs. 10 each	100.00	100.00
Total	2,000.00	2,000 .00
Issued, subscribed and paid up :		
16,042,570 (March 31, 2019 :15,804,870) Equity Shares of Rs. 10 each	1,604.26	1,580.49
Total	1,604.26	1,580.49

Notes to the separate financial statements (Contd.)

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

(i) Reconciliation of number of equity shares issued

	As at March 31, 2020	As at March 31, 2019
Issued, subscribed and paid up		
Shares outstanding at the beginning of the year (Nos.)	15,804,870	15,542,070
Shares issued during the year(Nos.) (Refer Note 37)	237,700	262,800
Shares outstanding at the end of the year	16,042,570	15,804,870

(ii) Reconciliation of Issued equity shares capital

	As at March 31, 2020	As at March 31, 2019
Issued, subscribed and paid up		
Shares outstanding at the beginning of the year	1,580.49	1,554.21
Shares issued during the year	23.77	26.28
Shares outstanding at the end of the year	1,604.26	1,580.49

(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.

878,200 (March 31, 2019 : 569,400) equity shares are outstanding under ESOP 2009 and ESOP 2019 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

	As at March 31, 2020	As at March 31, 2019
Onward Network Technologies Private Limited	8,343,983	7,842,112

Notes to the separate financial statements (Contd.)

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

(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, 2020		As at March 31, 2019	
	% holding	No. of shares	% holding	No. of shares
Onward Network Technologies Private Limited	52.01%	8,343,983	49.62%	7,842,112

14. (b) Other Equity

	As at March 31, 2020	As at March 31, 2019
Reserves and Surplus		
<i>Securities premium account</i>		
Opening Balance	1,541.95	1,379.24
Add : Additions on account of exercise of options under Employee Stock Option Plan	162.29	162.71
Closing Balance	1,704.24	1,541.95
<i>Share option outstanding account</i>		
Opening Balance	324.06	320.01
Less : Employee stock options exercised	(162.29)	(162.71)
Add : Employee stock option expenses	165.00	166.76
Closing Balance	326.77	324.06
<i>Share Application Money pending allotment</i>		
Opening Balance	7.93	10.75
Less : Shares allotted against the share application money received	(23.77)	(26.28)
Add : Shares application money received for allotment of shares	21.58	23.46
Closing Balance	5.74	7.93
<i>Retained earnings</i>		
Opening balance	2,664.70	1,921.68
Net profit for the year	819.00	935.02
	3,483.70	2,856.70
Less: Dividend paid	(239.66)	(156.97)
Less: Tax credit utilised against DDT liability payable	(28.70)	-
<i>Items of other comprehensive income recognised directly in retained earnings</i>		
Re-measurements of post-employment benefit obligations (net of tax)	1.29	(35.03)
Closing Balance	3,216.63	2,664.70
Total	5,253.38	4,538.64

Notes to the separate financial statements (Contd.)

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

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 fair value of options issued to employees under the Employee stock option scheme.

Share Application Money pending allotment

This denotes application money received for which issue of equity shares are outstanding as on balance sheet date.

15. Non-Current borrowings

	As at March 31, 2020	As at March 31, 2019
Secured		
<i>Term Loans from banks</i>		
Rupee Loan	-	90.99
Others	6.68	38.70
Total Non-Current Borrowings	6.68	129.69
Less : Current maturities of non-current borrowings (Refer Note 17)	6.68	123.00
Total	-	6.69

16. Current borrowings

	As at March 31, 2020	As at March 31, 2019
Secured		
Cash credit	679.59	-
Working Capital Demand Loan	-	1,100.00
Unsecured		
Inter corporate deposits from related parties (Refer Note 30)	-	515.11
Total	679.59	1,615.11

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		
<i>From Banks</i>		
Cash credit (Refer note below)	Payable on Demand	8.75%

Security details for current and non-current borrowings

Secured by the Term deposits amounting to Rs. 348.22 lakhs with Bank as on March 31, 2020 and has exclusive charge on all present and future Current assets including Stocks and Book debts.

Net debt reconciliation

An analysis of net debt and the movements in net debt for March 31, 2020

	March 31, 2020	March 31, 2019
Cash and cash equivalents	134.69	213.81
Other Bank Balance (Margin Money with HSBC)	412.60	25.93
Current and Non-current borrowings	(686.27)	(1,744.80)
Lease Liabilities	(1,384.93)	-
Interest Accrued	-	(9.62)
Net Debt	(1,523.91)	(1,514.68)

	Other assets		Liabilities from financing activities	
	Cash and Cash Equivalents	Other Bank Balance	Borrowings	Lease Obligation
Net debt as on March 31, 2018	180.32	10.29	(1,845.46)	-
Cash flows	33.49	15.64	100.66	-
Interest Expenses	-	-	(207.22)	-
Interest paid	-	-	197.60	-
Net debt as on March 31, 2019	213.81	25.93	(1,754.42)	
Recognised on adoption of Ind AS 116				(1,748.01)
Cash flows	(79.12)	386.67	1,058.53	363.08
Interest Expenses	-	-	(170.03)	(147.63)
Interest paid	-	-	179.65	147.63
Net debt as on March 31, 2020	134.69	412.60	(686.27)	(1,384.93)

Notes to the separate financial statements (Contd.)

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

17. Trade payables

	As at March 31, 2020	As at March 31, 2019
Total outstanding dues of micro enterprises and small enterprises	27.73	23.04
Total outstanding dues of creditors other than micro enterprises and small enterprises		
(i) Related Parties (Refer Note 30)	170.47	97.63
(ii) Others	492.20	339.64
Total	690.40	460.31

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, 2020	As at March 31, 2019
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	25.34	22.31
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	0.02	0.18
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	141.08	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	1.65	0.55
Further interest remaining due and payable for earlier years	0.73	-

18. Other financial liabilities - current

	As at March 31, 2020	As at March 31, 2019
Capital creditors	18.17	82.87
Current maturities of non-current borrowings	6.68	123.00
Unpaid Dividend	10.27	6.95
Employee benefit payables	535.20	563.54
Interest accrued	-	9.62
Total	570.32	785.98

Notes to the separate financial statements (Contd.)

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

19. (a) Non-current employee benefit obligations

	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits		
- Provision for Gratuity	185.86	160.87
- Provision for compensated absences - non current	48.64	49.17
Total	234.50	210.04

19. (b) Current employee benefit obligations

	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits		
- Provision for Gratuity	44.84	43.41
- Provision for compensated absences	32.64	43.32
Total	77.48	86.73

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. 294.12 lakhs (March 31, 2019 - Rs.229.74 lakhs).

(ii) The expense recognised during the period towards defined contribution plan of Employee State Insurance Corporation, social security and Labour welfare fund is Rs. 6.38 lakhs (March 31, 2019 - Rs. 2.55 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.

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, 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	35.12	-	35.12
Total amount recognised in Other Comprehensive Income	49.34	0.22	49.56
Employer contributions	-	(45.90)	(45.90)
Benefits paid	(47.37)	43.65	(3.72)
March 31, 2019	221.24	(17.40)	203.84

April 1, 2019	221.24	(17.40)	203.84
Current service cost	58.60	-	58.60
Past service cost	-	-	-
Mortality Charges and Taxes	-	-	-
Interest expense/(income)	14.81	(1.50)	13.31
Total amount recognised in Profit or Loss	73.41	(1.50)	71.91
Return on plan assets	-	1.22	1.22
(Gain)/loss from experience change	(14.02)	-	(14.02)
(Gain)/loss from demographic change	(2.73)	-	(2.73)
(Gain)/loss from change in financial assumption	13.81	-	13.81
Total amount recognised in Other Comprehensive Income	(2.94)	1.22	(1.72)
Employer contributions	-	(43.77)	(43.77)
Benefits paid	(37.53)	37.53	-
March 31, 2020	254.18	(23.92)	230.26

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, 2020	As at March 31, 2019
Present value of funded obligation	254.18	221.24
Fair value of plan assets	(23.92)	(17.40)
Deficit	230.26	203.84

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

Fair value of the plan assets represents the balance as confirmed by LIC as on balance sheet date.

III Significant estimates

The significant actuarial assumptions were as follows :

	As at March 31, 2020	As at March 31, 2019
Discount rate	6.40%	7.30%
Salary growth rate	3.00%	5.00%
Thereafter	5.00%	
Expected return on plan assets	7.30%	7.90%
Withdrawal rate		
Service greater than 4 years	5.00%	5.00%
Service less than 4 years	25.00%	21.00%
Expected average remaining working lives of employees (in years)	5.82	6.47

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, 2020	As at March 31, 2019
Discount rate		
1 % increase	(19.20)	(5.97)
1 % decrease	22.99	19.23
Salary growth rate		
1 % increase	19.68	16.48
1 % decrease	(16.66)	(13.5)
Withdrawal rate		
1 % increase	2.03	3.02
1 % decrease	(1.44)	(2.54)

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 correlated. 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, 2020	March 31, 2019
Less than a year	15.11	23.17
Between 2 to 5 years	116.15	99.92
Between 6 to 10 years	289.54	283.99
Total	420.80	407.08

The weighted duration of the defined benefit obligation is 8.36 years. (March 31, 2019 : 9.35 years)

The Company expects to contribute Rs 44.84 lakhs (March 31, 2019 Rs 43.41 laks) during the year towards planned assets.

V The major categories of plan assets are as follows:

	March 31, 2020	March 31, 2019
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, 2020	March 31, 2019
Current leave obligations expected to be settled within the next 12 months	23.64	43.32

20. (a) Contract Liabilities

	As at March 31, 2020	As at March 31, 2019
Advance from customers		
- From related party (Refer note 30)	541.13	242.35
- From Others	-	-
Deferred Revenue	33.00	-
Total	574.13	242.35

Advances from customers

	Year Ended March 31, 2020
Amount as on April 01, 2019	242.35
Changes on account of:	
Consideration received from customer - work yet to be performed	541.13
Revenue recognised in current year 2019-20 that was included in advance from customers as at April 01, 2019	(242.35)
Others	-
Total	541.13

Notes to the separate financial statements (Contd.)

