

Date: July 21, 2017

To,

**BSE Ltd.**  
P. J. Towers, Dalal Street,  
Mumbai - 400 001

**National Stock Exchange of India Ltd.**  
'Exchange Plaza', C-1, Block G  
Bandra Kurla Complex  
Bandra (E), Mumbai 400 051.

**Ref: Scrip Code: BSE: 517536 NSE: ONWARDTEC**

**Subject: Submission of Annual Report of Onward Technologies Limited for the financial year ended 31<sup>st</sup> March, 2017.**

Dear Sir/Madam,

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 we are enclosing herewith Annual Report of the Company for the financial year ended 31<sup>st</sup> March, 2017, duly approved and adopted at the Annual General Meeting as per the provisions of Companies Act 2013. The said report is also available on the Company's website, [www.onwardgroup.com](http://www.onwardgroup.com).

This is for your information and record.

Thanking You,

Yours faithfully,

For Onward Technologies Limited

  
Jigar Mehta  
Managing Director



Encl: As above.

**ISO 9001 : 2008 Certified**

**Registered Office :** Sterling Centre, 2nd Floor, Dr. Annie Besant Road, Worli, Mumbai - 400 018.

Tel.: +91 (22) 2492 6570 Fax : +91 (22) 2492 6549 CIN No.: L28920MH1991PLC062542.

Please visit our website [www.onwardgroup.com](http://www.onwardgroup.com)

**Engineering Products | Enabling Businesses | Delivering Promises**



**26<sup>th</sup> ANNUAL REPORT**  
**2016-17**



**Board of Directors**

Mr. Harish Mehta	Executive Chairman
Mr. Jigar Mehta	Managing Director
Mr. Pradip Dubhashi	Director
Mr. Arun Meghani	Director
Mr. Pranay Vakil	Director
Mr. Nandkumar Pradhan	Director
Mrs. Prachi Mehta	Director

**Auditors**

Kirtane & Pandit LLP  
Chartered Accountants  
5th Floor, Wing A, Gopal House  
S.No. 127/1B/1 , Plot A1,  
Opp. Harshal Hall, Kothrud  
Pune-411029, India

**Registered Office**

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

**Registrar & Share Transfer Agents**

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

**Corporate Website**

[www.onwardgroup.com](http://www.onwardgroup.com)

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# From the Chairman's Desk



Dear Shareholders,

Indian Engineering Services Outsourcing Industry today, while on one side is facing the headwinds of protectionism, automation & digitalization, compounded by the slowing GDP growth rate, sluggish industrial production, reduction in discretionary spending by corporates', on the other side digitalization is opening huge opportunities.

Talking about the changes in the industry at a macro level, world is moving towards “Digital” and ideas around “Digital Twin” are taking the market share. Quite simply, a digital twin is a virtual model of a process, product or service. This pairing of the virtual and physical worlds allows analysis of data and monitoring of systems to head off problems before they even occur, prevent downtime, develop new opportunities and even plan for the future by using simulations. It works as a bridge between physical and digital world. While the concept of a digital twin has been around since 2002, it is only thanks to the Internet of Things (IoT) that it has now become cost-effective to implement. Digital twins are becoming a business imperative, covering the entire lifecycle of an asset or process and forming the foundation for connected products and services.

As we enter the fourth era of industry, Industry 4.0, computers and automation will come together in an entirely new way, with robotics connected remotely to computer systems equipped with machine learning algorithms that can learn and control the robotics with very little input from human operators. It introduces to the world what is called as “smart factory”.

Along with the Mechanical Engineering Design Space, company also operates in the BFSI and Managed IT services space, which has started being driven by Big data/analytics based Cloud technologies, Applied Artificial Intelligence, Virtual & Augmented Reality, Blockchains and Automation. Cyber security will be the bedrock on which digitalization will succeed.

The phenomenal impact that digital technology is having on businesses around the world is creating exciting and viable new opportunities for us to collaborate with clients. We continue to invest in newer technologies & skilling / reskilling our work force to meet the demands of our customers to grow their business. We are building new capabilities with great agility. The start of the journey has been very encouraging, as evidenced by the performance during the last fiscal year, both in quantitative and qualitative terms. With focused energy, creativity and discipline, many new initiatives are beginning to show tangible results.

Looking at the performance of FY2017, I stand satisfied with a consolidated double-digit growth of the company. All entities of the company – US, Germany, UK and India grew despite currency weakening in the last quarter of the year. Our service lines across Mechanical Engineering Design Services and IT services attracted many interesting projects (end to end program involving design analysis and prototyping, should costing, digitizing design review process, taking complete responsibility of cycle time using robotics and simulation techniques etc), which echoes our growing competence aligned with changing market requirements. Just to add, company has renewed almost most of its annuity business from last year to this year, which is again a reflection of our contribution and value partnerships with all our active customers.

Onward Technologies brought in a leadership change in 2017, aligning with the rapidly changing customer needs, marketplaces and the environment. Jigar Mehta, took over as the Managing Director of the company with a clear vision to bring in fresh perspectives, build a young team who is adapted with these technological changes and accelerate the growth of Onward Technologies.

Having said that, I am quite hopeful that Onward Technologies will sustain the momentum it has garnered and will continue to show a sustained growth in FY 2017-18 as well, both in topline and bottom line.

Before I end my note, I extend sincere thanks and acknowledge the contributions of Mr Pradip Dubashi and Mr Arun Meghani, who stepped down from the Board of Directors of the company in April 2017. They had been with the company for more than a decade and during their association they were instrumental in helping me put the right building blocks in making Onward a scalable organization and preparing it for its next phase of journey. Even though they are now not associated with the company in a formal capacity, they will always be around to guide the Board and Management with their huge body of experience behind them.

Sincerely,

**Harish Mehta**  
Executive Chairman

# MD's Letter to Stakeholders



Dear Shareholders,

The financial year 2016-17 has been an action packed one. Not only has the company seen a double digit growth in our top line, and made profits across all geographies (India, Europe & US) but we have also declared dividend to our shareholders. This has been made possible by two factors – our customers, with whom we were able to engage better and our employees, who with their complete commitment and dedication were all aligned to our continued growth.

In May 2016, the Board of Onward Technologies entrusted me with the responsibility of Managing Director. While the team was getting its act together to ensure we sustain the momentum created and deliver, my top most focus was to build an organization for the future. To that effect, starting April 2017, Onward Technologies now operates under three business units:

1. International Business (IB): Constitutes all Mechanical Engineering design services work coming from International Markets, primarily USA, Germany & UK. This entire business is driven by our 6 sales offices outside India. This unit shall work on the “Global Engineering” model having onshore and offshore delivery teams working cohesively to solve the customer's problems.
2. EDS (India): Constitutes all Mechanical Engineering design services work supporting our Indian customers. This will also include the Product Solutions Group (PSG). This unit will focus on strengthening our key relationships with some of the company's strategic clients each of which is a large ODC, either at the clients' site or in our own delivery centers in Pune & Chennai.
3. ITS (India): Constitutes IT support services provided to our Indian Customers. The Indian subsidiary of Onward Technologies Ltd., OeSL drives this business. The work done in this unit is providing application development and management support, IT Infrastructure and data management support as well as allied activities from our Mumbai & Chennai offices.

We have also formed a central Operations team to support and effectively assist these units across the globe. The financial backbone of the company is being consolidated in Pune. We believe that more than just cost effectiveness, these are the building blocks of a scalable enterprise. Both Operations and Finance heads continue to be entrusted with the responsibility of building better, futuristic and robust processes, workflows and systems that will continue to improve, thereby ensuring that we, at Onward Technologies, are always ahead of the curve.

Coming to our industry and the competitive scenario, two of the larger well established engineering services companies in Pune have seen attractive valuations recently through acquisition / substantial investment from a Top 5 Indian tech firm & PE fund respectively. This shows the potential of our industry, interest in the niche mechanical engineering space & scale possibility once the strategy is executed well.

Having said all above, what should shareholders expect from Onward Technologies in FY17-18? The management team at Onward Technologies would like to lay down a targets you may expect from them in the next 12 months:

1. Profitable Growth: Growth is imperative without compromising on the bottom line. Margin expansion to be driven by “Global Engineering Model” and improving the “Utilization”. All BU Heads will work towards this goal.
2. Control Fixed Costs: Many investments have been made in fixed cost structures of the company over the last 3 years. While we are not averse to further investments, they will be growth oriented, monitored and controlled.

We are at an exciting juncture at Onward Technologies and I would like to take this opportunity to express my gratitude to all our employees for their continued passion and dedication. Also, to Our Board of Directors, for the able guidance and valuable inputs. We are well on our way to building a trusted enterprise, with the best talent, leading from the front, to ensure customer satisfaction and exponential growth. I look forward to sharing our progress with you same time next year.

Sincerely,

**Jigar Mehta**  
Managing Director



## Director's Report

To  
The Members,

The Directors of your Company are pleased to present before you the 26<sup>TH</sup> ANNUAL REPORT on the business and operations of the Company, both, on standalone and consolidated basis, together with annual audited financial statements of the Company for the financial year ended March 31, 2017.

### CORPORATE OVERVIEW

Onward Technologies Limited is a niche player in Mechanical Engineering Design Services (EDS) and IT consulting services (ITS). The Company offers wide range of engineering design services including product design, engineering analysis, engineering documentation and maintenance and manufacturing solutions for automotive, off highway, aerospace, industrial equipment and consumer goods industries. The Company has number of clients from Fortune 1,000 list.

With a strong team of more than 2500 employees operating across Company's various offices in India (Mumbai, Pune and Chennai), USA (Boston, Chicago, Detroit and Milwaukee) and Europe (Birmingham in UK and Frankfurt in Germany) we are catering to customers who are leading global players in their respective arenas.

### FINANCIAL HIGHLIGHTS

The summarized financial performance of your Company are as follows:

Rs. in Lacs

Particulars	Consolidated Results		Standalone Results	
	For the year ended 31.3.2017	For the year ended 31.3.2016	For the year ended 31.3.2017	For the year ended 31.3.2016
Sales and other income (Net)	<b>22,622.03</b>	19,963.27	<b>9,885.21</b>	9,074.64
Profit before finance cost, depreciation and exceptional items	<b>1,484.97</b>	1,528.97	<b>1,076.20</b>	1,132.23
Finance costs	<b>280.79</b>	332.89	<b>204.48</b>	207.40
Depreciation	<b>432.95</b>	382.27	<b>378.35</b>	336.90
Operating profit	<b>771.23</b>	813.81	<b>493.37</b>	587.93
Exceptional items	--	--	--	--
Profit before tax	<b>771.23</b>	813.81	<b>493.37</b>	587.93
Provision for taxation				
– Current tax	<b>141.64</b>	248.30	<b>134.18</b>	224.30
– Previous year tax adjustment	<b>52.78</b>	122.12	<b>52.78</b>	122.12
– Deferred tax expenses/(benefits)	<b>45.67</b>	124.78	<b>14.86</b>	133.29
Profit after tax	<b>531.14</b>	318.61	<b>291.55</b>	108.22

### Consolidated Performance:

Your Company's revenues grew to Rs. 22,622.03 Lacs from Rs. 19,963.27 Lacs in the last financial year, a growth of 13.32 % over the previous financial year.

The Earnings before Interest, Depreciation, Tax and Appropriations (EBIDTA) for the year 2016 - 17 was at Rs. 1,484.97 Lacs as compared to Rs. 1,528.97 Lacs in the last financial year. Operationally, your Company continues to invest and grow both in EDS and ITS in India and overseas markets.

The net profit after taxes and minority interest was higher by 66.71 % and stood at Rs. 531.14 Lacs as at March 31, 2017 as compared to Rs. 318.61 Lacs in the previous fiscal.



## Director's Report (Contd.)

### Standalone Performance:

Your Company achieved total revenue of Rs. 9,885.21 Lacs as compared to Rs. 9,074.64 Lacs in the previous year, representing a year-on-year growth of 8.93% supported by increase in volumes and revenue across all business segment.

The Earnings before Interest, Depreciation, Tax and Appropriations (EBITDA) remains flat and stood at Rs. 1,076.20 Lacs in the current year as compared to Rs. 1,132.23 Lacs during the previous year.

During the year under review, the Company registered growth of 169.40 % in the net profit after tax which stood at Rs. 291.55 Lacs as compared to Rs. 108.22 Lacs in the previous fiscal.

### DIVIDEND

Your Company had declared and paid final dividend in the 25th Annual General Meeting of the Company held on Monday, July 18, 2016. The Company paid dividend of Rs. 14,986,720 (Rupees One Crore Forty Nine Lacs Eighty Six Thousand Seven Hundred Twenty only), excluding dividend distribution tax, at the rate of Re. 1 (Rupee One only) per equity share of face value Rs. 10 (Rupees Ten only).

Also, the Directors have recommended a dividend of Rs. 1 (10% per cent) per equity share of face value Rs. 10 each, for the financial year ended March 31, 2017, 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 14, 2017, and
- (ii) to those whose names appear as beneficial owners, as on July 14, 2017 as furnished by the National Securities Depository Limited and Central Depository Services (India) Limited for the purpose.

