

Date: July 15, 2021

To,

BSE Limited Corporate Relations Department P J Towers, Dalal Street Mumbai 400 001	National Stock Exchange of India Ltd., Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051.
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Ref: Scrip Code - **BSE: 517536 NSE: ONWARDTEC**

Subject: Unaudited Standalone & Consolidated Financial Results for the first quarter ended June 30, 2021.

Dear Sir,

Pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the Board of Directors of the Company have approved and taken on record, inter alia, unaudited Standalone and Consolidated financial results of the Company for the quarter ended June 30, 2021.

The Board Meeting commenced at 10.00 A.M. and the above matters were concluded at 11.00 AM.

A copy of the Results along with Limited Review Report of the auditors of the Company, as required under Regulation 33 of the Listing Regulations, is enclosed herewith.

Kindly acknowledge the receipt of the same.

For Onward Technologies Limited

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Dimple Chauhan
Company Secretary

Encl: As above

Price Waterhouse Chartered Accountants LLP

To,
The Board of Directors
Onward Technologies Limited
2nd Floor, Sterling Centre,
Dr. Annie Besant Road, Opposite Atria Mall,
Worli, Mumbai – 400018

1. We have reviewed the unaudited consolidated financial results of Onward Technologies Limited (the “Parent”) and its subsidiaries (the parent and its subsidiaries hereinafter referred to as the “Group”), for the quarter ended June 30, 2021 which are included in the accompanying ‘Statement of Consolidated Unaudited Financial Results for Quarter ended June 30, 2021’ (the “Statement”). The Statement is being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“the Listing Regulations”), which has been initialed by us for identification purposes.
2. This Statement, which is the responsibility of the Parent’s Management and approved by the Parent’s Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 “Interim Financial Reporting” (“Ind AS 34”), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”, issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.
4. The Statement includes the results of the following entities:

Sr. No.	Name of Entity	Relationship
1	Onward Technologies Limited	Parent
2	Onward Technologies Inc.	Subsidiary
3	Onward Technologies GmbH	Subsidiary
4	Onward Properties Private Limited	Subsidiary

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Price Waterhouse (a Partnership Firm) Converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/N500016 (ICAI registration number before conversion was 012754N)

Price Waterhouse Chartered Accountants LLP

Onward Technologies Limited

Limited Review report for the Quarter ended June 30, 2021 on Consolidated Financial Results

Page 2 of 2


5. Based on our review conducted and procedures performed as stated in paragraph 3 above nothing has come to our attention that causes us to believe that the accompanying Statement has not been prepared in all material respects in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. The consolidated unaudited financial results includes the interim financial results of two subsidiaries which have not been reviewed by their auditors, whose interim financial results reflect total revenue of Rs. 204.74 lacs, total net loss after tax of Rs. 20.06 lacs and total comprehensive loss of Rs. 22.68 lacs for the quarter ended June 30, 2021, as considered in the consolidated unaudited financial results. According to the information and explanations given to us by the Management, these interim financial results are not material to the Group.
Our conclusion on the Statement is not modified in respect of the above matter.

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016

Chartered Accountants

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Neeraj Sharma

Partner

Membership Number: 108391

UDIN: 21108391AAAAET5125

Pune

July 15, 2021

Onward Technologies Limited



Corporate Identity Number: L28920MH1991PLC062542

Registered Office: Sterling Centre, 2nd Floor, Dr. A. B. Road, Worli, Mumbai - 400 018, India.

Tel: +91 22 2492 6570

E-mail: investors@onwardgroup.com Website: www.onwardgroup.com

STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2021

(INR In lakhs)