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

20. (b) Other current liabilities

	As at March 31, 2020	As at March 31, 2019
Statutory dues payable	359.62	274.14
Total	359.62	274.14

21. Revenue from operations

	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from Contract with Customers		
Sale of services		
- Professional and consultancy services	11,791.97	11,149.89
Sale of products		
- Software products	17.14	516.50
	11,809.11	11,666.39
Other Operating Revenue		
- Export Incentive (Refer note b below)	396.24	152.32
	396.24	152.32
Revenue from Operations	12,205.35	11,818.71

(a) Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers period ended March 31, 2020 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, 2020	Year ended March 31, 2019
India	7,706.56	7,298.37
Outside India	4,102.55	4,368.02
Total	11,809.11	11,666.39

(b) Other Operating Revenue

Amount represents benefits claimed under Service Exports from India Scheme, 2015. Under this Scheme, the Company is entitled for duty credit scrips on export of services. Till previous year, the company was recognising such incentive basis submission of application with respective authorities. Effective from year ended March 31, 2020, the Company has recognised for such incentive on an accrual basis as it is confident that such grant will be received considering the past trend and internal assessment, where payments are received from customers. There are no unfulfilled conditions or other contingencies attached to these incentives. Amount of such accrual for the current year is Rs. 203.82 lacs.

Notes to the separate financial statements (Contd.)

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

(c) Unsatisfied revenue contracts

	Year ended March 31, 2020	Year ended March 31, 2019
Aggregate amount of transaction price allocated to contract that are fully unsatisfied as at reporting date	299.77	-

22. Other income

	Year ended March 31, 2020	Year ended March 31, 2019
Interest income from financial assets carried at amortised cost		
Interest on bank deposits and loan to related parties	8.02	5.79
Interest income on security deposits	17.69	9.46
Interest on income tax refunds	24.71	-
Dividend income (Refer Note 30)	273.60	203.01
Profit on disposal of property, plant and equipment	0.38	-
Commission income on corporate guarantee (Refer note 30)	12.03	20.24
Net gain on investment in Preference Shares measured at FVTPL	53.30	-
Management fees from related parties (Refer note 30)	256.80	209.26
Recruitment fees from related parties (Refer note 30)	6.41	11.33
Miscellaneous income	20.65	42.49
Total	673.59	501.58

23. Purchase of Software Licenses

	Year ended March 31, 2020	Year ended March 31, 2019
Purchase of Software Licenses	18.30	429.07
Total	18.30	429.07

Notes to the separate financial statements (Contd.)

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

24. Employee benefits expense

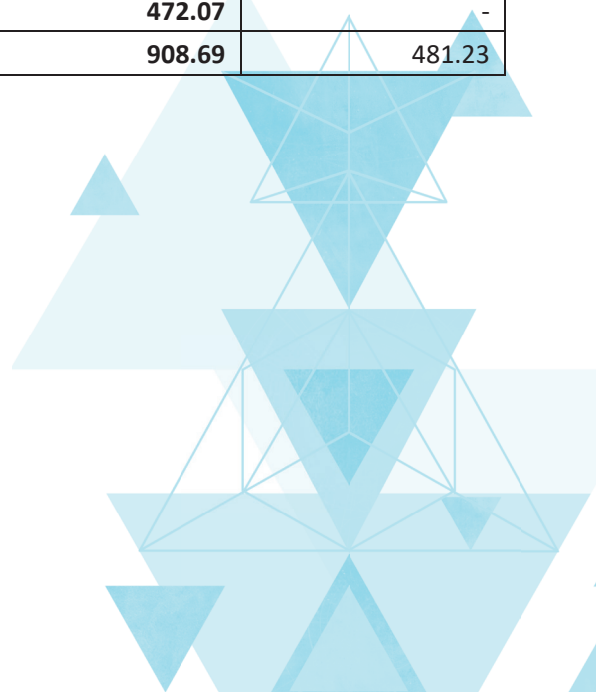
	Year ended March 31, 2020	Year ended March 31, 2019
Salaries, wages and bonus	7,832.84	6,991.70
Gratuity Expenses (Refer Note 19)	71.91	50.95
Contributions to provident and other funds	300.50	232.29
Social security and other benefit plans for overseas employees	77.64	108.25
Employee share based payment expense (Refer note 37)	108.89	137.80
Staff welfare expenses	20.97	26.14
Total	8,412.75	7,547.13

25. Finance costs

	Year ended March 31, 2020	Year ended March 31, 2019
Interest and finance charges on Lease liabilities and financial liabilities not at fair values through profit or loss		
Interest on borrowings	158.69	195.46
Interest on Lease Liabilities	147.63	-
Other borrowing cost	11.33	11.76
Total	317.65	207.22

26. Depreciation and amortization expense

	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation on property, plant and equipment	253.65	280.87
Amortisation of intangible assets	182.97	200.36
Depreciation of right-of-use Assets	472.07	-
Total	908.69	481.23



Notes to the separate financial statements (Contd.)

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

27. Other expenses

	Year ended March 31, 2020	Year ended March 31, 2019
Water power and fuel	145.83	141.73
Rent	13.74	371.06
Software Expenses	397.22	452.51
Director sitting fees	19.00	21.20
Allowance for doubtful debts	18.91	11.32
Bad debts written off	0.72	-
Communication	54.88	48.87
Rates and taxes	18.39	38.26
Insurance	20.24	18.86
Repairs and maintenance		
- Others	114.14	97.75
Travelling and conveyance	294.05	425.90
Legal and professional charges	344.81	255.63
Advertisement and sales promotion	31.65	16.26
Payment to auditors (Refer note 27(a))	24.57	20.33
Office Expenses	64.34	46.50
Marketing Fees Expenses Related Parties	220.47	169.92
Net loss on investment in Preference Shares measured at FVTPL	-	58.96
Net losses on foreign currency transactions and translations	59.94	36.21
Provision for Impairment on Investment in Subsidiary	160.93	-
Miscellaneous Expenses	107.51	110.38
Total	2,111.34	2,341.65

27. (a) Payment to auditors

	Year ended March 31, 2020	Year ended March 31, 2019
As auditor		
Statutory Audit	10.75	9.75
Limited reviews	6.00	6.00
Tax audit fee	1.00	0.50
In other capacities		
Fees for certificates and other services	4.75	1.25
Reimbursement of out of pocket expenses	2.07	2.83
Total	24.57	20.33

Notes to the separate financial statements (Contd.)

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

28. Earnings per share (EPS)

	Year ended March 31, 2020	Year ended March 31, 2019
(a) Basic earnings per share		
Net Profit attributable to equity shareholders of the company	819.00	935.02
Weighted average number of Equity Shares	15,983,104	15,722,926
Basic Earnings per share	5.12	5.95
(b) Diluted earnings per share		
Net Profit attributable to equity shareholders of the company	819.00	935.02
Weighted average number of Equity Shares (including potential shares) - Refer note (c) below	16,600,841	16,417,998
Diluted Earnings per share	4.93	5.70

(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 :	15,983,104	15,722,926
Options	617,737	695,072
Weighted average number of equity shares and potential shares used as a denominator in calculating diluted earnings per share	16,600,841	16,417,998

29. Contingencies and commitments

a) Contingent liabilities

	AS at March 31, 2020	AS at March 31, 2019
Claims against the Company not acknowledged as debts		
Income-tax matters	921.27	326.73
Total	921.27	326.73

Provident fund

The honorable Supreme Court has issued a judgement in February, 2019 in relation to inclusion of certain allowances in the definition of basic wages as defined under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. The Company has completed its evaluation and it believes that there will not be any additional liability due to supreme court judgement. The Company will continue to monitor and evaluate its position based on future events and developments.

Notes to the separate financial statements (Contd.)

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

b) Lease commitments

Non cancellable operating leases

The company leases various offices under non-cancellable operating leases expiring within one to five years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated. From 1 April 2019, the company has recognised right-of-use assets for these leases, except for short-term leases.

	March 31, 2020	March 31, 2019
Lease payments recognised during the year	-	371.06
Within one year	-	564.57
Later than one year but not later than five years	-	1,478.63
More than five years	-	-

c) Capital commitments

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for is Rs. Nil (March 31, 2019 : 29.68 Lacs)

d) Corporate Guarantee issued on behalf of Subsidiaries

The Company has provided Corporate Guarantee for the loans availed by its subsidiary viz, Onward Technologies Inc. amounting to Rs. Nil (March 31, 2019 : Rs.1,039.83 Lakhs)

30. Related party transactions

a. Holding Company

Sr. No	Name of the entity	Place of business/ Country of Incorporation	Ownership Interest		Relationship
			March 31, 2020	March 31, 2019	
1	Onward Network Technologies Private Limited	India	52.01%	49.62%	Ultimate Holding Company

b. Subsidiaries

Sr. No	Name of the entity	Place of business/ Country of Incorporation	Ownership Interest	
			March 31, 2020	March 31, 2019
1	Onward Technologies Inc.	USA	100.00%	100.00%
2	Onward Technologies GmbH	Germany	100.00%	100.00%
3	Onward eServices Limited	India	100.00%	100.00%
4	Onward Properties Private Limited	India	100.00%	100.00%

Notes to the separate financial statements (Contd.)