The dividend payout is in accordance with your Company's policy of paying sustainable dividend linked to long term performance, keeping in view of the capital needs of your Company's growth plans and desire to achieve optimal financing of such plans through internal accruals.

### 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, 2017.

### SUBSIDIARIES

The subsidiaries of your Company are as follows:

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

During the year, your Company has opened its 11th global office in Brookfield, a suburb of Milwaukee, WI. The same focuses on catering to the customers' needs in the mid-west region and is strategic for Onward Technologies' expansion plan in the Industrial Machinery & Equipment vertical. This is the fourth office in the USA in addition to Chicago, Boston & Detroit.

All four offices are in strategic locations with concentration on engineering and IT customers and in close proximity to the clientele.

The North American operations have been growing at a steady pace. Revenues grew by 12.03% to Rs. 7,356.14 Lacs over the previous fiscal.

#### Onward eServices Limited (OeSL) (India)

OeSL operates primarily in India, with focus on Open Source Technology solutions, Infrastructure Management services, Professional services and Facilities management services.

During financial year 2016-17, revenues grew by over 23.25% to Rs. 5,036.14 Lacs. The EBITDA of the Company stood at Rs. 356.52 Lacs. The Indian market opening up in Company's market segments helped the growth of top-line.

OeSL has successfully executed several eGovernance projects and Mobility solutions through its Open Source Delivery Centre located at Chennai. OeSL is one of the preferred vendors for delivering Core Banking Implementation & Training to

## Director's Report (Contd.)

various banks through reputed System Integrators in India. In the recent past, OeSL has built a strong team to manage the Infrastructure Management Services to various Corporates and PSUs.

### Onward Technologies GmbH (OTG) (Germany)

During FY 16-17, revenues grew by over 62.71% to Rs. 703.80 Lacs.

OTG operates from Frankfurt, Germany and services European customers. OTG is focused on engineering business. It has increased the presence and clientele relationships moving towards growth trajectory. The investments made over a period including in the current year has started showing positive results. We continue to enrich our offerings to this challenging market while solving the complex engineering problems.

### Onward Properties Private Limited (OPPL)

During the year under review, OPPL did not undertake any substantial activities.

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, 2017 was hereunder:

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

In the meeting of the Board of Directors held on May 16, 2016, the Board had re-appointed Mr. Harish Mehta as an Executive Chairman of the Company, subject to approval of members of the Company. The members at the 25th Annual General Meeting held on July 18, 2016, ratified above appointment with effect from May 16, 2016.

Further, Mr. Jigar Mehta was appointed on the Board of the Company as the Managing Director at the meeting of the Board dated May 16, 2016, subject to approval of members of the Company. The members at the 25th Annual General Meeting held on July 18, 2016, ratified said appointment with effect from May 16, 2016.

Also, 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 2016-17.

Mr. Arun Meghani, Non – executive Director of the Company, retired from the Board effective from Thursday, April 27, 2017, after a distinguished journey on Board of the Company. The Board expresses its gratitude to Mr. Meghani for his immense contribution to the Company with best wishes for the years to come.

The Board of Directors of your Company has appointed Mr. Rahul Rathi and Mr. Parish Meghani as an Additional Director (Non-executive/Independent) on the Board of the Company on April 24, 2017 and May 10, 2017, respectively, to hold office upto date of ensuing Annual General Meeting, in terms of provisions contained in Section 161 of the Companies Act, 2013 (the Act) and rules made thereunder. Brief profile of Mr. Rahul Rathi and Mr. Parish Meghani along with other necessary information as required under Regulation 36 of Securities and Exchange Board of India (SEBI) (Listing

## Director's Report (Contd.)

Obligations and Disclosure Requirements) Regulations, 2015 (Listing Obligations) is placed on the website of the Company and also available on the websites of the stock exchanges for the information of the members.

### Independent Directors

Mr. Pradip Dubhashi, Mr. Pranay Vakil and Mr. Nandkumar Pradhan were the Independent Directors of the Company as on March 31, 2017. 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 22, 2017.

Mr. Pradip Dubhashi, Independent Director of the Company had tendered his resignation from the Board of the Company with effect from April 05, 2017. Your Company's Board of Directors would like to express appreciation to Mr. Dubhashi and warmly acknowledge his contribution as member of the Board for long journey of over 15 years.

Your Company has also laid down policies to identify persons who are qualified to become Directors and who may be appointed in senior management. Pursuant to above policy and provisions of Section 149 of the Act and Listing Obligations, as amended from time to time, your Directors has proposed appointment of Mr. Rahul Rathi and Mr. Parish Meghani as Non-executive Independent Directors of the Company in their meeting held on May 22, 2017, for the period of 3 (three) consecutive years upto July 20, 2020. The same shall be subject to approval of members at the ensuing Annual General Meeting. Accordingly, necessary resolutions along the explanatory statements are placed in the notice convening 26th Annual General Meeting of the Company.

Mr. Pranay Vakil and Mr. Nandkumar Pradhan were appointed as the Independent Directors on the Board with effect from August 1, 2014 in accordance with the provisions of Section 149 of the Act. Pursuant to the provisions of Section 149 (10) of the Act, an Independent Director shall hold office for a term up to 5 (five) consecutive years, but shall be eligible for re-appointment for another term up to 5 (five) consecutive years by approval of members by special resolution. In view of above provisions and terms of appointment, they hold office upto the date of this Annual General Meeting. Accordingly, keeping in view their experience, expertise and contribution to Board during their previous tenure for making the Board work more objectively and constructively, and uphold the ethical standards of integrity and probity, the Board of Directors recommends their re-appointment for the period of 3 (three) consecutive years up to July 20, 2020.

Further, above re-appointments are recommended based on the report of performance evaluation of Independent Directors done by the Board of your Company. Mr. Pranay Vakil and Mr. Nandkumar Pradhan are not disqualified from being re-appointed in terms of Section 164 and Section 149 of the Act. Accordingly, necessary resolutions along with the explanatory statements are placed in the notice convening 26th Annual General Meeting of the Company.

### 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	Monday	May 16, 2016	Mumbai, India
2	Monday	July 18, 2016	Mumbai, India
3	Friday	October 21, 2016	Mumbai, India
4	Monday	January 23, 2017	Pune, 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 were no discussion at the meeting which took place through video conferencing, the Directors present were available at the venue of the meeting.

## Director's Report (Contd.)

### Separate meeting of Independent Directors:

Meeting of the Independent Directors of the Company was held on March 23, 2017, to review the performance of Non-independent Directors (including the Chairman) and the Board as a whole, where all the Independent Directors were present. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the management and the Board and its Committees.

### **Key Managerial Personnel:**

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

Sr. No.	Name of KMP	Designation	Date of appointment
1	Mr. Harish Mehta	Chairman & Whole-time Director (Executive Chairman)	May 16, 2016
2	Mr. Jigar Mehta	Managing Director	May 16, 2016
3	Mr. Monik Damania	Company Secretary	May 16, 2016

Further, in accordance with the relevant provisions of the Act, necessary declarations and submissions has been made to Registrar of Companies in Form MR -1, Return on appointment of the KMPs.

### **Director Retiring by Rotation**

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

### **Board Evaluation**

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

### **Audit Committee**

The Audit Committee of the Board comprised of Mr. Pradip Dubhashi, as the Chairman, Mr. Arun Meghani, Mr. Pranay Vakil, Mr. Nandkumar Pradhan and Mrs. Prachi Mehta as members as at March 31, 2017. During the year under review, there were no instances of non-acceptance of any recommendations of the Audit Committee by the Board of Directors of your Company.

### **SHARE CAPITAL**

During the year the share capital of your Company increased from Rs. 149,337,700 to Rs. 151,962,700 by allotment of 262,500 new shares issued of face value Rs. 10 each under Company's Employees Stock Option Plan 2009. Further, on April 6, 2016 your Company had allotted 137,600 shares under ESOP scheme and at present, the paid-up share capital is Rs. 153,338,700 divided into 15,333,870 equity shares of face value Rs. 10 each.

### **Listing information**

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

BSE Limited: Scrip Code: 517536

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

The Company has regularly paid the Annual Listing fees to the respective Stock Exchanges. Annual Custody/Issuer fee for the financial year 2016-17 has been paid by the Company to National Securities Depositories Limited and Central Depository Services (India) Limited.

## Director's Report (Contd.)

### Pledge of shares

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

### EMPLOYEE STOCK OPTION SCHEME

Your Company had implemented Employee Stock Option Plan 2009 (ESOP 2009) for the benefit of employees of your Company and its subsidiaries. The aforesaid scheme was approved by the members of your Company at the 18th Annual General Meeting held on August 31, 2009 and the scheme is monitored under the guidance of the members of Nomination and Remuneration Committee of the Board of Directors. The rationale of implementation of ESOP 2009 was to attract, motivate and retain talented personnel with the organization for long time. The total number of warrants approved under the scheme for employees of your Company and of its subsidiaries are 875,000 with option to convert into 3,500,000 equity shares (One warrant is equal to four equity shares). The employees working with the subsidiaries of your Company are also covered under the above scheme.

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

### AUDITORS

#### Statutory Auditors

The members at 23rd Annual General Meeting of the Company held on Friday, August 1, 2014 had appointed M/s. Kirtane & Pandit LLP (or Existing Auditors), Chartered Accountants, (Firm Registration No. 105215W/W100057) as Statutory Auditors of the Company to hold office from the conclusion of that Annual General Meeting till the conclusion of 26th Annual General Meeting to be held in the year 2017. The term of office of existing auditors is getting expired in this Annual General Meeting. M/s. Kirtane & Pandit LLP has been auditors of the Company for more than past 10 years and cannot be re-appointed in accordance with the provisions of Sections 139, 142 and other applicable provisions, if any, of the Act, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force).

The Board of Directors has proposed appointment of M/s. Price Waterhouse Chartered Accountants LLP (Firm Registration No. 012754N/ N500016) to hold office as the statutory auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of the 31st Annual General Meeting of the Company, subject to approval of members.

Your Company has received a written consent from M/s. Price Waterhouse Chartered Accountants LLP to act as the statutory auditors of the Company for abovementioned period along with a certificate confirming the appointment, if made, shall be in accordance with the provisions mentioned above. Further, M/s. Price Waterhouse Chartered Accountants LLP are not disqualified to become the auditors of the Company under Section 141 of the Act.

#### Auditors' report for Financial Year 2016-17:

M/s. Kirtane & Pandit LLP, Chartered Accountants, (Firm Registration No. 105215W/W100057) has conducted statutory audit of the financials of the Company for the financial year ended March 31, 2017 and has submitted their report to the Board along with the financial statements approved at the Board meeting held on May 22, 2017. The said report is enclosed along with the financials of your Company and also forms part of this Annual Report, which includes their remarks and matters of emphasis which are self-explanatory.

#### Secretarial Auditors

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board, had appointed M/s. Yogesh D Dabholkar & Co., Company Secretaries in Practice (FCS: 6336, CP No.: 6752) to undertake the secretarial audit of your Company for the financial year ended March 31, 2017. Their audit report is annexed herewith this report as **Annexure-3**.

Their report envisages remarks in relation to non-appointment of key managerial personnel viz; Chief Financial Officer,

## Director's Report (Contd.)

during the year under review. The Board would like inform that your Company is in search for a competent Chief Financial Officer and intend to appoint one in the current fiscal.

### 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. Significant audit observations and corrective actions there on are presented to the Audit Committee of the Board. The Audit Committee also met your Company's Statutory Auditors to ascertain their views on the financial statements, including financial reporting system, compliance to accounting policies and procedures, the adequacy and effectiveness of internal controls and systems followed by your Company.

### BUSINESS RISK MANAGEMENT

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

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

### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Loans, guarantees and investments covered under Section 186 of the Act, form part of the notes to the financial statements provided in this Annual Report. Also, details of loans, guarantees and investments made by the Company during the Financial Year 2016-17 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 16, 2016, for routine transactions



## Director's Report (Contd.)

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](http://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 2016-17, are given in the notes to financial statements as per Accounting Standard 18 (AS 18), which form part of the Annual Report.

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

### EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the annual return in form MGT-9 is annexed herewith as **Annexure - 5** to this Report.

### DIRECTOR'S RESPONSIBILITY STATEMENT

The Directors confirm that:

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

### CORPORATE SOCIAL RESPONSIBILITY

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

However, as a matter of Company's social responsibility, your Company has undertaken several initiatives through its social welfare organization named 'Onward Foundation'. Onward Foundation is a charitable organization and its charter is to extend support to society in the areas of education, health care and social welfare. Through its initiative called "Making a difference to our community" the foundation continues to extend its support to several orphanages and paraplegic institutes. Also, the foundation has contributed to education and social welfare of Adivasi girls from rural areas.