Sr. No.	Particulars	Quarter ended			Year ended
		June 30, 2021	March 31, 2021	June 30, 2020	March 31, 2021
		(Unaudited)	(Unaudited Refer Note 12)	(Unaudited)	(Audited)
1	Revenue from operations	6,959.76	6,632.62	5,602.98	24,036.66
2	Other income (Refer note 7)	1,554.08	201.65	32.35	533.52
3	Total Income (1+2)	8,513.84	6,834.27	5,635.33	24,570.18
4	Expenses				
	a) Purchase of software licences	-	174.29	-	174.29
	b) Employee benefits expense (Refer note 11)	5,881.52	5,142.27	4,568.60	18,897.20
	c) Finance costs	22.54	41.81	70.39	232.38
	d) Depreciation and amortisation expense	242.36	248.78	286.95	1,044.47
	e) Other expenses (Refer note 8)	1,265.79	932.15	658.06	3,240.57
	Total Expenses	7,412.21	6,539.30	5,584.00	23,588.91
5	Profit before tax (3-4)	1,101.63	294.97	51.33	981.27
6	Tax expense				
	a) Current tax	26.78	83.62	58.46	373.56
	b) Deferred tax	85.69	(5.31)	(46.15)	(126.08)
	Total tax expense/ (credits)	112.47	78.31	12.31	247.48
7	Net profit /(Loss) for the period (5 - 6)	989.16	216.66	39.02	733.79
8	Other comprehensive income, net of income tax				
	a) i) items that will not be reclassified to profit or loss	3.60	11.98	0.43	14.41
	ii) income tax relating to items that will not be reclassified to profit or loss	(0.91)	(1.94)	(0.11)	(3.63)
	b) i) items that will be reclassified to profit or loss	14.31	16.24	(6.55)	(39.67)
	ii) income tax relating to items that will be reclassified to profit or loss	-	-	-	-
	Total other comprehensive income, net of income tax	17.00	26.28	(6.23)	(28.89)
9	Total comprehensive income for the period (7+8)	1,006.16	242.94	32.79	704.90
10	Net Profit/ (loss) attributable to:				
	a) Owners	989.16	216.66	39.02	733.79
	b) Non-controlling interests	-	-	-	-
11	Total comprehensive income attributable to:				
	a) Owners	1,006.16	242.94	32.79	704.90
	b) Non-controlling interests	-	-	-	-
12	Paid-up equity share capital : (Face value INR 10 each) (Refer note 10)	1,749.30	1,633.88	1,611.72	1,633.88
13	Earnings per share (of INR 10 each)				
	Basic: (in INR)	6.03	1.33	0.24	4.52
	Diluted: (in INR)	5.78	1.27	0.23	4.35

Notes:

- 1 The statement has been reviewed by Members of the Audit Committee and approved by the Board of Directors at their meeting held on July 15, 2021.
- 2 The consolidated financial results include the results of Onward Technologies Limited (the Holding company) and its subsidiaries in India, USA and Germany (together referred as "the Group").
- 3 This statement has been prepared in accordance with the Companies (Indian Accounting Standard) Rules, 2015 (Ind AS) prescribed under section 133 of the Companies Act, 2013 and rules amended from time to time.
- 4 The Group has only one operating segment which is Engineering Design and IT services. Accordingly, separate segment information is not required to be disclosed.
- 5 During the quarter ended June 30, 2021, the Group has issued 51,700 equity shares following the exercise of stock options by certain employees under the ESOP scheme, 2009 and has issued 2,500 equity shares following the exercise of stock options by certain employees under the ESOP scheme, 2019.
- 6 The Group has taken into consideration the impact of the known internal and external events arising from COVID-19 pandemic while preparing the financial information. As a part of such assessment, the Group has considered the recoverability of outstanding trade receivables, contract assets, impact of lease modifications, accounting for benefits received from governments and future cash flow position upto the date of approval of these financial results. The Group is confident of recoverability of assets as on June 30, 2021. However, the impact assessment of COVID-19 is an ongoing process and it's impact remains uncertain, 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.
- 7 The Group had obtained a loan under Paycheck Protection Program ("PPP") in the USA. Total amount of INR 1,499.31 lakhs of such loan including interest accrued thereon was disclosed as borrowing. In the current quarter ended, the Group's application for forgiveness of such loan and the interest thereon is approved by the Small Business Authorities (SBA) on June 24, 2021. Accordingly, entire amount of such loan outstanding has been disclosed as "Other Income" in the statement of Profit and Loss.
The Group is in the process of assessing it's eligibility under the Employee Retention Credit relief available under The Coronavirus Aid, Relief and Economic Security Act (CARES Act) introduced by the USA Government. As on June 30, 2021 total amount of INR 400.47 lakhs is disclosed as other current liabilities pertaining to credit adjustment made against employee tax liability payable in the USA. Such amount will be recognised in Statement of Profit and loss upon confirmation of the groups eligibility to claim such benefits.
- 8 The Group had recognised the export incentives amounting to INR 203.82 lakhs under the Service Exports from India Scheme, 2015 (SEIS Scheme) for services exported till March 31, 2020. In the view of uncertainty arised on account of delay in announcement by government about the specific details to claim such benefits, the Group has recognised provision.
- 9 The Code on Social Security, 2020 ('Code'), pertaining to employee benefits during employment and post-employment, received Presidential assent in September 2020. The ministry of Labour and employment has released draft rules for the code on Social security, 2020 on November 13, 2020. The new code may impact the existing employee benefit obligations of the Group. The Company will assess the impact and recognise it in its financial statements in the period in which the Code becomes effective and the related rules are notified.
- 10 The Holding company has entered into an agreement on May 27, 2021 to make preferential allotment to Infinity Direct Holdings (the "investor"). As per the agreement, the Holding company has issued 1,100,000 equity shares each fully paid-up at a price of INR 130 (inclusive of face value of INR 10 each) per share for cash and 4,300,000 share warrants, each warrant convertible into one equity share of the Holding company, at a price per warrant of INR 130 (inclusive of face value of INR 10 each), convertible within 18 months from the date of allotment of such warrants. The Holding company received an approval from the shareholders in extra ordinary general meeting for such preferential allotment. Accordingly the Holding company has issued the equity shares to investor and 25% amount received against warrant issue is accounted as application money received pending for allotment. All the incidental expenses net of tax related to this preferential allotment amounting to INR 156.10 lakhs has been adjusted against other equity.
- 11 During the previous year, the Holding Company had reduced the salaries of their employees to manage the cashflows effectively in the view of COVID-19 outbreak. To compensate such deductions and in the view of performance of the current period, the Group has made a provision of one time incentive for the employees amounting to INR 285.55 lakhs.
- 12 The figures for the quarter ended March 31, 2021 are the derived figures between the audited figures for the year ended March 31, 2021 and published reviewed figures of December 31, 2020.
- 13 Previous year/period figures have been regrouped/rearranged wherever considered necessary.