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

c. Fellow Subsidiaries:

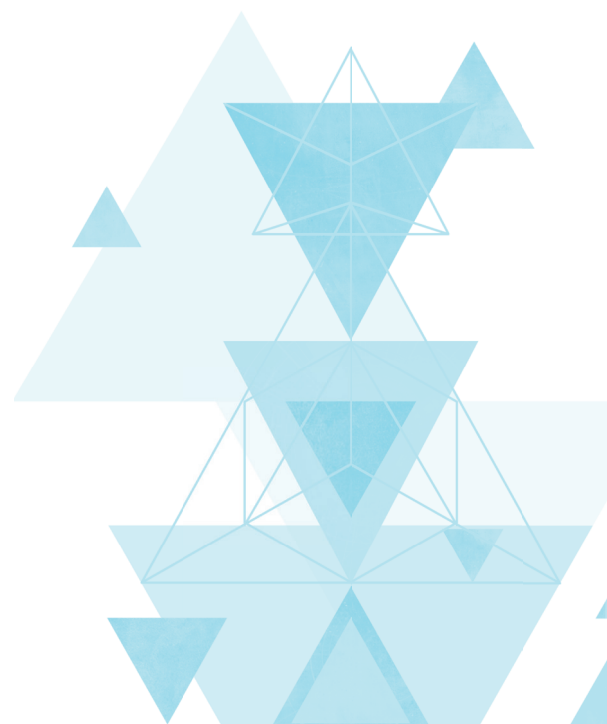
1. Desai Finwealth Investments & Securities Private Limited
2. Onward Software Technologies Private Limited

d. Key Managerial Personnel:

1. Mr. Harish Mehta (Executive Chairman)
2. Mr. Jigar Mehta (Managing Director)
3. Mrs. Prachi Mehta (Director)
4. Mr. Pranay Vakil (Independent Director)
5. Mr. Nandkumar Pradhan (Independent Director)
6. Mr. Parish Meghani (Independent Director)
7. Mr. Rahul Rathi (Independent Director)
8. Ms. Dimple Chauhan (Company Secretary)
9. Mr. Monik Damania (Company Secretary) (Upto July 31, 2018)
10. Mr. M.V.S.S Narayanacharyulu (Chief Financial Officer) (Upto October 23, 2019)
11. Mr. Devanand Ramandasani (Chief Financial Officer) (w.e.f October 23, 2019)

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, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Rent paid	85.47	81.40	-	-	-	-	-	-	-	-
Reimbursement of expenses received/receivable	0.42	0.03	81.06	34.48	0.05	0.05	-	-	-	-
Reimbursement of expenses paid/payable	5.30	6.59	23.34	49.39	0.05	0.05	-	-	16.50	20.50
Deposits paid	-	-	-	-	-	-	-	-	-	-
Offshore services income	-	-	2,773.96	2,993.35	-	-	-	-	-	-
Income from management fees	-	-	256.80	209.26	-	-	-	-	-	-
Income from recruitment fees	-	-	6.41	11.33	-	-	-	-	-	-
Corporate Guarantee Commission income	-	-	12.03	20.24	-	-	-	-	-	-
Dividend on shares	-	-	273.60	203.01	-	-	-	-	-	-
Marketing fees	-	-	220.47	169.92	-	-	-	-	-	-
Professional Fees Payable/Paid	-	-	3.38	-	-	-	-	-	-	-
Net gain/(loss) on investment in Preference Shares measured at FVTPL	-	-	53.31	(58.96)	-	-	-	-	-	-
ESOP expenses for employees of subsidiary	-	-	56.11	28.96	-	-	-	-	-	-
Unsecured loans taken	-	-	947.00	1,365.00	-	-	-	-	-	-
Interest charged on loans taken	-	-	41.79	32.68	-	-	-	-	-	-
Repayment of unsecured loans	-	-	-	-	-	-	-	-	-	-
Repayment of Inter corporate deposits	-	-	1,362.00	950.00	-	-	-	-	-	-
Sale of Fixed Assets	-	-	1.42	-	-	-	-	-	-	-
Purchase of Fixed Assets	-	-	8.21	-	-	-	-	-	-	-

Notes to the separate financial statements (Contd.)

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

Nature of transaction	Holding Company		Subsidiaries		Fellow subsidiaries		Key managerial personnel		Other	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Short Term Employee benefit	-	-	-	-	-	-	412.17	304.65	-	-
Long Term Employee benefits (Refer Note 1)	-	-	-	-	-	-	(3.30)	-	-	-
Post Employment benefits (Refer Note 2)	-	-	-	-	-	-	2.67	-	-	-
Employee share-based payments	-	-	-	-	-	-	6.19	10.89	-	-
Director sitting fees	-	-	-	-	-	-	19.00	21.20	-	-

Note 1: Amount included Reversal of provision made in previous year

Note 2: Amount excludes payment of gratuity made during the year, provided in earlier years amounting to Rs 5.55 Lakhs

Note 3: For year ended March 31,2019 Key Managerial Personnel who were under the employment of the Company who were 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 were lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

II Outstanding Balance from Sale/purchase of good and services :

Nature of transaction	Holding Company		Subsidiaries		Fellow subsidiaries		Key managerial personnel	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Trade Receivables	-	-	368.86	111.92	-	-	-	-
Trade Payables	0.16	-	170.31	97.63	-	-	-	-
Inter Corporate Deposits Payable	-	-	-	415.00	-	-	-	-
Corporate Guarantee commission receivable	-	-	21.52	57.74	-	-	-	-
Unsecured Loans availed	-	-	-	100.11	-	-	-	-
Advance from customers	-	-	541.83	242.35	-	-	-	-
Receivable for employee stock options provided	-	-	42.60	74.24	-	-	-	-
Salary and Allowance payable	-	-	-	-	-	-	122.38	10.86
Security Deposits Paid	42.11	37.97	-	-	-	-	-	-

III Terms and conditions for outstanding balances

Transactions related to dividends and subscriptions for new equity shares were on the same terms and conditions that applied to others.

Notes to the separate financial statements (Contd.)

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

Transactions related to services rendered and other transactions were made on normal commercial terms and conditions, in the normal course of business.

All outstanding balances are unsecured and payable in cash.

31. Changes in accounting Policies

This note explains the impact of adoption of IND AS 116, Leases on the company's financial statements.

Impact on the financial statements - lease accounting

As indicated in note 1(a)(iii), the company has adopted Ind AS 116 retrospectively from April 1, 2019, but has not restated comparatives for year ended 31 March 2019, as permitted under the specific transition provisions in the standard. The reclassifications arising from the new leasing standard are considered in the opening balance sheet on April 1, 2019. The new accounting policies are disclosed in note 1(g).

On adoption of Ind AS 116, the company recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of Ind AS 17, Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of April 1, 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on April 1, 2019 was 10.00%.

(i) Practical expedients applied

In applying Ind AS 116 for the first time, the company has used the following practical expedients permitted by the standard:

- recognising a lease liability at the date of initial application for leases previously classified as an operating lease applying Ind AS 17 and Not to apply this Standard to contracts that were not previously identified as containing a lease applying Ind AS 17. Instead, for contracts entered into before the transition date the company relied on its assessment made applying IND AS 17 and Appendix C to IND AS 17, Determining whether arrangement contains a Lease.
- applying Ind AS 36, Impairment of Assets and Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets, and relying on its assessment of whether leases are onerous, performed immediately before the date of initial application as an alternative to performing an impairment review.
- opting not to make any adjustments on transition for leases for which the underlying asset is of low value. Further, the company has adopted the policy of accounting for Intangible Assets as per Ind AS 38.
- applying a single discount rate to a portfolio of leases with reasonably similar characteristics.
- accounting for operating leases with remaining lease term of less than 12 months as at April 1, 2019 as short term leases.
- excluding initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- using hindsight, such as in determining the lease term if the contract contains options to extend or terminate the lease.

Notes to the separate financial statements (Contd.)

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

(ii) Measurement of lease liabilities

Operating lease commitments disclosed as at 31 March 2019	2,043.20
Discounted using the lessee's incremental borrowing rate at the date of initial application	1,663.60
(Less): short-term leases not recognised as a liability	(1.17)
(Less): Intangible assets not considered under IND AS 116	(208.08)
Add/(less): adjustments as a result of a different treatment of extension and termination options	293.63
Lease liability recognised as at 1 April 2019	1,748.01
Of which are:	
Current lease liabilities	1,384.93
Non-current lease liabilities	363.08

(iii) Measurement of right-of-use assets

Effective from April 1, 2019, the Company has adopted Ind AS 116 "Leases" using simplified approach. The application of new standard leads to recognition of right of use asset and lease Liability at the present value of the remaining lease payments discounted at the incremental borrowing rate.

(iv) Adjustments recognised in the balance sheet on 1 April 2019

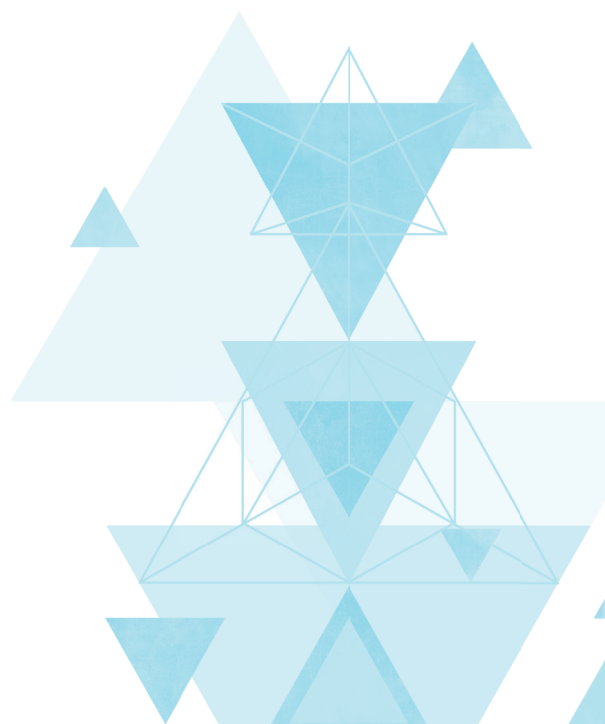
The change in accounting policy affected the following items in the balance sheet on 1 April 2019:

- Right-of-use assets – increase by Rs. 1,800.30 lakhs
- Prepayments – decrease by Rs. 52.29 lakhs
- Lease liabilities – increase by Rs. 1,748.01 lakhs

The net impact on retained earnings on 1 April 2019 was Nil.