Your Company continues to pledge its support for several health care programs like "V-Care" which strives to provide medical support for treatment of cancer patients. Also, your Company has contributed for providing hearing aid treatments and instruments for underprivileged and poor people. To support education in the society the foundation has extended its arm to several educational institutes which provides basic education to the poor. Your Company strives to promote, support and strengthen the objectives of Onward Foundation with an ultimate aim of well being of society.



**Director's Report (Contd.)****DISCLOSURES UNDER THE ACT**

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

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

## 2. Shares with differential rights:

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

## 3. Sweat Equity Shares:

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

## 4. Reporting of frauds:

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

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

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

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

**DISCLOSURES AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACSE (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 regards. 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 disposedoff 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	3 (Three)

## Director's Report (Contd.)

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, 2017, as stipulated Regulation 34 of the Listing Obligations, is presented in a separate report which forms part of this Report.

### CORPORATE GOVERNANCE

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

#### Green Initiatives in Corporate Governance:

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

### 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:			
	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.)****(Amount in Rs. Lacs )****C. Foreign exchange earnings and outgo: (OTL - Standalone)**

	<b>2016-17</b>	<b>2015-16</b>
Foreign exchange earnings	<b>4,737.23 Lacs</b>	4,245.94 Lacs
Foreign exchange outgo	<b>1,901.92 Lacs</b>	1,888.10 Lacs

**PARTICULARS OF EMPLOYEES**

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

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

<b>Sr. no.</b>	<b>Name</b>	<b>Designation</b>	<b>Remuneration</b>	<b>Nature of employment whether contractual or otherwise</b>	<b>Qualification &amp; Experience &amp; Age</b>	<b>Date of Commencement of Employee</b>	<b>The last employment held by employee before joining Company</b>	<b>% of equity shares held by employee in the Company</b>	<b>Whether the employee is a relative of any Director, Manager of the Company. If yes provide the details</b>
1	Harish Mehta	Executive Chairman	Rs. 8,385,804	Permanent	<b>Qualification:</b> M.S.Electrical <b>Experience:</b> 39 years <b>Age:</b> 69 years	1-Jan-2006	NA	216,528 (1.42%)	Relative of Mr. Jigar Mehta, Managing Director and Mrs. Prachi Mehta, Director of the Company
2	Jigar Mehta	Managing Director	Rs. 7,947,960	Permanent	<b>Qualification:</b> Bachelor in Business Administration with concentration in Marketing and Management information system, Boston University, USA <b>Experience:</b> 16 years <b>Age:</b> 37 years	19-Jun-2001	NA	215,944 (1.42%)	Relative of Mr. Harish Mehta, Executive Chairman and Mrs. Prachi Mehta, Director of the Company

## Director's Report (Contd.)

### REMUNERATION POLICY:

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

- ¾ Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate, to run the Company successfully.
- ¾ Ensuring that relationship of remuneration to performance is clear and meets the performance benchmarks.
- ¾ 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.

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

#### Remuneration to Executive Directors, Key Managerial Personnel(s) (KMPs) & Senior Management Personnel (s) (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 in due 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, the Executive Directors are neither paid sitting fee nor any profit related commission.

#### Senior Management Personnel:

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

1. Chief Executive Officer (CEO),
2. Chief Financial Officer (CFO),
3. Chief Operating Officer (COO)

**Director's Report** *(Contd.)*

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](http://www.onwardgroup.com).

**ACKNOWLEDGMENTS**

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

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

**For and on behalf of the Board of Directors**

Place: Mumbai

Date: May 22, 2017

**Harish Mehta**

Executive Chairman

## Director's Report (Contd.)

### Annexure - 1

#### Form AOC-1

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

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

(Amount in Rs. )

Sr. No.	Name of the subsidiary	Onward eServices Limited	Onward Technologies Inc.	Onward Technologies GmbH	Onward Properties Private Limited
1.	Date since when subsidiary was acquired	Since 2003	Since 1996	Since 2003	Since 1995
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as Parent Company	Same as Parent Company	Same as Parent Company	Same as Parent Company
3.	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	INR	USD Rates for profit and loss Rs.67.1439 ; balance sheet Rs.64.9037	EURO Rates for profit and loss Rs.73.4797; balance sheet Rs.69.6871	INR
4.	Share capital (including share application money) (Rs.)	246,200,000	95,169,663	21,598,542	500,000
5.	Reserves and surplus	(97,270,494)	65,524,285	(17,947,427)	9,580,872
6.	Total assets	262,922,894	232,328,681	31,027,066	10,069,347
7.	Total Liabilities	113,993,388	71,634,733	27,375,951	21,189
8.	Investments	-	-	-	-
9.	Turnover	499,401,660	735,613,662	70,379,591	-
10.	Profit before taxation	23,704,666	8,561,578	12,303,514	(32,714)
11.	Provision for taxation	-	3,826,799	-	-
12.	Profit after taxation	23,704,666	4,734,779	12,303,514	(32,714)
13.	Proposed Dividend	-	-	-	-
14.	% of shareholding	100	100	100	100

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

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

The Company did not have any Associate Companies or Joint ventures during the year under review. Further, there were no associates or joint ventures which were yet to commence operations or which were liquidated or sold during the year under review.

**Director's Report (Contd.)****Annexure - 2**

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

Description	ESOP 2009	
	2016-17	2015-16
Total number of shares covered by ESOP Scheme approved by the shareholders	35,000,000	35,000,000
Options granted	95,000	144,200
Maximum term of options granted	5 years	5 years
Source of shares	Primary	Primary
Options vested (in shares)	456,200	568,063
Options exercised	65,625	89,725
The total number of shares arising as a result of exercise of option	262,500	358,900
Options forfeited	47,712.5	16,962.5
Options lapsed	7,337.5	1,725
Extinguishment or modification of options	None	None
The exercise price	Rs. 10	Rs. 10
Pricing formula	Face Value	Face Value
Variation of terms by exercise of options	None	None
Money realised by exercise of options	2,625,000	3,589,000
Total number of options outstanding at the end of the year	312,162.5	343,213
Total number of options exercisable at the end of the year	217,162.5	192,612.5
Employee - wise details of options granted to:		
Key managerial personnel and Senior Managerial Personnel: 1. Mr. Monik Damania - Company Secretary	--	1,500
Any other employee who receives a grant of options in any one year of option amounting to 5% or more of options granted during that year	None	None
Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	None	None
Issued capital (excluding outstanding warrants and conversions of the Company at the time of grant.	Rs. 151,962,700 (15,196,270 equity shares)	Rs. 149,337,700 (14,933,770 equity shares)
Method used to accounting of options	Intrinsic Value	Intrinsic Value
Diluted EPS calculated in accordance with International Accounting Standards (IAS) 33	1.80	0.68



## Director's Report (Contd.)

### Annexure - 3

#### SECRETARIAL AUDIT REPORT

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

#### **FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2017 (01-04-2016 to 31-03-2017)**

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

Dear Sirs,

I 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 me a reasonable basis for evaluating the corporate conducts/Statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by "the Company" and also the information provided by "the Company", its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company, during the audit period covering the financial year from 1<sup>st</sup> April, 2016 to 31<sup>st</sup> March, 2017 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Onward Technologies Limited ("the Company") as given in Annexure A for the financial year from 1<sup>st</sup> April, 2016 to 31<sup>st</sup> March 2017 according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made there under and The Companies Act, 1956 (the Old 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 there under to the extent of foreign direct investment, overseas direct investment.
- 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;
  - (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) 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);
  - (h) 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);

**Director's Report (Contd.)**

- (i) 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
- (j) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable as the Company has not bought back any of its securities during the financial year under review).
- vi) Other laws as applicable specifically to the company: Industrial Laws, Product Laws, Manufacturing laws, pollution laws, Safety Laws and Other General and Commercial Laws including Labour Laws and Tax Laws.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India which has come into effect from 1<sup>st</sup> July, 2015.

During the financial year from 1<sup>st</sup> April, 2016 to 31<sup>st</sup> March, 2017 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 observation.

*The Company has not appointed Chief Financial Officer (CFO), Key Managerial Personnel as required under the provisions of Section 203 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:*

**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 and has appointed woman Director as is required as per applicable clauses under Listing Agreement/ The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

**I 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.

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

- (i) Public / Rights / Preferential issue of shares /debentures.
- (ii) Redemption / buy-back of securities.
- (iii) Major decisions taken by the Members in pursuance to Section 180 of the Companies Act, 2013.
- (iv) Foreign Technical collaborations.

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

For **Yogesh D Dabholkar & Co.,**  
Practicing Company Secretaries

Yogesh D Dabholkar  
Proprietor  
FCS No: 6336.  
CP No: 6752.

Place: Dombivli  
Date: May 22, 2017.

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

## Director's Report (Contd.)

### Annexure - A

#### List of documents verified

1. Latest Memorandum & Articles of Association of the Company.
2. Annual Report for the financial year ended 31<sup>st</sup> March, 2016.
3. Minutes of the meetings of the Board of Directors, Audit Committee, Nomination & Remuneration Committee, Share Transfer Committee, Stakeholders' Relationship Committee and CSR Committee along with Attendance Register held during the period 1<sup>st</sup> April, 2016 to 31<sup>st</sup> March 2017 under report.
4. Minutes of General Body Meeting held during the period commencing from 1<sup>st</sup> April, 2016 to 31<sup>st</sup> March, 2017 under report.
5. Agenda papers submitted to all the Directors | Members for the Board Meetings and Committee Meetings.
7. Declarations received from the Directors of the Company pursuant to the provisions of 164 & 184 of the Companies Act, 2013.
8. e-Form(s) filed by the Company, from time-to-time, under applicable provisions of the Companies Act, 1956 and Companies Act, 2013 during the commencing from 1st April, 2016 to 31st March, 2017 under report.
9. Intimations / documents / reports / returns filed with the Stock Exchange(s) pursuant to the provisions of Listing Agreement/ The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 | The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 The Securities and Exchange Board of India (Substantial Acquisition & Takeover) Regulations, 2011 during the commencing from 1<sup>st</sup> April, 2016 to 31<sup>st</sup> March, 2017 under report.

### Annexure - B

#### List of applicable laws to the Company

Under the Major Group and Head

1. Factories Act, 1948;	12. Maternity Benefits Act, 1961
2. Apprenticeship Act, 1961;	13. Payment of Bonus Act, 1965.
3. Contract Labour (Regulations and Abolition) Act, 1970.	14. Negotiable Instruments Act, 1881
4. Employees provident fund scheme, 1952.	15. Payment of Gratuity Act, 1972.
5. Employees pension Scheme, 1995.	16. Workman's compensation Act, 1923.
6. Employees, Deposit linked Insurance scheme, 1976.	17. Public liability insurance Act, 1991.
7. Employees State Insurance Act, 1948.	18. Environmental (Protection) Act, 1986.
8. Industrial Dispute Act, 1947.	19. Noise pollution (Regulation and control) Rules, 2000.
9. Indian Contract Act, 1872.	20. Acts as prescribed under Direct Tax and Indirect Tax.
10. Indian Stamp Act, 1999.	21. Land Revenue laws of respective States;
11. Minimum Wages Act, 1948.	22. Local laws as applicable.

**Director's Report (Contd.)****Annexure - C**

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

***My 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. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I 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. I believed that the processes and practices that I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained 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. My 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 **Yogesh D Dabholkar & Co.,**  
Practicing Company Secretaries

Yogesh D Dabholkar  
Proprietor  
FCS No: 6336.  
CP No: 6752.

Place: Dombivli  
Date: May 22, 2017

## Director's Report (Contd.)

### Annexure - 4

#### Particulars of Loans, Guarantee, Security and Investments for the financial year 2016-17

##### A Particulars of Loans given by Company during financial year 2016-17:

Figures in Rs.