For and on Behalf of the Board of Directors

Onward Technologies Limited

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Jigar Mehta

Managing Director

Place : Mumbai

Date : July 15, 2021

Price Waterhouse Chartered Accountants LLP

To,
The Board of Directors
Onward Technologies Limited
2nd Floor, Sterling Centre,
Dr. Annie Besant Road, Opposite Atria Mall,
Worli, Mumbai – 400018

1. We have reviewed the unaudited financial results of Onward Technologies Limited (the “Company”) for the quarter ended June 30, 2021 which are included in the accompanying Statement of Standalone Unaudited Financial Results for Quarter ended June 30, 2021 (the “Statement”). The Statement has been prepared by the Company pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the “Listing Regulations, 2015”), which has been initialled by us for identification purposes only.
2. This Statement, which is the responsibility of the Company’s Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 “Interim Financial Reporting” (“Ind AS 34”), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 “Review of Interim Financial Information performed by the Independent Auditor of the Entity”, issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the Statement has not been prepared in all material respects in accordance with recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India , and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

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Price Waterhouse Chartered Accountants LLP

Onward Technologies Limited

Limited Review report for the Quarter ended June 30, 2021 on Standalone Financial Results

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5. We draw your attention to Note 6 to the statement. The financial results for the quarter ended June 30, 2020 of the wholly owned subsidiary, Onward eServices Limited, which is merged with the Company with effect from April 01, 2019, were reviewed by another independent firm of chartered accountants under the Act who, vide their report dated July 14, 2020, expressed an unmodified opinion on those financial statements. Our conclusion is not qualified in respect of these matters.

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016

Chartered Accountants

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Neeraj Sharma

Partner

Membership Number: 108391

UDIN: 21108391AAAAEU9980

Pune

July 15, 2021

Onward Technologies Limited



Corporate Identity Number: L28920MH1991PLC062542

Registered Office: Sterling Centre, 2nd Floor, Dr. A. B. Road, Worli, Mumbai - 400 018, India.

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STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2021

		(INR In lakhs)			
Sr. No.	Particulars	Quarter ended			Year ended
		June 30, 2021	March 31, 2021	June 30, 2020	March 31, 2021
		(Unaudited)	(Unaudited Refer Note 11)	(Unaudited Refer Note 6)	(Audited)
1	Revenue from operations	5,158.71	4,970.89	3,820.12	17,266.72
2	Other income	103.76	247.99	47.44	846.14
3	Total Income (1+2)	5,262.47	5,218.88	3,867.56	18,112.86
4	Expenses				
	a) Purchase of software licences	-	174.29	-	174.29
	b) Employee benefits expense (Refer note 10)	3,937.59	3,476.53	2,859.58	12,190.37
	c) Finance costs	21.97	38.16	62.05	207.94
	d) Depreciation and amortisation expense	216.52	220.93	256.80	928.48
	e) Other expenses (Refer note 7)	1,169.52	905.00	567.14	2,940.95
	Total Expenses	5,345.60	4,814.91	3,745.57	16,442.03
5	Profit before tax (3-4)	(83.13)	403.97	121.99	1,670.83
6	Tax expense				
	a) Current tax	26.78	82.12	57.14	370.78
	b) Deferred tax	(48.48)	24.41	(26.91)	33.34
	Total tax expense	(21.70)	106.53	30.23	404.12
7	Net profit/ (Loss) for the period (5 - 6)	(61.43)	297.44	91.76	1,266.71
8	Other comprehensive income, net of income tax				
	i) items that will not be reclassified to profit or loss	3.60	11.98	0.43	14.41
	ii) income tax relating to items that will not be reclassified to profit or loss	(0.91)	(1.93)	(0.11)	(3.62)
	Total other comprehensive income, net of income tax	2.69	10.05	0.32	10.79
9	Total comprehensive income for the period (7+8)	(58.74)	307.49	92.08	1,277.50
10	Paid-up equity share capital : (Face value INR 10 each) (Refer note 9)	1,749.30	1,633.88	1,611.72	1,633.88
11	Earnings per share (of INR 10 each)				
	Basic: (in INR)	(0.37)	1.82	0.57	7.80
	Diluted: (in INR)	(0.37)	1.75	0.55	7.50