(iv) Lessor Accounting

The company did not need to make any adjustment to accounting for assets held as lessor under operating leases as a result of the adoption of Ind AS 116 as the company has not entered in any such transaction or arrangement.



Notes to the separate financial statements (Contd.)

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

32. Leases :

(i) Amounts Recognised in the balance sheet :

	March 31, 2020	March 31, 2019
Right-of-use assets		
Property	1,331.13	1,800.30
Lease Liabilities		
Current	411.74	363.08
Non Current	973.19	1,384.93
Total	1,384.93	1,748.01

The Ind AS 116 was adopted as on April 01, 2019 and before that, operating leases were expenses out through Statement of Profit and Loss For adjustments recognised on adoption of Ind AS 116 on April 01, 2019, please refer Note no. 31.

Extension and termination options are included in a number of property across company. These are used to maximise operational flexibility in terms of managing the assets used in the company's operations.

(ii) Amounts Recognised in the Statement of Profit and Loss

	March 31, 2020
Interest Expenses (included in finance cost)	147.63
Expense relating to short-term leases (included in other expenses)	13.74
Depreciation of right-of-use Assets	472.07
Total	633.44

The total cash outflow for leases for the year ended March 31, 2020 was Rs. 510.71 lacs

Notes to the separate financial statements (Contd.)

33. Fair value measurements

Financial instruments by category

Nature of transaction	March 31, 2020		March 31, 2019	
	FVPL	Amortised cost	FVPL	Amortised cost
Financial assets				
Loans	-	212.94	-	201.87
Trade receivables	-	2,505.48	-	2,152.90
Cash and cash equivalents	-	134.69	-	213.81
Other bank balances	-	422.87	-	32.88
Derivative financial instrument not designated as hedges				
Foreign exchange forward contracts	-	-	77.05	-
Contract assets	-	247.94	-	356.76
Other financial assets	-	64.12	-	131.98
Investments in preference shares (Refer note)	988.21	-	934.91	-
Total financial assets	988.21	3,588.04	1,011.96	3,090.20
Financial liabilities				
Borrowings	-	686.27	-	1,744.80
Trade payables	-	690.40	-	460.31
Capital creditors	-	18.17	-	82.87
Lease Liabilities	-	1,384.93	-	-
Unpaid Dividend	-	10.27	-	6.95
Employee Benefit Payable	-	535.20	-	563.54
Interest accrued	-	-	-	9.62
Total financial liabilities	-	3,325.24	-	2,868.09

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, 2020				
Financial assets				
Investments in preference shares	-	-	988.21	988.21

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

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:

- Foreign currency forward contracts - the present value of future cash based on the forward exchange rates at the balance sheet date.
- Investment in preference shares - Present value of redemption option is computed using Black and Scholes model and present value of conversion option is computed using marked based adjusted EBITDA valuation model.

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 credit risk or company specific 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, 2020 and March 31, 2019 :

Particulars	Amount
Unlisted Preference Shares	
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
Gain/(losses) recognized in Statement of Profit or loss	53.30
As at March 31, 2020	988.21

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, 2020	March 31, 2019
Unquoted Preference Shares		
Significant Unobservable Input - volatility - 57.5% (March 31, 2019 : 56%)		
Increase by 5%	13.83	15.85
Decrease by 5%	(13.24)	(15.80)
Significant Unobservable Input - WACC - 15.50% (March 31, 2019 : 14.00%)		
Increase by 1%	(11.89)	(17.88)
Decrease by 1%	12.15	18.43

Notes to the separate financial statements (Contd.)

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

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 10 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.

Notes to the separate financial statements (Contd.)

34. Financial risk management

The Company's activities expose it to market risk, liquidity risk and credit risk.

The Company's senior management oversees the activities to manage these risks. All derivative activities for risk management purposes are carried out by personnel with requisite knowledge, skills and experience. It is the Company's policy that no trading in derivatives for speculative purposes should be undertaken.

The Risk Management policies of the Company are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are approved and reviewed regularly by the Board to reflect changes in market conditions and the Company's activities. Management has overall responsibility for the establishment and oversight of the Company's risk management framework. The risks to which Company is exposed and related risk management policies are summarised below.

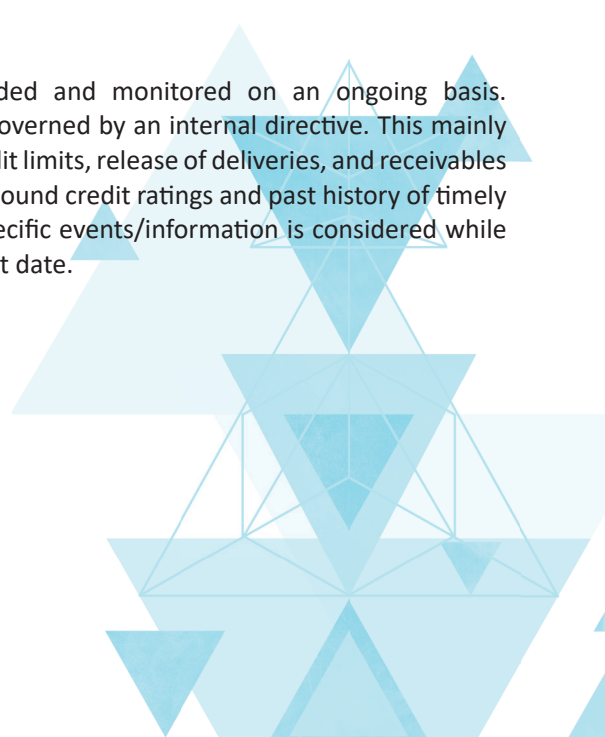
(A) Credit risk

(i) Credit risk management

The Company is exposed to credit risk from its operating activities (primarily trade receivables and contract assets) 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 considered necessary 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. Refer note 38 for the assessment of impact of COVID - 19 on credit risk.

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. Customer specific events/information is considered while assessing the adequacy of provision as on balance sheet date.



Notes to the separate financial statements (Contd.)

Reconciliation of loss allowance provision

Loss allowance on April 1, 2018	60.32
Changes in loss allowance	11.32
Loss allowance on March 31, 2019	71.64
Write offs against loss allowance (Refer note below)	(71.64)
Additional loss allowance provision made	18.91
Loss allowance on March 31, 2020	18.91

The Company does not expect to receive future cash flows or recoveries from collection of cash flows previously written off.

(B) Financial assets at fair value through profit or loss

The company is also exposed to credit risk in relation to investments in preference share that are measured at fair value through profit or loss. The maximum exposure at the end of the reporting period is the carrying amount of these investments Rs. 988.21 lakhs (31 March 2019: Rs. 934.91 lakhs).

(C) 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.

Management monitors rolling forecasts of the company liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. This is generally carried out at local level in the operating companies in accordance with practice and limits set by the company. These limits vary by location to take into account the liquidity of the market in which the entity operates. In addition, the company liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt covenants.

(i) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

	March 31, 2020	March 31, 2019
Floating rate		
- Expiring within one year (bank overdraft and other facilities)	695.41	-
- Expiring beyond one year (bank loans)	-	-
Total	695.41	-

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in Rs..

Notes to the separate financial statements (Contd.)

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

(ii) **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, 2020	< 1 year	> 1 year
Borrowings	679.59	-
Unpaid Dividend	10.27	-
Employee Benefit Payable	535.20	-
Trade Payables	690.40	-
Lease Liabilities	411.74	973.19
Payable for purchase of Property, Plant and Equipment	18.17	-
Current Maturities of Long-term Debt	6.68	-
Total	2,352.05	973.19

March 31, 2019	< 1 year	> 1 year
Borrowings	1,615.11	6.69
Unpaid Dividend	6.95	-
Employee Benefit Payable	563.54	-
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	2,861.40	6.69

The Company has made detailed assessment of its liquidity position for next one year considering the outbreak of COVID -19 situation and it is confident to meet it's financial obligations which will mature during next year.

(D) **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 (Rs.).The risk is measured through forecast of foreign currency transactions.

The Company has a policy to maintain forex exposure on the books at reasonable levels considering forecast of transactions in next 12 months and natural hedge through foreign currency payables. As per the risk management policy, foreign exchange forward contracts are taken to hedge its exposure in the foreign currency risk. When a forward contract is entered into for the purpose of hedge, the Company negotiates the terms of those derivatives to match the terms of the underlying exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable that is denominated in the foreign currency.

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 Rs., are as follows :-

	March 31, 2020			March 31, 2019		
	USD	Euro	GBP	USD	Euro	GBP
Financial assets						
Trade receivables	26.33	352.29	274.60	8.21	108.69	251.04
Bank balance in EEFC account	-	-	96.80	-	-	39.28
Derivative instruments						
- Foreign exchange forward contracts - Sell foreign currency	-	-	-	77.05	-	-
Other Receivable from Related Party	26.79	1.01	-	103.93	1.96	-
Net exposure to foreign currency risk (assets)	53.12	353.30	371.40	189.19	110.65	290.32
Financial liabilities						
Trade payables	112.57	61.97	17.80	100.39	26.57	-
Net exposure to foreign currency risk (liabilities)	112.57	61.97	17.80	100.39	26.57	-

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, 2020	March 31, 2019
USD sensitivity		
Rs./USD - Increase by 5% (31 March 2019 - 5%)	(2.97)	4.44
Rs./USD - Decrease by 5% (31 March 2019 - 5%)	2.97	(4.44)
EURO sensitivity		
Rs./Euro - Increase by 5% (31 March 2019 - 5%)	14.57	4.20
Rs./Euro - Decrease by 5% (31 March 2019 - 5%)	(14.57)	(4.20)
GBP sensitivity		
Rs./GBP - Increase by 5% (31 March 2019 - 5%)	17.68	14.52
Rs./GBP - Decrease by 5% (31 March 2019 - 5%)	(17.68)	(14.52)

(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.