Sr. No.	Name of Borrower	Opening Balance	During FY 2016-17		Closing Balance
			Given	Repaid	
1	Onward eServices Limited	103,253,873	49,105,601	152,359,474	-
	<b>Total</b>	<b>103,253,873</b>	<b>49,105,601</b>	<b>152,359,474</b>	<b>-</b>

##### B Guarantee(s)/Security(s) provided during financial year 2016-17:

Sr. No.	Name of the Company for whom guarantee is provided	Name of the Party in whose favour guarantee is given	Purpose of Guarantee	Amount for which guarantee is given
1	Kotak Mahindra Bank Limited	Onward eServices Limited	Bank -Cash Credit facility	30,595,004
2	Kotak Mahindra Bank Limited	Onward eServices Limited	Term Loan	17,617,960
3	Bank of America	Onward Technologies Inc	Term Loan	5,462,360
4	Bank of America	Onward Technologies Inc	Bank -Cash Credit facility	40,240,294
			<b>Total</b>	<b>93,915,618</b>

##### C Investments made during the financial year 2016-17:

Sr. No.	Particulars	Opening Balance	During FY 2016-17		Closing Balance
			Acquisition	Sale	
1	Onward eServices Limited-Pref. Shares	-	90,000,000	-	90,000,000
2	Onward eServices Limited-Equity Shares	156,200,000	-	-	156,200,000
3	Onward Properties Pvt Ltd-Equity Shares	10,692,664	-	-	10,692,664
4	Onward Technologies GmbH-Equity Shares	21,598,543	-	-	21,598,543
5	Onward Technologies Inc-Equity Shares	95,169,663	-	-	95,169,663
	<b>Total</b>	<b>283,660,869</b>	<b>90,000,000</b>	<b>-</b>	<b>373,660,869</b>

**Director's Report (Contd.)****Annexure - 5****Form No. MGT 9****Extract of annual return as on financial year ended March 31, 2017****Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company (Management & Administration) Rules, 2014****I Registration and other details:**

i	CIN	L28920MH1991PLC062542
ii	Registration date	18/Jul/1991
iii	Name of the Company	Onward Technologies Limited
iv	Category/sub-category of the Company	Company having share capital
v	Address of the registered office and contact details	2nd Floor, Sterling Centre, Dr. A.B. Road, Worli, Mumbai - 400018 Tel. No.: +91 22 2492 6570
vi	Whether listed Company	Yes
vii	Name, address and contact details of the registrar and transfer agent, if any	Link Intime India Pvt. Ltd ,C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai, Maharashtra, 400083. Tel: +91 22 25963838 Fax: +91 22 25962691 Email: <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a> 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	95.34

**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 Network Technologies Private Limited	U72200MH1991PTC062761	Holding	56.81%	Section 2(46) Of Companies Act, 2013
2	Onward eServices Limited	U72900MH2003PLC140979	Subsidiary	100.00%	2(87) of Companies Act, 2013
3	Onward Properties Private Limited	U99999MH1987PTC045115	Subsidiary	100.00%	2(87) of Companies Act, 2013
4	Onward Technologies Inc.		Subsidiary	100.00%	2(87) of Companies Act, 2013
5	Onward Technologies GmbH		Subsidiary	100.00%	2(87) of Companies

## Director's Report (Contd.)

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

Category of shareholders	Number of shares held at the beginning of the year				Number of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	674,310	-	674,310	4.52	755,710	-	755,710	4.97	0.46
b) Central Govt. or State Govt.	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	8,970,508	-	8,970,508	60.07	9,141,895	-	9,141,895	60.16	0.09
d) Bank/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>Sub total:(A) (1)</b>	<b>9,644,818</b>	<b>-</b>	<b>9,644,818</b>	<b>64.58</b>	<b>9,897,605</b>	<b>-</b>	<b>9,897,605</b>	<b>65.13</b>	<b>0.55</b>
<b>2) Foreign</b>									
a) NRI- Individuals	-	-	-	-	-	-	-	-	-
b) Other individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>Sub total:(A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total shareholding of promoter (A)= (A)(1)+(A)(2)</b>	<b>9,644,818</b>	<b>-</b>	<b>9,644,818</b>	<b>64.58</b>	<b>9,897,605</b>	<b>-</b>	<b>9,897,605</b>	<b>65.13</b>	<b>0.55</b>
<b>B. Public shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual funds	150	3,600	3,750	0.03	150	3,600	3,750	0.02	(0.00)
b) Banks/FI	250	100	350	0.00	250	100	350	0.00	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIS	550,000	-	550,000	3.68	-	-	-	-	(3.68)
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub total:(B) (1)</b>	<b>550,400</b>	<b>3,700</b>	<b>554,100</b>	<b>3.71</b>	<b>400</b>	<b>3,700</b>	<b>4,100</b>	<b>0.03</b>	<b>(3.68)</b>
<b>(2) Non Institutions</b>									
a) Bodies corporates									
i) Indian	526,496	6,900	533,396	3.57	471,294	6,900	478,194	3.15	(0.42)
ii) Overseas	1,250	-	1,250	0.01	1,250	-	1,250	0.01	(0.00)
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 Lac	2,228,914	201,479	2,430,393	16.27	2,515,160	200,879	2,716,039	17.87	1.60
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 Lac	1,365,647	-	1,365,647	9.14	1,586,673	-	1,586,673	10.44	1.30
C) Others (specify)									
c) i) Clearing Member	47,024	-	47,024	0.31	200,737	-	200,737	1.32	1.01
c) ii) Non Resident Indian (Repat)	11,883	6,350	18,233	0.12	30,966	6,350	37,316	0.25	0.12
c) iii) Non Resident Indian (Non Repat)	23,165	-	23,165	0.16	24,987	-	24,987	0.16	0.01
c) iv) Hindu Undivided Family	315,744	-	315,744	2.11	249,369	-	249,369	1.64	(0.47)
<b>Sub total:(B) (2)</b>	<b>4,520,123</b>	<b>214,729</b>	<b>4,734,852</b>	<b>31.71</b>	<b>5,080,436</b>	<b>214,129</b>	<b>5,045,196</b>	<b>33.20</b>	<b>1.49</b>
<b>Total public shareholding (B)= (B)(1)+(B)(2)</b>	<b>5,070,523</b>	<b>218,429</b>	<b>5,288,952</b>	<b>35.42</b>	<b>5,080,836</b>	<b>217,829</b>	<b>5,298,665</b>	<b>34.87</b>	<b>(0.55)</b>
<b>C. Shares held by custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand total (A+B+C)</b>	<b>14,715,341</b>	<b>218,429</b>	<b>14,933,770</b>	<b>100.00</b>	<b>14,978,441</b>	<b>217,829</b>	<b>15,196,270</b>	<b>100.00</b>	<b>-</b>



**Director's Report (Contd.)****(ii) Share holding of promoters**

Sr. No.	Shareholders name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		Number of shares	% of total shares of the Company	% of shares pledged encumbered to total shares	Number of shares	% of total shares of the Company	% of shares pledged encumbered to total shares	
1	Onward Network Technologies Pvt.Ltd.	8,461,925	56.66	-	8,633,312	56.81	-	0.15
2	Desai Finwealth Investments and Securities Pvt.Ltd.	508,583	3.41	-	508,583	3.35	-	(0.06)
3	Harish Shantital Mehta	195,428	1.31	-	216,528	1.42	-	0.12
4	Jigar Harish Mehta	199,644	1.34	-	215,944	1.42	-	0.08
5	Heral Harish Mehta	187,186	1.25	-	187,186	1.23	-	(0.02)
6	Prachi Harish Mehta	78,052	0.52	-	136,052	0.90	-	0.37
7	Harish Shantital Mehta (HUF)	14,000	0.09	-	-	-	-	(0.09)
	<b>Total</b>	<b>9,644,818</b>	<b>64.58</b>	<b>-</b>	<b>9,897,605</b>	<b>65.13</b>	<b>-</b>	<b>0.55</b>

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

Sr. No.	Particulars	Share holding at the beginning of the Year		Change during the Year			Cumulative Share holding during the year	
		Number of shares	% of total shares of the Company	Date	Increase/ Decrease in shareholding	Reason	Number of shares	% of total shares of the Company
<b>1</b>	<b>Onward Network Technologies Pvt. Ltd.</b>							
	At the beginning of the year	8,461,925	56.66					
	Change during the year:			09 Sep 2016	35,379	Transfer	8,497,304	55.92
				16 Sep 2016	63,356	Transfer	8,560,660	56.33
				23 Sep 2016	4,700	Transfer	8,565,360	56.36
				07 Oct 2016	6,500	Transfer	8,571,860	56.41
				11 Nov 2016	19,990	Transfer	8,591,850	56.54
				18 Nov 2016	9,200	Transfer	8,601,050	56.60
				25 Nov 2016	28,512	Transfer	8,629,562	56.79
				02 Dec 2016	500	Transfer	8,630,062	56.79
				09 Dec 2016	3,250	Transfer	8,633,312	56.81
	At the end of the year						8,633,312	56.81
<b>2</b>	<b>Desai Finwealth Investments and Securities Pvt. Ltd.</b>							
	At the beginning of the year	508,583	3.41		-	-	508,583	3.35
	Change during the year			-	-	-		
	At the end of the year						508,583	3.35

## Director's Report (Contd.)

Sr. No.	Particulars	Share holding at the beginning of the Year		Change during the Year			Cumulative Share holding during the year	
		Number of shares	% of total shares of the Company	Date	Increase/ Decrease in shareholding	Reason	Number of shares	% of total shares of the Company
<b>3</b>	<b>Harish Mehta</b>							
	At the beginning of the year	195,428	1.31					
	Change during the year			25 Nov 2016	4,500	Transfer	199,928	1.32
				02 Dec 2016	3,450	Transfer	203,378	1.34
				09 Dec 2016	4,750	Transfer	208,128	1.37
				16 Dec 2016	1,500	Transfer	209,628	1.38
				30 Dec 2016	200	Transfer	209,828	1.38
				06 Jan 2017	5,500	Transfer	215,328	1.42
				03 Feb 2017	200	Transfer	215,528	1.42
				10 Feb 2017	500	Transfer	216,028	1.42
				17 Feb 2017	500	Transfer	216,528	1.42
	At the end of the year						216,528	1.42
<b>4</b>	<b>Jigar Mehta</b>							
	At the beginning of the year	199,644	1.34					
	Change during the year			17 Jun 2016	3,000	Transfer	202,644	1.33
				29 Jul 2016	1,800	Transfer	204,444	1.35
				05 Aug 2016	6,600	Transfer	211,044	1.39
				12 Aug 2016	2,000	Transfer	213,044	1.40
				09 Dec 2016	1,500	Transfer	214,544	1.41
				16 Dec 2016	1,400	Transfer	215,944	1.42
	At the end of the year						215,944	1.42
<b>5</b>	<b>Heral Mehta</b>							
	At the beginning of the year	187,186	1.25					
	Change during the year			-	-	-		
	At the end of the year						187,186	1.23
<b>6</b>	<b>Prachi Mehta</b>							
	At the beginning of the year	78,052	0.52					
	Change during the year			08 Apr 2016	9,500	Transfer	87,552	0.58
				27 May 2016	16,500	Transfer	104,052	0.68
				03 Jun 2016	3,000	Transfer	107,052	0.70
				10 Jun 2016	28,255	Transfer	135,307	0.89
				17 Jun 2016	745	Transfer	136,052	0.90
	At the end of the year						136,052	0.90
<b>7</b>	<b>Harish Mehta (HUF)</b>							
	At the beginning of the year	14,000	0.09					
	Change during the year			24 Jun 2016	(10,073)	Transfer	3,927	0.03
				01 Jul 2016	(3,927)	Transfer	-	
	At the end of the year						-	-

**Director's Report** (Contd.)**(iv) Shareholding pattern of top ten shareholders (other than directors, promoters and holders of GDRs and ADRs):**

Sr. No.	Particulars	Shareholding at the beginning of the year		Changes during the year		Cumulative Share holding during the year	
		Number of shares	% of total shares of the Company	Date	Number of shares	Number of shares	% of total shares of the Company
1	Rishi Kajaria	150,000	0.9871			150,000	0.99
	At the end of the year					150,000	0.99
2	M V S S Narayanacharyulu	127,100	0.8364			127,100	0.84
				26 Aug 2016	2,500	129,600	0.85
				03 Feb 2017	7,000	136,600	0.90
	At the end of the year					136,600	0.90
3	Rishi Kajaria	100,000	0.6581			100,000	0.66
	At the end of the year					100,000	0.66
4	Techpro Ventures LLP	-	-			-	-
				07 Oct 2016	25,000	25,000	0.16
				21 Oct 2016	50,000	75,000	0.49
				04 Nov 2016	25,000	100,000	0.66
				03 Feb 2017	(3,206)	96,794	0.64
	At the end of the year					96,794	0.64
5	Avinash Tantia	90,430	0.5951			90,430	0.60
	At the end of the year					90,430	0.60
6	Saidpur Jute Company Limited	86,927	0.572			86,927	0.57
	At the end of the year					86,927	0.57
7	Manisha Ashok Chokhani	74,828	0.4924			74,828	0.49
	At the end of the year					74,828	0.49
8	Jyoti Ketan Vakharia	-	-			-	-
				24 Jun 2016	71,000	71,000	0.47
	at the end of the year					71,000	0.47
9	Meghani Parish Arun	23,252	0.153			23,252	0.15
				10 Jun 2016	38,500	61,752	0.41
				05 Aug 2016	1,000	62,752	0.41
				19 Aug 2016	2,891	65,643	0.43
	At the end of the year					65,643	0.43
10	Maniben Ugrabhai Patel	-	-			-	-
				05 Aug 2016	64,443	64,443	0.42
				25 Nov 2016	100	64,543	0.42
	At the end of the year					64,543	0.42