Notes:

- 1 The statement has been reviewed by members of the Audit Committee and approved by the Board of Directors at their meeting held on July 15, 2021.
- 2 This statement has been prepared in accordance with the Companies (Indian Accounting Standard) Rules, 2015 (Ind AS) prescribed under section 133 of the Companies Act, 2013 and rules amended from time to time.
- 3 The Company has only one operating segment which is Engineering Design and IT services. Accordingly, separate segment information is not required to be disclosed.
- 4 During the quarter ended June 30, 2021, the Company has issued 51,700 equity shares following the exercise of stock options by certain employees under the ESOP scheme, 2009 and has issued 2,500 equity shares following the exercise of stock options by certain employees under the ESOP scheme, 2019.
- 5 The Company has taken into consideration the impact of the known internal and external events arising from COVID-19 pandemic while preparing the financial information. As a part of such assessment, the Company has considered the recoverability of outstanding trade receivables, contract assets, impact of lease modifications, accounting for benefits received from governments and future cash flow position upto the date of approval of these financial results. The Company is confident of recoverability of assets as on June 30, 2021. However, the impact assessment of COVID-19 is an ongoing process and its impact remains uncertain, 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.

- 6 During the FY 20-21, the National Company Law Tribunal vide Order dated March 25, 2021, had approved a scheme of merger by absorption of Onward eServices Limited (referred as OeSL), a wholly owned subsidiary, with the Company, with an appointed date of January 1, 2020.
Pursuant to the scheme and requirement of Appendix C of Ind AS 103, the Company has recorded all assets, liabilities and reserves pertaining to OeSL at their respective book values effective from April 1, 2019. All the intercompany transactions have been eliminated. The figures for the quarter ended June 30, 2020 have also been restated accordingly to incorporate the impact of the Scheme of Arrangement. As a result the net profit after tax for the quarter ended June 30, 2020 is lower by Rs 21.27 lakhs reported earlier.
- 7 The Company had recognised the export incentives amounting to INR 203.82 lakhs under the Service Exports from India Scheme, 2015 (SEIS Scheme) for services exported till March 31, 2020. In the view of uncertainty arised on account of delay in announcement by government about the specific details to claim such benefits, the Company has recognised provision.
- 8 The Code on Social Security, 2020 ('Code'), pertaining to employee benefits during employment and post-employment, received Presidential assent in September 2020. The ministry of Labour and employment has released draft rules for the code on Social security, 2020 on November 13, 2020. The new code may impact the existing employee benefit obligations of the Company. The Company will assess the impact and recognise it in its financial statements in the period in which the Code becomes effective and the related rules are notified.
- 9 The Company has entered into an agreement on May 27, 2021 to make preferential allotment to Infinity Direct Holdings (the "investor"). As per the agreement, the Company has issued 1,100,000 equity shares each fully paid-up at a price of INR 130 (inclusive of face value of INR 10 each) per share for cash and 4,300,000 share warrants, each warrant convertible into one equity share of the Company, at a price per warrant of INR 130 (inclusive of face value of INR 10 each), convertible within 18 months from the date of allotment of such warrants. The Company received an approval from the shareholders in extra ordinary general meeting for such preferential allotment. Accordingly the company has issued the equity shares to investor and 25% amount received against warrant issue is accounted as application money received pending for allotment. All the incidental expenses net of tax related to this preferential allotment amounting to INR 156.10 lakhs has been adjusted against other equity.
- 10 During the previous year, the Company had reduced the salaries of their employees to manage the cashflows effectively in the view of COVID-19 outbreak. To compensate such deductions and in the view of performance of the current period, the Company has made a provision of one time incentive for the employees amounting to INR 230.66 lakhs.
- 11 The figures for the quarter ended March 31, 2021 are the derived figures between the audited figures for the year ended March 31, 2021 and published reviewed figures of December 31, 2020.
- 12 Previous year/period figures have been regrouped/rearranged wherever considered necessary.

Place: Mumbai
Date: July 15, 2021

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

JIGAR
HARISH
MEHTA
Jigar Mehta
Managing Director

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Date: 2021.07.15
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