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:

	Weighted Average Interest rate	March 31, 2020	March 31, 2019
Variable rate borrowings	8.75%	679.59	1,229.69
Fixed rate borrowings	9.00%	6.68	415.00
Nil rate borrowings	-	-	100.11
Total borrowings		686.27	1,744.80

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, 2020	March 31, 2019
Interest rate - Increase by 50 basis points (50bps) *	(4.77)	(7.44)
Interest rate - Decrease by 50 basis points (50bps) *	4.77	7.44

* Holding all other variables constant

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

35. 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, 2020 and March 31, 2019.

The gearing ratios were as follows:

	March 31, 2020	March 31, 2019
Net Debt	1,523.91	1,514.68
Total Equity	6,857.64	6,119.13
Net Debt to Equity Ratio	22.22%	24.75%

The net debt to equity ratio for the current year has increased from 2.03% to 22.25% following the adoption of IND AS 116. Both net debt and gross assets increased following the recognition of right-of-use assets and lease liabilities on April 1, 2019. Refer Note 31 for further information. Net debt includes lease liabilities of Rs. 1,384.93 lakhs as on March 31, 2020.

(i) Loan Covenants

Under the terms of the major borrowing facilities, the company is required to comply with the following financial covenants:

- Adjusted Total Net worth (Net off loans and advances and investments to group entities) to be maintained at minimum level of Rs. 250 million
- Not to provide any loans or advance or investment in any aggregating to more than Rs. 5 million in a year without prior consent of bank
- Security deposit under lien of 25% of Cash Credit facility availed

The company has complied with these covenants throughout the reporting period.

Notes to the separate financial statements (Contd.)

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

36. 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, 2019 of Rs.1.50 (March 31, 2018 : Re. 1.00) per fully paid share	239.66	156.97
Dividend distribution tax thereon	-	-
i) Dividends not recognised at the end of reporting period	240.64	239.66
Dividend distribution tax thereon	-	-
The Directors have recommended the payment of a final dividend of Rs. 1.50 per fully paid equity share (March 31, 2019 Rs. 1.50 per equity share). This proposed dividend is subject to approval of shareholders in the ensuing annual general meeting.		

37. Share-based payments

Employee Stock Option Plan

The Company instituted the 2009 plan and 2019 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 and 25th July 2019 respectively. Schemes covers grant of options to specified permanent employees of the Company as well as its subsidiaries.

Pursuant to schemes, the Company has granted options each to eligible employees at an exercise price of Rs. 10 per equity share of Rs. 10 each and of Rs. 20 per equity share of Rs. 10 each respectively for 2009 and 2019 Plan. Under the term of schemes, 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.

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, 2020	March 31, 2019
	No. of Options	No. of Options
Opening Balance	142,350	226,000
Granted during the year	186,500	50,000
Forfeited/ cancelled during the year	-	45,350
Lapsed during the year	49,875	22,600
Exercised during the year	59,425	65,700
Outstanding as at the end of the year	219,550	142,350
Shares vested and exercisable	878,200	569,400

The weighted average share price at the date of exercise of options exercised during the year ended March 31, 2020 was Rs. 62.75 (March 31, 2019 - Rs. 77.41)

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, 2020	March 31, 2019
August 1, 2014	August 1, 2019	10	-	2,750
November 1, 2014	November 1, 2019	10	-	3,500
January 22, 2016	January 22, 2021	10	2,050	16,725
March 2, 2016	March 2, 2021	10	1,775	17,725
March 23, 2016	March 23, 2021	10	-	1,250
July 1, 2016	July 1, 2021	10	9,875	19,750
September 1, 2016	September 1, 2021	10	-	2,500
December 5, 2016	December 5, 2021	10	-	-
January 24, 2017	January 24, 2022	10	2,500	6,750
May 10, 2017	May 10, 2022	10	18,875	28,350
August 11, 2017	August 11, 2022	10	1,500	2,250
April 17, 2018	April 16, 2023	10	24,625	40,800
April 1, 2019	March 31, 2024	10	50,350	-
July 15, 2019	July 14, 2024	10	7,500	-
September 1, 2019	August 31, 2024	10	3,500	-
September 16, 2019	September 15, 2024	10	12,800	-
March 4, 2020	March 3, 2025	10	8,500	-
November 18, 2019	November 17, 2024	20	65,700	-
March 4, 2020	March 3, 2025	20	10,000	-
Weighted average remaining contractual life of options outstanding at the end of the period			3.92 Year	2.79 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, 2020 and March 31, 2019 included :

Particulars	Inputs as on March 31, 2020							Inputs as on March 31, 2019
Exercise Price (Rs)	10.00	10.00	10.00	10.00	20.00	10.00	20.00	10.00
Grant Date	April 1, 2019	July 15, 2019	September 1, 2019	September 16, 2019	November 18, 2019	March 4, 2020	March 4, 2020	April 17, 2018
Expiry Date	April 1, 2024	July 15, 2024	September 1, 2024	September 16, 2024	November 18, 2024	March 4, 2025	March 4, 2025	April 17, 2023
Share Price as on Grant Date (Rs)	70.40	65.90	60.50	64.20	69.50	56.90	56.90	92.80
Fair value as on Grant Date (Rs)	58.90	54.50	49.30	52.90	50.40	45.80	38.50	81.50
Expected Volatility (%)	43.70%	42.80%	42.00%	42.00%	47.00%	45.90%	45.90%	43.50%
Expected Dividend yield (%)	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.10%
Risk free interest rate (%)	6.80%	6.40%	6.30%	6.50%	6.20%	5.70%	5.70%	7.20%

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, 2020	Year ended March 31, 2019
Employee Option Plan	108.89	137.80
Total	108.89	137.80

Expenses arising from share-based payment transactions relating to employees of subsidiaries

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Employee Option Plan	56.11	28.96
Total	56.11	28.96

Notes to the separate financial statements (Contd.)

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

38. Impact of COVID-19

The Novel Coronavirus (COVID-19), a Global Pandemic, is rapidly spreading throughout the world. Outbreak of COVID - 19 has significantly affected the social and economic activities worldwide and, as a result, could affect the operations and results of the Company. In line with the advisories, orders and directions issued by the local and state government authorities to prevent and contain the spread of Coronavirus, the Management has taken necessary measures.

The Management has taken into consideration the impact of the known internal and external events arising from COVID-19 pandemic in the assessment of recoverability of trade receivables, contract assets and certain investments in subsidiaries upto the date of approval of these financial results. In this assessment, the company has performed sensitivity analysis on the key assumptions used.

However the impact assessment of COVID-19 is an ongoing process, given the uncertainties associated with its nature and duration. The impact of global health pandemic might be different from that estimated as at the date of approval of these financial results and the Company will continue to closely monitor any significant impact on the company's financial position.

39. Transfer Pricing

The Company is in the process of updating its transfer pricing documentation with respect to its international transactions with its associate enterprises/ related parties.

Management believes that the Company's international transactions, with related parties post March 31, 2019 (last period upto which an Accountants' report has been submitted as required under the Income tax Act, 1961) continue to be at arm's length and that the transfer pricing legislation will not have any impact on these financial statements, particularly on the amount of tax expense and that of provision for taxation.

40. Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

41. The financial statements for the year ended March 31, 2020 incorporate the impact of the change in accounting policies as mentioned in Note 31. Thus, current year numbers are not comparable to previous year numbers. Further, previous year figures have been regrouped wherever necessary.

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016

Chartered Accountants

Neeraj Sharma

Partner

Membership No.: 108391

Place : Pune

Date : May 15, 2020

For and on behalf of the Board of Directors of

Onward Technologies Limited

Harish Mehta

Executive

Chairman

Devanand Ramandasani

Chief Financial Officer

Place : Mumbai

Date : May 15, 2020

Jigar Mehta

Managing

Director

Pranay Vakil

Audit Committee

Chairman

Dimple Chauhan

Company Secretary

Place : Pune

Date : May 15, 2020

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Twenty Ninth Annual General Meeting of Onward Technologies Limited (the 'Company') will be held on Thursday, July 16, 2020 via video conferencing (VC)/Other Audio Visual Means ("OAVM") 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 March 31, 2020 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 March 31, 2020 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 2019-20.

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 appoint Mr. Subrata Kumar Mitra (DIN: 00029961) as an Independent 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, Mr. Subrata Kumar Mitra (DIN: 00029961) who was appointed as an Additional Non-Executive Independent Director of the Company w.e.f. May 15, 2020 by the Board of Directors and who holds office up to the date of this Annual General Meeting in terms of Section 161, 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, including any statutory modification(s) or re-enactment thereof for the time being in force and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Article of Association of the Company, and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors, and being eligible, offer himself for appointment, and in respect of whom the Company has received a notice in writing under Section 160 (1) of the Act from a Member signifying his intention to propose Mr. Subrata Kumar Mitra (DIN: 00029961) candidature for the office of the Director, be and is hereby appointed as a Non-Executive Independent Director of the Company to hold office for 3 (Three) consecutive years commencing from July 21, 2020 upto July 20, 2023" and he is not liable to retire by rotation."

RESOLVED FURTHER THAT, any of the Directors or Company Secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

5. To appoint Mr. Jay Sonawala (DIN: 01401445) as an Independent Director of the Company

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

Notice (Contd.)