## Director's Report (Contd.)

Sr. No.	For Each of the directors and KMP	Share holding at the beginning of the Year		Date	Increase/ Decrease in shareholding	Reason	Cumulative Share holding during the year	
		Number of shares	% of total shares of the Company				Number of shares	% of total shares of the Company
1	Harish Mehta							
	At the beginning of the year	195,428	1.31					
	Change during the year							
				25 Nov 2016	4,500	Transfer	199,928	1.32
				02 Dec 2016	3,450	Transfer	203,378	1.34
				09 Dec 2016	4,750	Transfer	208,128	1.37
				16 Dec 2016	1,500	Transfer	209,628	1.38
				30 Dec 2016	200	Transfer	209,828	1.38
				06 Jan 2017	5,500	Transfer	215,328	1.42
				03 Feb 2017	200	Transfer	215,528	1.42
				10 Feb 2017	500	Transfer	216,028	1.42
				17 Feb 2017	500	Transfer	216,528	1.42
	At the end of the year						216,528	1.42
2	Jigar Mehta							
	At the beginning of the year	199,644	1.34					
	Change during the year							
				17 Jun 2016	3,000	Transfer	202,644	1.33
				29 Jul 2016	1,800	Transfer	204,444	1.35
				05 Aug 2016	6,600	Transfer	211,044	1.39
				12 Aug 2016	2,000	Transfer	213,044	1.40
				09 Dec 2016	1,500	Transfer	214,544	1.41
				16 Dec 2016	1,400	Transfer	215,944	1.42
	At the end of the year						215,944	1.42
3	Pradip Dubhashi							
	At the beginning of the year	17,500	0.12					
		2,009		05 Oct 2016	2,500	ESOP	20,000	0.13
				31 Mar 2017	(1,615)	Transfer	18,385	0.12
	At the end of the year	-	-				18,385	0.12
4	Prachi Mehta							
	At the beginning of the year	78,052	0.52	31/03/2016				
	Change during the year			08 Apr 2016	9,500	Transfer	87,552	0.58
				27 May 2016	16,500	Transfer	104,052	0.68
				03 Jun 2016	3,000	Transfer	107,052	0.70
				10 Jun 2016	28,255	Transfer	135,307	0.89
				17 Jun 2016	745	Transfer	136,052	0.90
	At the end of the year						136,052	0.90
5	Arun Meghani He did not hold any shares at the beginnig of the year and there were no transactions during the year							
6	Pranay Vakil He did not hold any shares at the beginnig of the year and there were no transactions during the year							
7	Nandkumar Pradhan He did not hold any shares at the beginnig of the year and there were no transactions during the year							

**Director's Report (Contd.)****V Indebtedness****Indebtedness of the Company including interest outstanding/accrued but not due for payment**

Figures in Rs.

	Secured loans excluding deposits	Unsecured loans	Deposits	Total indebtedness
<b>Indebtness at the beginning of the financial year</b>				
i) Principal Amount	177,921,491	10,083,593	-	188,005,084
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>177,921,491</b>	<b>10,083,593</b>	<b>-</b>	<b>188,005,084</b>
<b>Change in indebtedness during the financial year</b>				
	Secured loans excluding deposits	Unsecured loans	Deposits	Total indebtedness
Additions	1,330,884,715	-	-	1,330,884,715
Reduction	1,349,978,430	50,000	-	1,350,028,430
<b>Net Change</b>	<b>(19,093,715)</b>	<b>(50,000)</b>	<b>-</b>	<b>(19,143,715)</b>
<b>Indebtedness at the end of the financial year</b>				
I Principal Amount	158,827,776	10,033,593	-	168,861,369
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>158,827,776</b>	<b>10,033,593</b>	<b>-</b>	<b>168,861,369</b>

**VI Remuneration of directors and key managerial personnel**

Figures in Rs.

<b>A</b>	<b>Remuneration to Managing Director (MD), Whole Time Director (WTD) and/or Manager:</b>		
<b>Sr. No.</b>	<b>Particulars of remuneration</b>	<b>Name of the MD/WTD/Manager</b>	
		<b>Mr. Jigar Mehta Managing Director</b>	<b>Mr. Harish Mehta Executive Chairman</b>
<b>1</b>	<b>Gross salary</b>		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	7,908,360	8,357,004
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	39,600	28,800
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-
2	Stock option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	as % of profit	-	-
	others (specify)	-	-
5	Others, please specify	-	-
	<b>Total (A)</b>	<b>7,947,960</b>	<b>8,385,804</b>
	<b>Ceiling as per the Act</b>	<b>8,400,000</b>	<b>8,400,000</b>

**Director's Report (Contd.)**

Amount (in Rs.)

<b>B</b>	<b>Remuneration to other directors:</b>				
<b>Sr. No.</b>	<b>Particulars of remuneration</b>	<b>Name of the directors</b>			
1	Independent directors	Mr. Pradip Dubhashi	Mr. Nandkumar Pradhan	Mr. Pranay Vakil	<b>Total</b>
	(a) Fee for attending board/committee meetings	380,000	505,000	480,000	1,365,000
	(b) Commission	-	-	-	-
	(c ) Others, please specify	-	-	-	-
	<b>Total (1)</b>	<b>380,000</b>	<b>505,000</b>	<b>480,000</b>	<b>1,365,000</b>
2	Other Non-Executive directors	Mr. Arun Meghani	Mrs. Prachi Mehta		<b>Total</b>
	(a) Fee for attending/board committee meetings	370,000	495,000	-	865,000
	(b) Commission	-	-	-	-
	(c ) Others, please specify.	-	-	-	-
	<b>Total (2)</b>	<b>370,000</b>	<b>495,000</b>	<b>-</b>	<b>865,000</b>
	<b>Total (B) = (1 + 2)</b>				<b>2,230,000</b>
	<b>Total managerial remuneration</b>				<b>16,333,764</b>
	<b>Overall ceiling as per the Act</b>				Within limits

<b>C</b>	<b>Remuneration to Key Managerial Personnel other than MD/WTD/Manager</b>				
<b>Sr. No.</b>	<b>Particulars of remuneration</b>				
1	<b>Gross Salary</b>	<b>CEO</b>	<b>Company Secretary</b>	<b>CFO</b>	<b>Total</b>
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	-	-	-	-
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-	-
	(c ) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	as % of profit	-	-	-	-
	others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**VII. Penalties/ Punishment/ Compounding of Offences:** None

**VIII. Officers In Default:** None

**Director's Report (Contd.)****ANNEXURE - 6**

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

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

Median remuneration (A)	Rs. 520,108
Remuneration of Mr. Harish Mehta (Executive Chairman) (B)	Rs. 8,385,804
Remuneration of Mr. Jigar Mehta (Managing Director) (C)	Rs. 7,947,960
Ratio of A to B	16.12 times
Ratio of A to C	15.28 times

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

Name of Director	Percentage increase in remuneration
Mr. Harish Mehta (Executive Chairman)	No change
Mr. Jigar Mehta (Managing Director)	NA

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

Percentage increase in median remuneration	4.02%
--	-------

The number of permanent employees on the rolls of the Company: 883

Explanation on the relationship between average increase in remuneration and the Company's performance:	Factors considered while recommending increase in compensation:	
	1. Financial performance of the Company	
	2. Industry bench marking	
	3. Contribution made by the employee	
Comparison of the remuneration of the key managerial personnel (KMP) against the performance of the Company	The compensation of KMP (Directors) is in rational with the performance of the Company. The profit after tax of the company increased by 169.40 %, whereas there is no increase in remuneration to KMPs	
Variations in the market capitalization of the Company, price earning ratio as at the closing date of the current financial year & previous financial year & percentage increase over decrease in the market quotations of he shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies.		
Particulars	As on March 31, 2017	As on March 31, 2016
Market capitaliastion (Rs. in Crore)	122.25	104.01
Price to earning ratio	41.68	95.41
Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year:	9%	
The key parameters for variable component of remuneration availed by the directors	None of the directors' remuneration has variable components.	
Whether any employee is paid remuneration more the highest paid director of the Company:	No	
The ratio of the remuneration of the highest paid director to that of the employees who are not director but receive remuneraion in excess of the highest paid director during the year:	Not applicable	
Affirmation that the remuneration is as per the remuneration policy of the Company:	Yes	



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### A. Management Analysis:

According to NASSCOM, the enterprise outsourced R&D market in 2015-16 is around \$75B, with the US, Japan and Germany being the top three markets. India's share of the Engineering Services Outsourcing (ESO) industry was estimated to be around 30% in 2015-16, and it competes with countries like the US, France, and Germany for onshore delivery and Mexico, China, Eastern Europe, Vietnam, and Philippines for offshore delivery. NASSCOM estimates that India will capture 35-40% share of the global market by 2020.

Over the years, Indian Engineering R&D Offshoring service industry has graduated from Cost Arbitrage to Capacity Augmentation to a recent Co-Innovation & IP based model. Today's businesses, driven by cost reduction and product lifecycle pressures, are increasingly focused on developing effective outsourcing strategies that drive significant improvement in global engineering and R&D operations. Of late, the engineering services outsourcing market has witnessed substantial growth, and has evolved to encompass a broad range of new product development, value engineering and product support functions. Gradually, the future growth of ESPs (Engineering Service Providers) will lie in how well they are able to drive product innovation for customers and put their skin in the game by sharing investments.

Further to the same, with Government of India driving the digital initiatives and high investments in technological transformations (Smart phones, Smart Cities, Autonomous cars, Digital manufacturing, 3D Printing, etc.) indicate an era of high end innovation and technology investments which opens plethora of opportunities for the entire Engineering R&D market in India.

Having mentioned the facts above, the company is positioned uniquely in its segments and the value that it brings to its clientele. Most of the company's current engagements are not just limited to low end engagements but are towards solving the complex engineering problems. The Company has and is committed to make investments in key client relationships, near shore centers and strengthening the capabilities or associated CAPEX; as the investments made over past few years have expanded the confidence with the results on client engagement and reach with value added offerings.

The IT services business expanded the reach and strengthened the presence with esteemed clientele in all the three growth segments: Application Maintenance Services (AMS), Infrastructure Management Services (IMS) and Product Development and System Integration Services (PDSS). It will continue to bring in the growth leveraging the strong presence in USA and India. Investments have been made to strengthen the Leadership Team further and in future the company intends to invest in areas of automation, help-desks etc which will help in margin expansion with sustained growth

### B. Industry Overview and Developments:

From what it was traditional earlier, Industry is now in a transformation phase. Recent market trends, as even seconded by NASSCOM, suggests below:

- ¾ Shifts in Markets : Asia arising as the ER&D Location
- ¾ Change in Customers' demand: Customers now demand Innovative & Disruptive Products. Newer technologies impacting all areas of business and hence indicating a complete overhaul
- ¾ Emergence of new players: Niche start-ups, Analytics firms, Non-Traditional players etc
- ¾ SMART products / solutions : Robotics, 3D Printing, IoT, Industry 4.0
- ¾ High investments in Analytics: Thus, attracting newer growth opportunities
- ¾ Newer Investment Areas : 100 Smart Cities
- ¾ Make in India
- ¾ High focus on IP, End to End Solutions
- ¾ Increased investments in Sales and Marketing efforts

## Management Discussion And Analysis (Contd.)

All the above trends indicate that – there is very high potential in the market. As mentioned before, all ESPs now have to move away from a technology supply mode to “Consultative Engineering”. Time is to know your customer better and create bridges between the ESP’s capability and customer’s need. High investments expected in POCs, Prototypes, Pilots and Innovation, which will result in a transformed growth.

However, industry today is faced with challenges like the growing shortages of skilled resources in the developed market; pressures to reduce time to market, increasing R&D spend in today’s challenging consumer expectations vis-à-vis technology transformation and cost rationalization.

From India, considering the recent trends of realized growth and an increase in sales pipeline, your Company is emerging as a reliable, trusted, global engineering services engine for innovatively solving customers engineering problems.

IoT: Internet of Things;      ESP: Engineering Service Provider      IP: Intellectual Property  
SMART: Self-Monitoring, Analysis & Reporting Technology

### 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

Distinct Differentiators of Company’s services are:

- 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 offers Mechanical Engineering Solutions to various industries across several domains in Auto, Off-Highway, Industrial & Heavy Engineering, Consumer & Healthcare for customers across USA, Europe & India.

Presently OEM’s look for getting more and more complex products to market faster. So many organizations started spending more time on CAE simulations during the design phase itself to save time later. With the unique blend of Deep Design Expertise across domains and CAD & CAE Programs, the company establishes interface between Simulation and CAD during design phase and predicts the product performance leading to spend very little on prototypes and testing later. This helps customers to improve on Product development cost and Time-to-market.

The company targets its next phase of growth primarily from its International markets – US, Germany & UK. Aligned to the same objective, company expanded its operations last year adding additional space in US (New Sales Office in Milwaukee & Moved to a larger capacity in Troy, Michigan), Pune (New Office in World Trade Center, Kharadi) & Chennai (larger facility in OMR). Our global offices brings us to be closer to our customers’ which in turn helps us in understanding the customer needs better and solve our customers’ issues in a more effective manner. In this process, the company has also rationalized its list of customers and now targets to engage with a limited set. This helps the company to concentrate their energies on customers who have the potential to be large (million dollar) accounts. While doing so the company is also pursuing a chosen few new logos, which help in growth of the enterprise without compromising on the overall objective. Our existing engagements with most of the leading players in the market are renewed and strengthened for scalability.

That reinforces the six key trends driving enhanced ER&D spend across multiple sectors – Sustainability, Connectivity, Localization, Software-led differentiation, Digital engineering and miniaturization.

## Management Discussion And Analysis (Contd.)

### D. Opportunities, Threats, Risks and Concerns:

As mentioned above, there are many opportunities, which are open or will open in days to come, which will change the face of the entire engineering offshoring market. Therefore, market is definitely not a concern.

However, biggest challenge to the ESPs is aligning to the changing need of market and preparing themselves to align to it. To penetrate and create value, one will need to know their customer better and engage at a higher value chain, involving consultative engagements.

Over and above the points listed, the risks and uncertainties include, but are not limited to:

- Fluctuation in foreign exchange rates, therefore impacting overall numbers
- Intense competition in Engineering services including those factors which may affect our cost advantage - wage increases, our ability to attract and retain highly skilled professionals in the global markets we serve
- Attracting more annuity business
- Restrictions on visa & immigration policies
- Ability to invest in development of next-generation offerings and solutions
- The success of the companies in which the Company has made strategic investments

### E. Achievements/Testimonials:

Your Company maintained certification for ISO 9001-2015 & ISMS: ISO 27001-2013 standards by TUV Nord as a part of surveillance audit this year.

One of the prestigious and fortune 10 customer awarded your company with the certificate of appreciation for the support the team has been providing in the area Should cost Analysis, Mechanical Engineering and Engineering Analysis. Appreciated happiness on our experienced team of analysts, engineers in sustaining delivery with value.

Your company place commitment to client satisfaction as a primary focus!

### F. Operations Performance – including Subsidiaries:

For the FY 16-17, the Company continued to strengthen its position in the Engineering and IT segments.

Consolidated Performance: Operationally, the Company's top line grew by 13.05% to Rs. 223.73 Cr from Rs. 197.90 Cr. Net Profit Margins also improved by 66.70% to Rs 5.31 Cr from Rs. 3.19 Cr in FY 15-16. As already mentioned before, Company has further strengthened its state of the art facility by expanding in US & India and making investments of close to Rs. 11.5 Cr (consolidated) as capital investments.

Subsidiaries Performance: Each of OTI's subsidiaries (OeSL, OTI & OTG), in FY16-17, have made profits along with a healthy YoY growth. This is a reflection of all measures taken in terms of putting in right business strategy, hiring key leadership talent; strategic sales force induction and customer engagement have paid off.

Considering the investments being made in international subsidiaries, it is imperative for the company to sustain these measure and bring in sustained growth and margin improvements in future as well

### G. Human Resources:

Building an effective human capital is key which helps the organization in driving and achieving its long-term objectives. HR's role today in building this is key and they work as a true business partner with the business. At Onward, we invigorate employees within our Onward Culture to keep up the good work in key areas, while also encouraging employees to focus more carefully on productivity, quality and timeliness of work.

Strengthening of leadership team to penetrate and enhance the business relationships, increasing customer interactions at Global level has been one of the key focus area. Significant efforts and investment were made in attracting and engaging High Potential talent.

Conducive Orientation and Induction is a primary focus of Senior Management is ensured in leveraging human capital to support company's core values and encourage positive minds. This helps in ensuring an open, free, and empowered culture

Collaborative working is culture at Onward. Employee well-being, corporate social responsibility, job rotation and succession plan was integrated effectively to support business continuity. This is supported by effectively engaging employees in various activities, periodical rewards & recognition, proper role and responsibilities mapping and carrier planning. Prevalent ESOP scheme is a way to recognize the efforts put in by the top performers towards the organization's success and helps in sinking in the culture of "Our Company".

Further, documentation of all policies and procedures at one place, through an employee handbook helps the company to be completely transparent to the employee of its expectations, integrations across the company and removes any ambiguity

**For and on behalf of the Board of Directors**

Place: Mumbai

Date: May 22, 2017

**Harish Mehta**

Executive Chairman

## Report on Corporate Governance for the year 2016-17

### I. Company's philosophy on corporate governance:

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

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

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

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

### II. Board of Directors:

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

#### A. Composition of the Board and other related information as on March 31, 2017:

Name of the Director	Designation / Category	No. of Directorships in other companies in India <sup>1</sup>	No. of other committee memberships/ chairmanship <sup>2</sup>	No. of Board meetings attended	Percentage attendance	Last annual general meeting attended
Mr. Harish Mehta	Executive Chairman	8	--	4	100%	Yes
Mr. Jigar Mehta <sup>3</sup>	Managing Director	1	--	3	75%	Yes
Mrs. Prachi Mehta	Non Independent/ Non-Executive	4	--	4	100%	Yes
Mr. Arun Meghani	Non Independent/ Non-Executive	3	1	3	75%	Yes
Mr. Pradip Dubhashi	Independent/ Non-Executive	7	1(2)	3	75%	Yes

**Report on corporate governance for the year 2016-17 (Contd.)**

Mr. Pranay Vakil	Independent/ Non-Executive	5	1	4	100%	Yes
Mr. Nandkumar Pradhan	Independent/ Non-Executive	2	1	4	100%	Yes

<sup>1</sup>Includes private companies and Section 8 companies, excluding Onward Technologies Limited.

<sup>2</sup>Includes membership/chairmanship (excluding 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.

<sup>3</sup>Mr. Jigar Mehta was appointed as Managing Director of the Company in the meeting of the Board of Directors held on May 16, 2016.

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

**B. Independent Directors:**

Mr. Pradip Dubhashi, Mr. Pranay Vakil and Mr. Nandkumar Pradhan were the Independent Directors of the Company as on March 31, 2017. All the Independent Directors have confirmed that they meet the criteria of 'independence' as mentioned under Listing Obligations. None of the Independent Directors of the Company serve as an Independent Director in more than 7 listed companies.

Meeting of the Independent Directors of the Company was held on March 23, 2017, 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 available on the website of the Company: [www.onwardgroup.com](http://www.onwardgroup.com).

**C. Board Meetings:**

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

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

- <sup>3/4</sup> Annual operating plans and capital budgets
- <sup>3/4</sup> Quarterly and annual financial results
- <sup>3/4</sup> Recommendation of dividend
- <sup>3/4</sup> Change in constitution of various committees
- <sup>3/4</sup> Monitoring and noting business transacted by various committees by taking on record minutes of various committees
- <sup>3/4</sup> Proposal for amalgamation, merger, acquisitions etc.
- <sup>3/4</sup> Floating of subsidiaries in India as well as abroad

## Report on corporate governance for the year 2016-17 (Contd.)

- ¾ Details of investment in joint ventures or collaboration
- ¾ New projects and expansion plans
- ¾ General notices of interest of Directors and various disclosure from Directors
- ¾ Laying down policies for code of conduct and prevention of insider trading and its implementation
- ¾ Laying down ESOP schemes
- ¾ Deciding managerial remuneration
- ¾ Litigation matters
- ¾ Quarterly details of foreign exchange exposures and steps taken to mitigate the risk of adverse exchange rate movements.
- ¾ Allotment of shares
- ¾ Application to Central Government in various matters relating to the Companies Act, 1956 & Companies Act, 2013
- ¾ Any other matters that require the approval of the shareholders.

Four Board meetings were held during the year ended March 31, 2017. The Board meetings were held on: May 16, 2016, July 18, 2016, October 21, 2016 and January 23, 2017, respectively.

### D. Code of conduct:

The Company has laid down a “Code of Conduct” for the members of the Board of Directors and the Senior Management. 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.

### E. Insider Trading Policy:

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

The Code requires prior permission for dealing in the Company's securities by the Directors and the designated employees and prohibits the purchase or sale of Company's securities while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The company secretary of the Company is responsible for implementation of the Code. Accordingly, the company secretary announces closure of trading windows, free period, declaration of prohibited period, etc. Several forms and declarations are in place to receive periodical information from the Directors, Officers and Designated Employees of the Company, as required in terms of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. Timely disclosures are made to the Stock Exchanges of the transactions by any employee or Director in excess of Rs. 10 lac in a calendar quarter.

### F. 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 to support the



**Report on corporate governance for the year 2016-17 (Contd.)**

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.

**G. 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.

**H. 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.

**I. 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, 2017 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	136,052 equity shares
2	Mr. Arun Meghani	Non Independent/ Non-Executive	--
3	Mr. Pradip Dubhashi*	Independent/Non-Executive	18,385 equity shares
4	Mr. Pranay Vakil	Independent/ Non-Executive	--
5	Mr. Nandkumar Pradhan	Independent/ Non-Executive	—

\* Shares held by Mr. Pradip Dubhashi were allotted under Company's Employee Stock Option Scheme 2009.

**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

## Report on corporate governance for the year 2016-17 (Contd.)

- 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:
  - ¾ Any changes in accounting policies and practices.
  - ¾ Major accounting entries based on exercise of judgment by management.
  - ¾ Qualification in draft audit report.
  - ¾ Significant adjustments made in the financial statements arising out of audit.
  - ¾ The going concern assumption.
  - ¾ Compliance with accounting standards.
  - ¾ Compliance with listing and legal requirements concerning financial statements.
  - ¾ 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;

**Report on corporate governance for the year 2016-17 (Contd.)**

- o) Reviewing the effectiveness of the system for monitoring compliance with laws and regulations.
- p) Approving the appointment of CFO after assessing the qualification, experience and background etc. of the candidate.

**2. Composition:**

The Audit Committee comprised of five 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 16, 2016, July 18, 2016, October 21, 2016 and January 23, 2017, respectively.

The Directors who were members of the Committee as on March 31, 2017 and the attendance of each of the members is given below:

Name of the Director	Designation	Category	No. of meetings attended
Mr. Pradip Dubhashi	Chairman	Independent and Non-Executive	3
Mr. Arun Meghani	Member	Non Independent and Non-Executive	3
Mrs. Prachi Mehta	Member	Non Independent and Non-Executive	4
Mr. Pranay Vakil	Member	Independent and Non-Executive	4
Mr. Nandkumar Pradhan	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.

Also, the Chairman of the Committee was present at the Annual General Meeting of the Company to answer shareholders' queries.

**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.

## Report on corporate governance for the year 2016-17 (Contd.)

### 2. Composition:

During the year under review, one meeting of the Nomination and Remuneration Committee was held on May 16, 2016. Further, the Directors who were members of the Committee as on March 31, 2017 and the attendance of each of the members is given below:

Name of the Director	Designation	Category	No. of meetings attended
Mr. Nandkumar Pradhan	Chairman	Independent and Non-Executive	1
Mr. Arun Meghani	Member	Non Independent and Non-Executive	1
Mr. Pradip Dubhashi	Member	Independent and Non-Executive	-
Mrs. Prachi Mehta*	Member	Non Independent and Non-Executive	NA
Mr. Harish Mehta*	Member	Executive Director	1

*\*Mrs. Prachi Mehta was appointed as member of the Committee from May 16, 2016. Mr. Harish Mehta ceased to be member of the Committee after May 16, 2016.*

The Chairman of the Committee, Mr. Nandkumar Pradhan is an Independent Director.

### 3. Non-executive Directors' remuneration details for the financial year ended March 31, 2017:

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

Name of the Director	Sitting fees (Rs.)	Total (Rs.)
Mr. Pradip Dubhashi	380,000	380,000
Mr. Arun Meghani	370,000	370,000
Mr. Pranay Vakil	480,000	480,000
Mr. Nandkumar Pradhan	505,000	505,000
Mrs. Prachi Mehta	495,000	495,000

During the year 2016-17, Mr. Pradip Dubhashi, Independent Director of the Company was allotted 2,500 equityshares under the ESOP Scheme, 2009. Further, details of remuneration paid to Mr. Harish Mehta, Executive Chairman and Mr. Jigar Mehta, Managing Director of the Company for FY 2016-17 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:

- Attendance and contribution at Board and Committee meetings
- 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.
- His/her knowledge of finance, accounts, legal, investment, marketing, foreign exchange/ hedging, internal

**Report on corporate governance for the year 2016-17 (Contd.)**

controls, risk management, assessment and mitigation, business operations, processes and corporate governance.

4. His/her ability to create a performance culture that drives value creation and a high quality of debate with robust and probing discussions.
5. Effective decisions making ability to respond positively and constructively to implement the same to encourage more transparency.
6. Open channels of communication with executive management and other colleague on Board to maintain high standards of integrity and probity.
7. Recognize the role which he/she is expected to play, internal Board Relationships to make decisions objectively and collectively in the best interest of the Company to achieve organizational successes and harmonizing the Board.
8. His/her global presence, rational, physical and mental fitness, broader thinking, vision on corporate social responsibility etc.
9. Quality of decision making on source of raw material/procurement of roughs, export marketing, understanding financial statements and business performance, raising of finance, best source of finance, working capital requirement, forex dealings, geopolitics, human resources etc.
10. His/her ability to monitor the performance of management and satisfy himself with integrity of the financial controls and systems in place by ensuring right level of contact with external stakeholders.
11. His/her contribution to enhance overall brand image of the Company.