“RESOLVED THAT, Mr. Jay Sonawala (DIN: 01401445) who was appointed as an Additional Non-Executive Independent Director of the Company w.e.f. May 15, 2020 by the Board of Directors and who holds office up to the date of this Annual General Meeting in terms of Section 161, 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, including any statutory modification(s) or re-enactment thereof for the time being in force and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Article of Association of the Company, and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors, and being eligible, offer himself for appointment, and in respect of whom the Company has received a notice in writing under Section 160 (1) of the Act from a member signifying his intention to propose Mr. Jay Sonawala (DIN: 01401445) candidature for the office of the Director, be and is hereby appointed as a Non-Executive Independent Director of the Company to hold office for 3 (Three) consecutive years commencing from July 21, 2020 upto July 20, 2023 and he is not liable to retire by rotation.”

RESOLVED FURTHER THAT, any of the Directors or Company Secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

6. To reappoint Mr. Rahul Rathi (DIN: 00966359) for the second term as an Independent Director of the Company, not liable to retire by rotation, to hold office for 3 (Three) consecutive years commencing from July 21, 2020 upto July 20, 2023.

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 Sections 149, 152 and all other applicable provisions of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the Act and Regulation 17 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), and Articles of Association of the Company and all other applicable provisions, if any, and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors Mr. Rahul Rathi, who was appointed as an Independent Director of the Company and who holds office till the date July 20, 2020 and who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, along with a declaration under sub-rule (1) of Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr. Rahul Rathi as a candidate for the office of a director of the Company, be and is hereby reappointed as an Independent Director of the Company to hold office for the second term of 3 (Three) consecutive years commencing from July 21, 2020 upto July 20, 2023 and shall not be liable to retire by rotation;

RESOLVED FURTHER THAT, any of the Directors or Company Secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

7. To reappoint Mr. Parish Meghani (DIN: 02106768) for the second term as an Independent Director of the Company, not liable to retire by rotation, to hold office for 3 (Three) consecutive years commencing from July 21, 2020 upto July 20, 2023.

Notice (Contd.)

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 Sections 149, 152 and all other applicable provisions of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the Act and Regulation 17 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), and Articles of Association of the Company and all other applicable provisions, if any, and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors Mr. Parish Meghani (DIN: 02106768) who was appointed as an Independent Director of the Company and who holds office till July 20, 2020 and who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1) (b) of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, along with a declaration under sub-rule (1) of Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr. Parish Meghani as a candidate for the office of a director of the Company, be and is hereby reappointed as an Independent Director of the Company to hold office for the second term of 3 (Three) consecutive years commencing from July 21, 2020 upto July 20, 2023 and shall not be liable to retire by rotation.

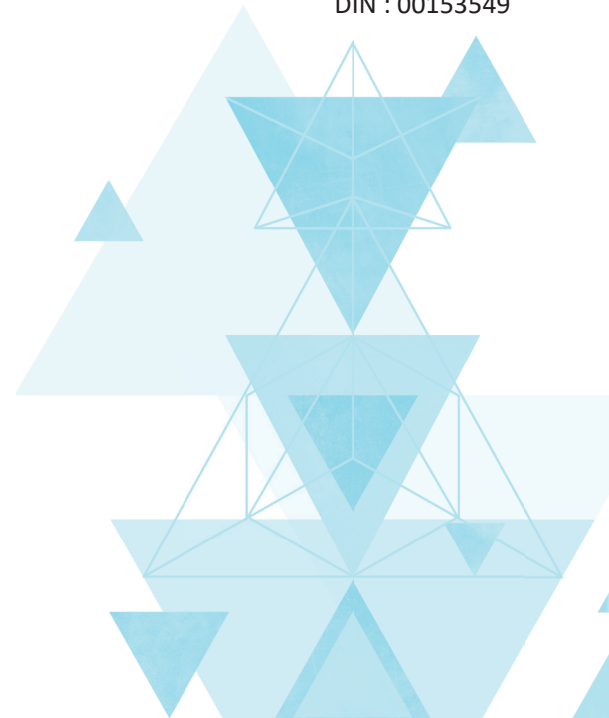
RESOLVED FURTHER THAT any of the Directors or Company Secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

By the order of the Board of Directors

Harish Mehta
Executive Chairman
DIN : 00153549

Place: Mumbai
Date: May 15, 2020

Registered Office:
Sterling Centre, 2nd Floor,
Dr. A. B. Road, Worli,
Mumbai – 400018.



Notice (Contd.)

Notes:

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed, the Government of India, Ministry of Corporate Affairs allowed conducting Annual General Meeting through video conferencing (VC) or other audio visual means (OAVM) and dispensed personal present of the members at the meeting. Accordingly, the Ministry of Corporate Affairs issued Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 5, 2020 (collectively referred to as MCA circulars), prescribing the procedures and manner of conducting the Annual General Meeting through VC/OAVM. In terms of the said Circulars, the 29th Annual General Meeting (AGM) of the members be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the AGM through VC/OAVM only. The detailed procedure for participating in the meeting through VC/OAVM is annexed herewith this notice and available at the Company's website www.onwardgroup.com
2. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
3. Members can raise questions during the meeting or in advance at rnt.helpdesk@linkintime.co.in. However, it is requested to raise the queries precisely and in short at the time of meeting to enable to answer the same.
4. Brief profile and other required information about the Directors proposed to be appointed/re-appointed, as required under Regulation 26(4) & Regulation 36 (3) 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.
5. Corporate members are requested to send at rnt.helpdesk@linkintime.co.in before e-voting/ attending annual general meeting, a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting, pursuant to Section 113 of the Companies Act, 2013.
6. The register of members and share transfer books of the Company will remain closed from Friday, July 10, 2020 to Thursday, July 16, 2020 (both days inclusive).
7. The Final Dividend for the financial year ended March 31, 2020 as recommended by the Board, if approved at the AGM, will be paid within 30 days of declaration, to those Members whose name appears in the Register of Members of the Company as on the record date, i.e. Thursday, July 09, 2020. Members can submit details with the company for receiving dividend directly in their bank accounts through Electronic Clearing Services (ECS) by writing an email at rnt.helpdesk@linkintime.co.in In case any Member is unable to submit their details for remittance of dividend through ECS, their dividend warrants/cheque shall be dispatched upon normalization of the postal services post COVID-19.

Dividend on equity shares as recommended by the Board of Directors for the year ended March 31, 2020, 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, July 09, 2020.
- 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, July 09, 2020.

Notice (Contd.)

9. 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.

The Bank has uploaded the details of unpaid and unclaimed dividend amounts lying with the Company as on July 25, 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.

10. 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.
11. 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.

12. Members seeking any information relating to accounts are requested to write to the Company at info@onwardgroup.com to enable the management to reply the same suitably.
13. 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 available in electronic mode.
14. 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 the are being sent in electronic mode to Members whose e-mail address is registered with the Registrar and Share Transfer Agent of the Company or the Depository Participant(s).

Members holding shares in physical form who have not registered their email addresses can get the same registered with the company by sending an email to rnt.helpdesk@linkintime.co.in. and members holding shares in demat form who have not registered their email addresses with the company can get the same registered with their respective depositories NSDL or CDSL as the case may be.

The Notice and Annual Report 2019-20 will also be available on the Company's website www.onwardgroup.com websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of NSDL <https://www.evoting.nsdl.com>

15. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

Notice (Contd.)

16. 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.
17. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
18. Instructions for e-voting and joining the AGM are as follows:

A. Remote E-Voting:

- (i) Pursuant to Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of Listing Regulations, the Company is pleased to provide the facility to Members to exercise their right to vote on the resolutions proposed to be passed at AGM by electronic means. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on July 09, 2020, i.e. the date prior to the commencement of book closure, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. Members may cast their votes on electronic voting system from any place other than the venue of the meeting (remote e-voting). The remote e-voting period will commence at 9.00 Hours (IST) on Thursday, July 13, 2020 and will end at 17.00 Hours (IST) on Wednesday, July 15, 2020. In addition, the facility for voting through electronic voting system shall also be made available at the AGM and the Members attending the AGM who have not cast their vote by remote e-voting shall be eligible to vote at the AGM.
- (ii) Mr. Nilesh A. Pradhan [Membership Number: FCS 5445; CP Number: 3659] and failing him Ms. Prajakta V. Padhye [Membership Number: FCS 7478; CP Number: 7891,] of M/s. Nilesh A. Pradhan & Co., LLP Company Secretaries [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 during the AGM and remote e-voting process in a fair and transparent manner.

The Members desiring to vote through remote e-voting are requested to refer to the detailed procedure given below . Members whose email ids are not registered with the depositories for procuring user id and password and registration of email ids for e-voting for the resolutions are requested to refer the instructions provided.
- (iii) The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.
- (iv) Members who are present in meeting through video conferencing facility and have not casted their vote on resolutions through remote e-voting, shall be allowed to vote through e-voting system during the meeting.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-

The remote e-voting period begins on July 13, 2020 at 09:00 A.M. and ends on July 15, 2020 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter.

How do I vote electronically using NSDL e-Voting system?

Notice (Contd.)

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.

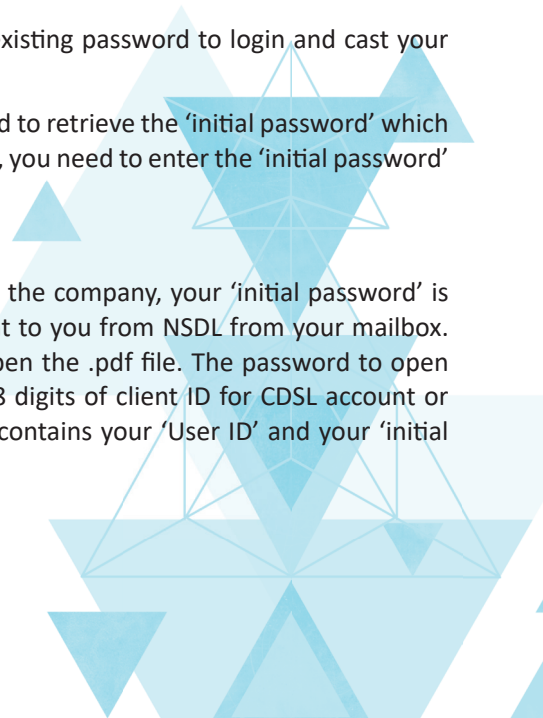
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

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***

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’.