**5 Remuneration to Executive Directors:**

Details of remuneration paid for the financial year ended March 31, 2017 to Executive Directors:

Name of the Director	Salary and perquisites (Rs.)	Incentive (Rs.)	Sitting fees (Rs.)	Total (Rs.)
Mr. Harish Mehta - Executive Chairman	8,385,804	Nil	Nil	8,385,804
Mr. Jigar Mehta - Managing Director	7,947,960	Nil	Nil	7,947,960

**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 16, 2016, July 18, 2016, October 21, 2016 and January 23, 2017, respectively.

Mr. Arun 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:

## Report on corporate governance for the year 2016-17 (Contd.)

Name of the Director	Designation	Category	No. of meetings attended
Mr. Arun Meghani	Chairman	Non-Executive Director	3
Mr. Nandkumar Pradhan	Member	Independent Director	4
Mrs. Prachi Mehta	Member	Non-Executive Director	4

Status of investors' complaints received during the year ended March 31, 2017:

Nature of complaints	Received	Resolved	Solved not to the satisfaction of Shareholder	Pending as on March 31, 2017
Relating to transfer, transmission, etc.	1	1	Nil	Nil
Other/miscellaneous	2	2	Nil	Nil
Total	3	3	Nil	Nil

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: Mr. Monik Damania, Company Secretary.

### D) Banking Committee:

#### 1. Brief description of terms of reference:

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

#### 2. Composition:

The Banking Committee comprised of three members. During the year, meetings of the Committee were held on September 22, 2016 and January 23, 2017.

The composition of the banking committee is as under:

Name of the Director	Designation	Category	No. of meetings attended
Mr. Harish Mehta	Chairman	Executive Director	2
Mrs. Prachi Mehta	Member	Non-Executive Director	2
Mr. Pradip Dubhashi	Member	Independent Director	2

### E) Corporate Social Responsibility (CSR) Committee:

#### 1. 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.

#### 2. 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

**Report on corporate governance for the year 2016-17 (Contd.)****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
2013 – 14	The Victoria Memorial School for the Blind, 73, Tardeo Road, Mumbai – 400 034	Friday, 1 <sup>st</sup> August, 2014	3.30 p.m.	Yes (2)
2014 – 15	The Victoria Memorial School for the Blind, 73, Tardeo Road, Mumbai – 400 034	Friday, 31 <sup>st</sup> July, 2015	11.00 a.m.	Yes (5)
2015 – 16	The Victoria Memorial School for the Blind, 73, Tardeo Road, Mumbai – 400 034	Monday, 18 <sup>th</sup> July, 2016	3.30 p.m.	Yes (2)

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 25th Annual General Meeting of the Company held on Monday, July 18, 2016. The Company paid dividend of Rs. 14,986,720 (Rupees One Crore Forty Nine Lakhs Eighty Six Thousand Seven Hundred Twenty only), excluding dividend distribution tax, at the rate of Re. 1 (Rupee One only) per equity share of Face Value Rs. 10 (Rupees Ten only) each.

Also, the Directors have recommended a dividend of Rs. 1 (10% per cent) per equity share of face value Rs. 10 each, for the financial year ended March 31, 2017, 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 14, 2017 and
- (ii) to those whose names appear as beneficial owners, as on July 14, 2017 as furnished by the National Securities Depository Limited and Central Depository Services (India) Limited for the purpose.

**VII 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 stricture 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, 2017, 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.



## Report on corporate governance for the year 2016-17 (Contd.)

- (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>.

### VIII Disclosure of Discretionary Requirements:

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

1. Mr. Harish Mehta is the Executive Chairman of the Company. Being an Executive Director of the Company, requirements of having separate office for a non-executive chairman at the expense of the Company shall not be applicable.
2. Company shall endeavor to provide half yearly declarations on financial performance of the Company including significant events in last six months of operations.
3. Company strives towards having an unmodified audit opinion. Further, there has not been any modified audit opinions during the financial year 2016-17.
4. In our endeavor of having separate persons as chairman and managing director of the Company, the Board of Directors has re-appointed Mr. Harish Mehta as Executive Chairman and Mr. Jigar Mehta as Managing Director of the Company.
5. M/s. B. K. Khare and Co., internal auditors of the Company for the financial year 2016-17 reported directly to the Audit Committee of the Company.

### IX 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.

### X Means of Communication:

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

**Report on corporate governance for the year 2016-17 (Contd.)**

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.

**XI General Shareholders' information: CIN: L28920MH1991PLC062542**Annual general meeting:

Date	:	Friday, July 21, 2017
Time	:	11.00 AM
Venue	:	Victoria Memorial School for the Blind, 73, Tardeo Road, Mumbai - 400 034
Financial year	:	April 1, 2016 to March 31, 2017
Book closure dates	:	July 15, 2017 to July 21, 2017 (both days inclusive)
Dividend payment date	:	Will be paid within 30 days of declaration at the Annual General Meeting.
Registered office	:	Sterling Centre, 2nd Floor, Dr. A. B. Road, Worli, Mumbai - 400 018.
Stock exchange where equity shares listed	:	<b>BSE Limited,</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001. <b>National Stock Exchange of India Ltd.</b> 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 2016-17 and 2017-18.

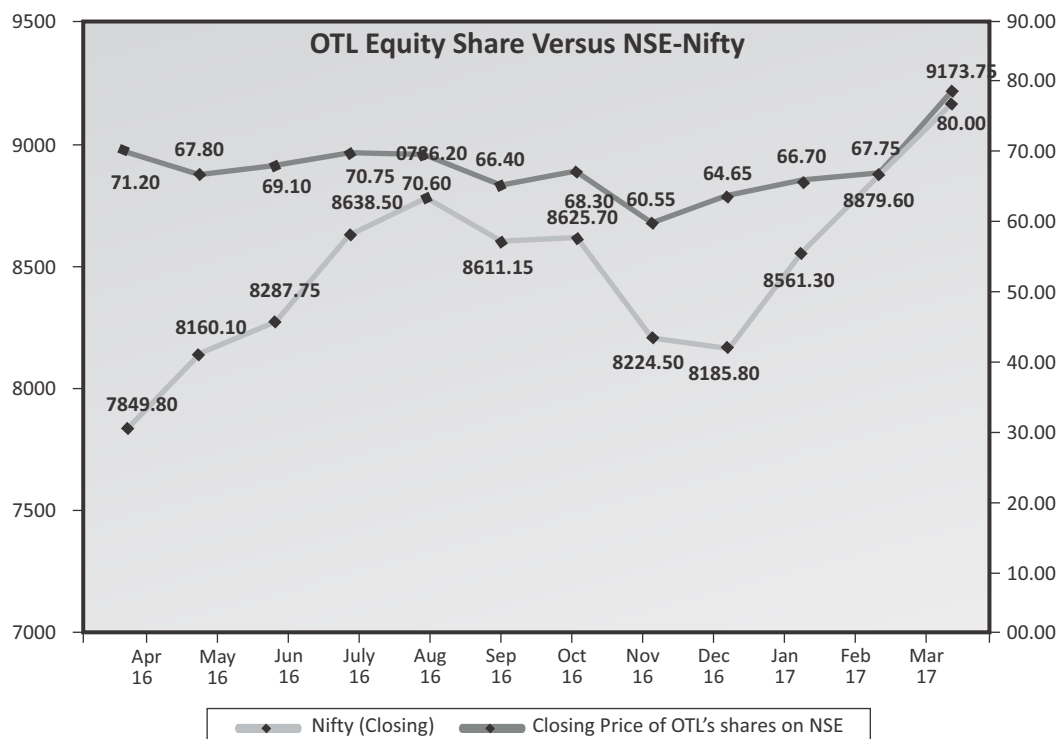
**Market price data:** Monthly High/Low during each month in the financial year 2016–17 is as follows:

Month	BSE		NSE	
	High	Low	High	Low
April, 2016	83.50	66.55	83.00	67.20
May, 2016	78.90	65.15	76.50	66.00
June, 2016	79.85	61.00	78.50	60.50
July, 2016	79.50	69.00	80.00	68.60
August, 2016	84.50	67.10	83.00	66.40
September, 2016	71.55	62.40	72.90	63.00
October, 2016	78.45	65.00	79.00	65.00
November, 2016	73.35	58.10	73.50	56.00
December, 2016	67.50	58.10	67.70	58.45
January, 2017	76.00	63.40	76.80	63.25
February, 2017	73.85	64.55	72.70	64.55
March, 2017	86.70	66.50	87.40	66.95

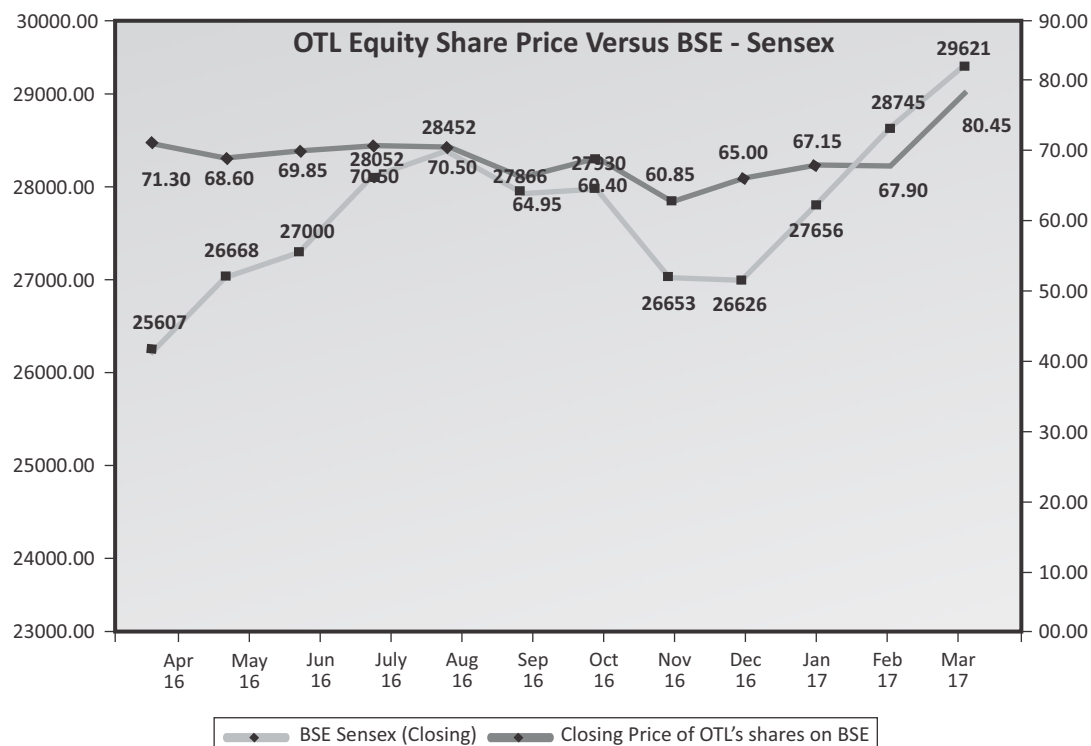
\*Source: Website of BSE Ltd. and The National Stock Exchange of India Ltd.

## Report on corporate governance for the year 2016-17 (Contd.)

### Stock price performance in comparison to the NSE Nifty in the financial year 2016-17:



### Stock price performance in comparison to the BSE Sensex in the financial year 2016- 17:



Note: The securities of the Company were not suspended from trading during the financial year 2016-17.

**Report on corporate governance for the year 2016-17 (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](mailto: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 demat accounts of the transferor/s and transferee/s maintained with the recognized Depository Participants.