Notice (Contd.)

- (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.
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.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to info@napco.in with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

Notice (Contd.)

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request to Ms. Sarita Mote (Assistant Manager) at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice :

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to rnt.helpdesk@linkintime.co.in

In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to rnt.helpdesk@linkintime.co.in

B. THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM

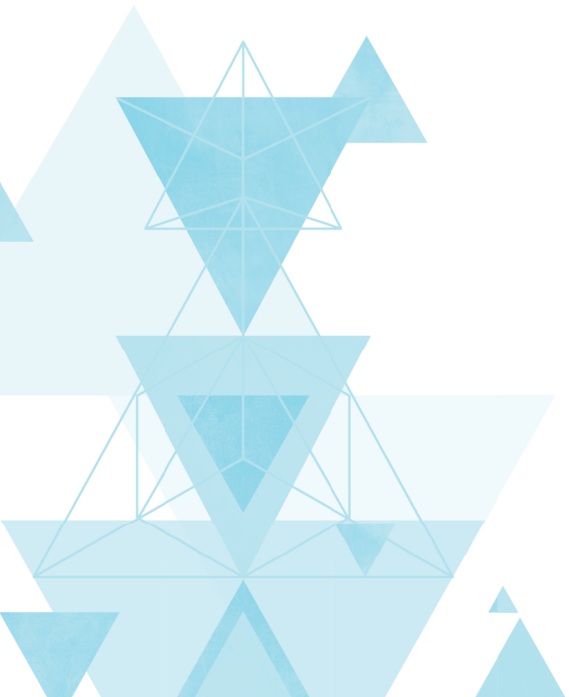
1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. Members are requested to participate on first come first serve basis, as participation through video conferencing is limited and will be closed on expiry of 15 minutes from the schedule time of the AGM. However, the participation of members holding 2% or more is not restricted on first come first serve basis. Members can login and join 15 (fifteen) minutes prior to the schedule time of meeting and window for joining shall be kept open till the expiry of 15 (fifteen) minutes after the schedule time. Participation is restricted upto 1000 members only.
3. Members are encouraged to join the Meeting through Laptops for better experience.

Notice (Contd.)

4. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
5. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
6. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at rnt.helpdesk@linkintime.co.in. The same will be replied by the company suitably.



Notice (Contd.)

Explanatory Statement to the Ordinary Businesses:

ADDITIONAL INFORMATION ON DIRECTORS BEING APPOINTED / RE-APPOINTED AS REQUIRED UNDER REGULATION 26(4) & REGULATION 36(3) 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
Father's Name	Mr. Harish Mehta
Date of Birth	October 03, 1978
Date of Appointment on Board	March 27, 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 (applied for Fast track Exit under Section 248 of Companies Act, 2013)
Memberships/Chairmanships of Committees in other Companies	None
Shareholding in Company as on May 15, 2020	146,502 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 2019-20.
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 2019-20.
Relationship with other Directors or Key Managerial Personnel of the Company	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.

*Note: * Membership/Chairmanship in audit and stakeholders' relationship committee is considered.*

Except Mr. Harish Mehta and Mr. Jigar Mehta, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

The Board of Directors of your Company recommends the Resolution at item no. 3 for your approval.

Notice (Contd.)

EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013

Item 4:

The Board of Directors (based on the recommendation of Nomination and Remuneration Committee) had appointed Mr. Subrata Kumar Mitra (DIN: 00029961) as an Additional Director w.e.f May 15, 2020.

In terms of Section 161(1) of the Companies Act, 2013 read with Articles of Association of the Company, Mr. S.K. Mitra holds office as an Additional Non-Executive Independent Director only up to the date of the forthcoming Annual General Meeting. Mr. S.K. Mitra, being eligible has offered himself for appointment as a Non-Executive Independent Director.

The Company has received notice in writing under the provisions of Section 160 of the Act, from a member proposing the candidature of Mr. S.K. Mitra, for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Act. Since his appointment as an Independent Director has been recommended by the Nomination and Remuneration Committee, the provision regarding deposit of 1,00,000/- under Section 160 of the Act is not applicable.

The Board of Directors is of the opinion that Mr. S.K. Mitra's vast knowledge and varied experience will be of great value to the Company and has recommended the Resolution at Item No. 4 of this Notice relating to his appointment as an Independent Director being Non Executive not liable to retire by rotation for your approval.

Brief Profile of Mr. S.K. Mitra:

Mr. S.K. Mitra's aged 72 years, Indian National holds MSc. from Calcutta University and has completed his MBA from USA. Mr. SK Mitra has over 43 year of professional experience. Currently, he is on Board of Directors and Committees of several reputed companies in diverse industries as an independent Director. He is also an Advisor to a large international bank and few PE firms and Start Up firms. He is a nominee director on Board of companies on behalf of PE firms.

Mr. S.K. Mitra is associated with several international and domestic NGOs, Committees and Chambers in India. Regular contributor of articles in reputed domestic and international financial publications and have delivered talks in domestic and international forums. Currently, India Correspondent for Asia Asset Management, Hong Kong

Mr. S.K. Mitra has vast experience in setting up and running new ventures in full range of financial services, to develop differential business strategies for rapid growth, to develop and manage relationship with foreign multinational investors and in dealing with regulators. His forever top priorities were Risk Management and Transparency.

Besides this he also had advisor in Standard Chartered, head of corporate and Investment banking Head in American Express along with major contributions in GIC Mutual Fund GICMF was one of the first fund houses in the country to enter into a joint venture with a foreign partner. In June 1994, he joined the Aditya Birla Group as Director, Financial Services and was responsible for setting up the highly respected and successful financial services activities for the Group. He was also on the Board of Aditya Birla Management Corporation Ltd, the supervisory Board of the Group.

Except Mr. S.K. Mitra, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

Section 149(10) of the Act provides that an independent director shall hold office for a term of up to five consecutive years on the Board and shall be eligible for reappointment on passing a special resolution by the company and disclosure of such appointment in its Board's report. Section 149(11) provides that an independent director may hold office for up to two consecutive terms of Five years each.

In the opinion of the Board of Directors, Mr. S.K. Mitra, fulfils the conditions for his appointment as an Independent Director as per the statutory requirements and possesses appropriate skills, experience and knowledge Therefore, the Board recommends Item no. 4 for the approval of the Members as Special Resolution to appoint Mr. S.K. Mitra as an

Notice (Contd.)

Independent Director of the Company for a period of 3 (Three) consecutive years in the first term and not liable to retire by rotation.

A draft copy of the letter of appointment of Mr. S.K. Mitra as an Independent Director of the Company setting out the terms and conditions of his appointment is available for inspection by the Members without any fee at the Company's Registered Office. The same is uploaded on the Company's website.

Item No. 5

The Board of Directors based on the recommendation of Nomination and Remuneration Committee had appointed Mr. Jay Sonawala (DIN: 01401445) as an Additional Director w.e.f May 15, 2020.

In terms of Section 161(1) of the Companies Act, 2013 read with Articles of Association of the Company, Mr. Jay Sonawala holds office as an Additional Non-Executive Independent Director only up to the date of the forthcoming Annual General Meeting. Mr. Jay Sonawala being eligible has offered himself for appointment as a Non-Executive Independent Director.

The Company has received notice in writing under the provisions of Section 160 of the Act, from a member proposing the candidature of Mr. Jay Sonawala for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Act. Since his appointment as an Independent Director has been recommended by the Nomination and Remuneration Committee, the provision regarding deposit of Rs. 1,00,000/- under Section 160 of the Act is not applicable.

The Board of Directors is of the opinion that Mr. Jay Sonawala's vast knowledge and varied experience will be of great value to the Company and has recommended the Resolution at Item No. 5 of this Notice relating to his appointment as an Independent Director being Non Executive not liable to retire by rotation for your approval.

Brief Profile of Mr. Jay Sonawala

Jay Sonawala is a veteran banker, having worked in HDFC Bank, India's largest private sector bank for over 2 decades. Having completed his Bachelor in Commerce from Mumbai's Sydenham College of Commerce and Economics and his Masters in Business from NMIMS Institute, he is currently an Executive Vice President of the Corporate Bank in HDFC Bank. He has performed several roles in the Bank across cities on the wholesale banking side and has worked on both the asset and liability side of the balance sheet. Jay is an active social citizen and serves as a trustee on the family trust which caters to the educational requirements of the adivasi girl child.

Except Mr. Jay Sonawala none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

Section 149(10) of the Act provides that an independent director shall hold office for a term of up to five consecutive years on the Board and shall be eligible for reappointment on passing a special resolution by the company and disclosure of such appointment in its Board's report. Section 149(11) provides that an independent director may hold office for up to two consecutive terms of Five years each.

In the opinion of the Board of Directors, Mr. Jay Sonawala fulfils the conditions for his appointment as an Independent Director as per the statutory requirements and possesses appropriate skills, experience and knowledge Therefore, the Board recommends Item no. 5 for the approval of the Members as Special Resolution to appoint Mr. Jay Sonawala as an Independent Director of the Company for a period of 3 (Three) consecutive years in the first term and not liable to retire by rotation.

A draft copy of the letter of appointment of Mr. Jay Sonawala as an Independent Director of the Company setting out the terms and conditions of his appointment is available for inspection by the Members without any fee at the Company's Registered Office. The same is uploaded on the Company's website.

Notice (Contd.)

Item 6

Mr. Rahul Rathi (DIN: 00966359) was appointed as an Independent Director of the Company pursuant to Section 149 of the Companies Act, 2013 ("the Act") read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the Listing Regulations, by the Shareholders at the Annual General Meeting held on July 21, 2017 to hold office upto July 20, 2020 ("first term" as per the explanation to Section 149(10) and 149(11) of the Act.).

The Nomination & Remuneration Committee at its Meeting held on May 15, 2020 after taking into account the performance evaluation of Mr. Rathi, during his first term of three years and considering the knowledge, acumen, expertise and experience in his field and the substantial contribution made by him during his tenure as an Independent Director since his appointment, has recommended to the Board that continued association of Mr. Rathi as an Independent would be in the interest of the Company.

Based on the above, the Nomination & Remuneration Committee and the Board has recommended the re-appointment of Mr. Rathi as an Independent Directors on the Board of the Company, to hold office for the second term of Three consecutive years commencing from July 21, 2020 upto July 20, 2023 and not liable to retire by rotation.

The Company has received notice in writing under the provisions of Section 160 of the Act, from a member proposing the candidature of Mr. Rathi for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Act. Since his appointment as an Independent Director has been recommended by the Nomination and Governance Committee, the provision regarding deposit Rs. 100,000/- under Section 160 of the Act in not applicable .

The Company has received a notice in writing pursuant to Section 160 of the Companies Act, 2013 from a Member proposing the candidature of Mr. Rathi for his re-appointment to the office of Independent Director.

Brief profile of Mr. Rahul Rathi is given below:

Mr. Rahul Rathi is currently the Chairman and Fund Manager at CapMetrics Investment Advisors (Purnartha) Private Limited. Purnartha is a SEBI registered advisory firm with 1500+ clients. Purnartha advises clients based on a proprietary framework that Rahul has built using thirty plus years of data. Rahul is an active contributor in society and is a trustee of Pune Blind Mens Association as well as Laxminarayan Devasthan Trust. He has a Master's degree in Industrial Administration from Carnegie Mellon University (USA) and a Polymer Engineering degree from the University of Pune.

Information as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 also forms part of this Notice.

Except for Mr. Rahul Rathi, to whom the resolution relates, or his relatives, none of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in this resolution set out at item number 6.

Item 7

Mr. Parish Meghani (DIN: 02106768) was appointed as an Independent Director of the Company pursuant to Section 149 of the Companies Act, 2013 ("the Act") read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the Listing Regulations, by the Shareholders at the Annual General Meeting held on July 21, 2017 to hold office upto July 20, 2020 ("first term" as per the explanation to Section 149(10) and 149(11) of the Act.).

The Nomination & Remuneration Committee at its Meeting held on May 15, 2020 after taking into account the performance evaluation of Mr. Meghani, during his first term of three years and considering the knowledge, acumen, expertise and experience in his field and the substantial contribution made by him during his tenure as an Independent Director since his appointment, has recommended to the Board that continued association of Mr. Meghani as an Independent would be in the interest of the Company.

Notice (Contd.)

Based on the above, the Nomination & Remuneration Committee and the Board has recommended the re-appointment of Mr. Meghani as an Independent Directors on the Board of the Company, to hold office for the second term of Three consecutive years commencing from July 21, 2020 upto July 20, 2023 and not liable to retire by rotation.

The Company has received notice in writing under the provisions of Section 160 of the Act, from a member proposing the candidature of Mr. Rathi for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Act. Since his appointment as an Independent Director has been recommended by the Nomination and Governance Committee, the provision regarding deposit of Rs. 100,000/- under Section 160 of the Act is not applicable.

The Company has received a notice in writing pursuant to Section 160 of the Companies Act, 2013 from a Member proposing the candidature of Mr. Meghani for his re-appointment to the office of Independent Director.

Brief profile of Mr. Parish Meghani is given below:

Mr. Parish Meghani is actively involved in three areas; an auto-ancillary manufacturing business, a real estate business and equity investments. He has prior experience of running an IT firm that specialized in data security products. He has done his Production Engineering from Mumbai & holds an MBA with a Finance concentration from Bentley College, MA (USA).

Except for Mr. Parish Meghani, to whom the resolution relates, or his relatives, none of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in this resolution set out at item number 7.

ADDITIONAL INFORMATION ON DIRECTORS BEING APPOINTED / RE-APPOINTED AS REQUIRED UNDER REGULATION 26(4) & REGULATION 36(3) 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	Mr. Subrata Kumar Mitra	Mr. Jay Sonawala	Mr. Rahul Rathi	Mr. Parish Meghani
Director Identification Number	00029961	01401445	00966359	02106768
Father's Name	Mr. Atindra Kumar Mitra	Mr. Nitin Kantilal Sonawala	Mr. Ram Kumar Rathi	Mr. Arun Meghani
Date of Birth/Age	July 16, 1948, 72 years	July 13, 1976, 44 years	December 14, 1972, 48 years	July 31, 1973, 47 years
Date of Appointment on board	May 15, 2020	May 15, 2020	April 24, 2017	May 10, 2017
Brief Resume including experience and qualification	M.Sc, (Calcutta University)- 1970 MBA, USA -1977 Experience: 43 years	B.Com (Mumbai's Sydenham College of Commerce and Economics) MBA (NMIMS Institute)	Master degree in Industrial Administration from Carneige Mellon University, USA Polymer engineering degree from University of Pune.	Production Engineer MBA with finance concentration, Bentley College, Waltham MA, USA

Notice (Contd.)

Particulars	Mr. Subrata Kumar Mitra	Mr. Jay Sonawala	Mr. Rahul Rathi	Mr. Parish Meghani
Expertise in Specific Functional Area	Please refer item no 4 to the explanatory statement of the notice calling AGM.	Please refer item no 5 to the explanatory statement of the notice calling AGM.	Please refer item no 6 to the explanatory statement of the notice calling AGM.	Please refer item no 7 to the explanatory statement of the notice calling AGM.
Directorships held in other Companies	Centrum Capital Limited. Cheminova India Limited Asirvad Micro Finance Limited L&T Mutual Fund Trustee Limited North Karnataka Expressway Limited Robocash Private Limited	Delicioso Gourmet Foods Private Limited	Bangalore Spokes Private Limited Onward eServices Limited	Capital Metrics and Risk Solutions Private Limited Plastibend India Limited Rathi Techservices Private Limited
Memberships/ Chairmanships of Committees in other Companies	Cheminova India Limited- Member in ACM, CSR and NRC	Nil	Nil	Nil
Shareholding in Company as on May 15, 2020	Nil	Nil	215,918	Nil
Number of Board meetings attended during the year	Not applicable, as he is appointed with effect from May 15, 2020.	Not applicable, as he is appointed with effect from May 15, 2020.	4 (Four)	2 (Two)
Shareholding in the Company of the spouse and immediate relatives of the Director	Nil	NIL	NIL	NIL
Tenure and term of appointment	First term, 3 Years	First term, 3 Years	Second term, 3 Years	Second term, 3 Years
Terms and conditions of appointment.	Non-Executive Independent Director not liable to retire by rotation	Non-Executive Independent Director not liable to retire by rotation	Non-Executive Independent Director not liable to retire by rotation	Non-Executive Independent Director not liable to retire by rotation

Notice (Contd.)

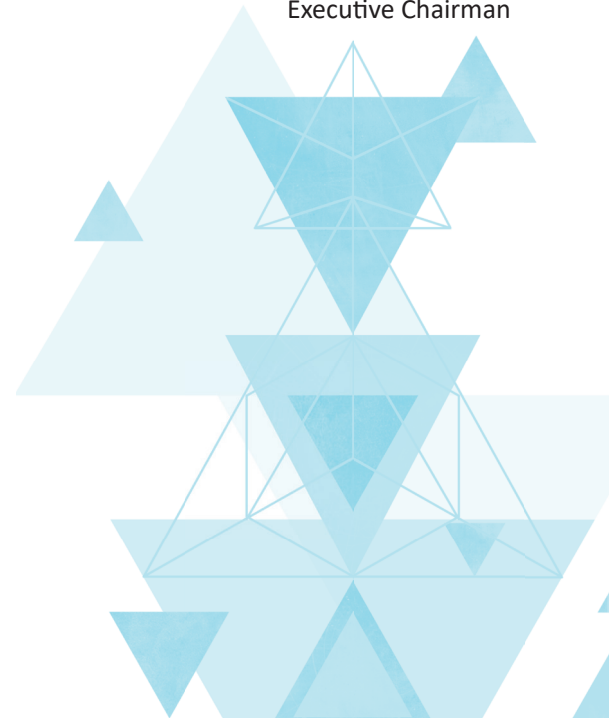
Particulars	Mr. Subrata Kumar Mitra	Mr. Jay Sonawala	Mr. Rahul Rathi	Mr. Parish Meghani
Remuneration Proposed	Shall be eligible for the following: a) Sitting fees for attending meetings of the Board or committee thereof or for any other purpose whatsoever as may be decided by the Board; b) Reimbursement of expenses for participation in the Board and other meetings;	Shall be eligible for the following: a) Sitting fees for attending meetings of the Board or committee thereof or for any other purpose whatsoever as may be decided by the Board; b) Reimbursement of expenses for participation in the Board and other meetings;	Shall be eligible for the following: a) Sitting fees for attending meetings of the Board or committee thereof or for any other purpose whatsoever as may be decided by the Board; b) Reimbursement of expenses for participation in the Board and other meetings;	Shall be eligible for the following: a) Sitting fees for attending meetings of the Board or committee thereof or for any other purpose whatsoever as may be decided by the Board; b) Reimbursement of expenses for participation in the Board and other meetings;
Relationship with other Directors or Key Managerial Personnel of the Company	NA	NA	NA	NA

By the order of the Board of Directors

Harish Mehta
Executive Chairman

Place: Mumbai
Date: May 15, 2020

Registered Office:
Sterling Centre, 2nd Floor,
Dr. A. B. Road, Worli,
Mumbai – 400018.





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