Distribution of shareholding as on March 31, 2017:

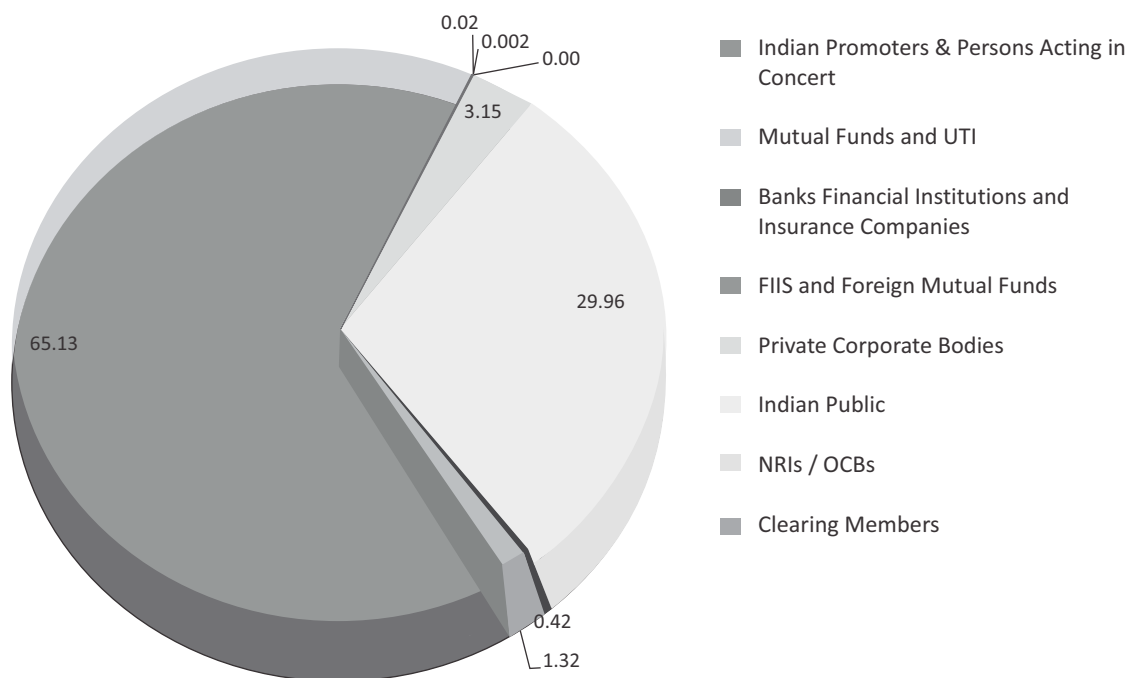
Shareholding of nominal value (Rs.)	No. of share holders	% of share holders	Share Amount (Rs.)	% of Shareholding
1 to 5,000	5,897	82.65	10,285,950	6.77
5,001 to 10,000	575	8.06	4,722,800	3.11
10,001 to 20,000	311	4.36	4,625,820	3.04
20,001 to 30,000	113	1.58	2,911,960	1.92
30,001 to 40,000	56	0.78	1,991,260	1.31
40,001 to 50,000	47	0.66	2,215,860	1.46
50,001 to 100,000	63	0.88	4,723,820	3.11
100,001 to 9,999,999,999	73	1.02	120,485,230	79.29
<b>Total</b>	<b>7,135</b>	<b>100.00</b>	<b>151,962,700</b>	<b>100.00</b>

Shareholding pattern as on March 31, 2017:

Categories	No. of shares held	Percentage of shareholding (%)
Indian promoters and persons acting in concert	9,897,605	65.13
Mutual funds and UTI	3,750	0.02
Banks, financial institutions and insurance companies	350	0.002
FII's and foreign mutual funds	--	--
Private corporate bodies	478,194	3.15
Indian public	4,552,081	29.96
NRIs/OCBs	63,553	0.42
Clearing members	200,737	1.32
<b>Total</b>	<b>15,196,270</b>	<b>100.00</b>

## Report on corporate governance for the year 2016-17 (Contd.)

### Shareholding Pattern as on 31<sup>st</sup> March, 2017



De-materialization of shares and liquidity	As on March 31, 2017, 14,978,441 shares representing 98.57% of the paid-up share capital of the Company were in de-materialized form
Outstanding GDR/ADR/Warrants or any convertible instruments, conversion dates and likely impact on equity	Since, the Company has not issued any GDR/ ADR/ Warrants or any convertible instruments this clause is not applicable
Plant location	The Company does not have any manufacturing plant. However, details with regards different office locations of the Company forms part of this Annual Report.
Address for correspondence	<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: <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a>            Contact person: Ms. Nayna Wakle</p>

**For and on behalf of the Board of Directors**

Place : Mumbai  
 Date : May 22, 2017

**Jigar Mehta**  
 Managing Director

## CEO & CFO Certification

I, Mr. Jigar Mehta, Managing Director of Onward Technologies Limited, to the best of my knowledge and belief, certify that:

1. We have reviewed the financial statements and the cash flow statement for the year 2016–17 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 22, 2017

**Jigar Mehta**  
Managing Director

## 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, 2017.

For **Onward Technologies Limited**

Place: Mumbai  
Date: May 22, 2017

**Jigar Mehta**  
Managing Director

## Auditor's certificate on Corporate Governance

To

**The Members of Onward Technologies Limited**

We have examined the compliance of conditions of Corporate Governance by Onward Technologies Limited ('the Company'), for the year ended March 31, 2017, as stipulated in:

Regulations 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 Para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period from April 1, 2016 to March 31, 2017.

The compliance of conditions of Corporate Governance is the 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 explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Regulations except the following:

<sup>3/4</sup> The Company has not appointed a whole time Chief Financial Officer (CFO) as required under the provisions of section 203 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

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

**For Kirtane & Pandit LLP**

Chartered Accountants

Firm Registration Number: 105215W/ W100057

**Parag Pansare**

Partner

Membership Number: 117309

Mumbai, May 22, 2017

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### Independent Auditor's Report on Employees' Stock Option Schemes

We have examined the books of account for the Financial Year 2016-17 and other relevant records of ONWARD TECHNOLOGIES LIMITED and based on the information and explanation given to us, certify that in our opinion, the Company has implemented the Employees Stock Option Scheme in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the resolutions of the Company in the Annual General Meeting held on 31<sup>st</sup> August, 2009.

**For Kirtane & Pandit LLP**

Chartered Accountants

Firm Registration Number: 105215W/ W100057

**Parag Pansare**

Partner

Membership Number: 117309

Mumbai, May 22, 2017



## Independent Auditors' Report on Consolidated Financial Statements

To

The Members,

**Onward Technologies Limited**

We have audited the accompanying consolidated financial statements of Onward Technologies Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder from time to time. 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; the 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 the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

## Independent Auditors' Report on Consolidated Financial Statements (Contd.)

### Opinion

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 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, 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

### Emphasis of Matter

We draw attention to note no. 42 to the financial statements regarding non appointment of key management personnel. Our opinion is not modified in respect of this matter.

### Other Matters

We did not audit the financial statements of Onward Technologies Inc- USA, Onward technologies GmbH- Germany and Onward eServices Limited-India, whose financial statements reflect total assets of Rs. 52,62,78,641/- as at March 31, 2017, total revenues of Rs. 1,30,53,94,914/- and net cash flows for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

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

### Report on Other Legal and Regulatory Requirements

1. 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, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account 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, read with relevant rules issued thereunder from time to time
  - (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, none of the directors of the Group companies incorporated in India are disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in “Annexure A”;

## Independent Auditors' Report on Consolidated Financial Statements (Contd.)

- (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 of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled entities— Refer Note 27 to the consolidated financial statements.
- ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii. There were no amounts required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary Companies incorporated in India.
  - iv. The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 08, 2016 to December 30, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of accounts maintained by the Company and as produced to us by the Management - Refer Note 43 to the financial statements.

### For Kirtane & Pandit LLP

Chartered Accountants

Firm Registration Number: 105215W/W100057

### Parag Pansare

Partner

Membership Number: 117309

Mumbai, May 22, 2017

## Annexure-A to the Independent Auditors' Report

The annexure referred to in paragraph 2(f) on Other Legal and Regulatory Requirements of the Independent Auditors' Report to the members of the Company on the consolidated financial statements of the Onward Group for the year ended March 31, 2017:

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of Onward Technologies Limited ("the Holding Company") and its subsidiary companies which are companies incorporated in India, as of that date.

### Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are 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

## **Independent Auditors' Report on Consolidated Financial Statements (Contd.)**

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 Companies Act, 2013.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit conducted in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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.

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 over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

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

### **Inherent Limitations of Internal Financial Control Over Financial Reporting**

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

### **Opinion**

According to the information and explanation given to us, the Holding Company and its Indian Subsidiary companies have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017 except that there is scope for improvement and certain areas require strengthening of controls in case of the Holding Company such as Verification of Fixed Assets, Bill Booking of Expenses, Processing of Payroll and General Controls with respect to Information Technology based on the internal control over financial reporting criteria established by the Company considering the essential

components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Other Matters**

Our aforesaid reports under section 143(3)(i) of the act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one Indian subsidiary company, viz. Onward e-Services Limited is based on the corresponding reports of the auditor of such company incorporated in India.

**For Kirtane & Pandit LLP**

Chartered Accountants

**Firm Registration Number: 105215W/W100057**

**Parag Pansare**

Partner

Membership Number: 117309

Mumbai, May 22, 2017

## Consolidated balance sheet as at 31st March, 2017

Figures in Rs.

Particulars	Notes	2017	2016
<b>Equity and liabilities</b>			
<b>Shareholders' funds</b>			
(a) Share capital	2	151,962,700	149,337,700
(b) Reserves and surplus	3	274,093,704	209,470,238
		<u>426,056,404</u>	<u>358,807,938</u>
Share Application Money	2C	1,327,000	522,500
<b>Non-current liabilities</b>			
(a) Long-term borrowings	4	51,718,609	25,226,520
(b) Long-term provisions	6	9,344,648	9,188,054
(c) Deferred tax liabilities (net)	5	7,235,590	2,623,424
		<u>68,298,847</u>	<u>37,037,998</u>
<b>Current liabilities</b>			
(a) Short-term borrowings	7	145,677,282	165,861,116
(b) Trade payables			
- Due to MSME's		-	-
- Other	8	17,304,844	29,551,743
(c) Other current liabilities	9	226,810,502	194,548,360
(d) Short-term provisions	10	120,030,496	120,613,811
		<u>509,823,124</u>	<u>510,575,030</u>
<b>Total</b>		<u>1,005,505,375</u>	<u>906,943,466</u>
<b>Assets</b>			
<b>Non-current assets</b>			
(a) Fixed assets	11		
(i) Tangible assets		105,515,837	58,638,103
(ii) Intangible assets		76,576,299	52,461,089
(b) Long-term loans and advances	12	28,681,819	19,166,922
(c) Other non-current assets	13	97,897,877	100,383,499
		<u>308,671,832</u>	<u>230,649,613</u>
<b>Current assets</b>			
(a) Stock in trade	14A	2,292,625	-
(b) Trade receivables	14	489,467,587	383,597,788
(c) Cash and bank balances	15	35,685,989	24,433,915
(d) Short-term loans and advances	16	27,781,523	42,946,571
(e) Other current assets	17	141,605,819	225,315,579
		<u>696,833,543</u>	<u>676,293,853</u>
<b>Total</b>		<u>1,005,505,375</u>	<u>906,943,466</u>
<b>Summary of significant accounting policies</b>	1		

The accompanying notes are an integral part of the financial statements

As per our report of even date

**For Kirtane & Pandit LLP**

Chartered Accountants

Firm Registration Number: 105215W/W100057

**For and on behalf of the Board of Directors**
**Parag P. Pansare**

Partner

Membership Number: 117309

Place : Mumbai

Date : May 22, 2017

**Harish Mehta**

Executive Chairman

**Pranay Vakil**

Audit Committee Chairman

**Jigar Mehta**

Managing Director

**Monik Damania**

Company Secretary

## Consolidated statement of profit and loss for the year ended 31st March, 2017

Figures in Rs.

Particulars	Notes	2017	2016
I. Revenue from operations	18	2,237,307,541	1,979,010,248
II. Other income	19	24,895,148	17,316,636
III. Total revenue (I + II)		<u>2,262,202,689</u>	<u>1,996,326,884</u>
IV. Expenses:			
Cost of software products	20	29,587,279	31,144,957
Employee benefits expenses	21	1,643,318,529	1,446,529,994
Finance costs	22	28,078,613	33,289,207
Depreciation and amortization expenses	11	43,295,421	38,227,297
Other expenses	23	440,799,917	365,755,018
Total expenses		<u>2,185,079,759</u>	<u>1,914,946,473</u>
V. Profit before exceptional and extraordinary items and tax (III - IV)		77,122,930	81,380,411
VI. Exceptional items		-	-
VII. Profit before extraordinary items and tax (V - VI)		77,122,930	81,380,411
VIII. Extraordinary items		-	-
IX. Profit before tax (VII - VIII)		77,122,930	81,380,411
X. Tax expenses:			
(1) Current tax		14,164,598	24,829,745
(2) MAT credit entitlement		-	-
(3) Previous year tax adjustment		5,277,646	12,211,728
(4) Deferred tax		4,566,730	12,477,687
XI. Profit for the period from continuing operations (IX - X)		<u>53,113,956</u>	<u>31,861,251</u>
XII. Earnings per equity share:			
(1) Basic		3.52	2.16
(2) Diluted		3.28	2.01

The accompanying notes are an integral part of the financial statements  
As per our report of even date

**For Kirtane & Pandit LLP**  
Chartered Accountants  
Firm Registration Number: 105215W/W100057

**For and on behalf of the Board of Directors**

**Parag P. Pansare**  
Partner  
Membership Number: 117309

**Harish Mehta**  
Executive Chairman

**Jigar Mehta**  
Managing Director

Place : Mumbai  
Date : May 22, 2017

**Pranay Vakil**  
Audit Committee Chairman

**Monik Damania**  
Company Secretary



## Cash flow statement for the year ended 31st March, 2017

Figures in Rs.

	2017	2016
<b>(A) Cash flows from operating activities</b>		
Profit before extra ordinary item and tax	77,122,930	81,380,411
Adjustments for:		
Depreciation	43,295,421	38,227,297
Deferred employees compensation expenses	11,248,244	10,972,018
Interest income	(18,254,228)	(8,578,908)
Deferred Tax Liability	4,612,166	12,477,687
Reversal of Dividend Distribution Tax	2,987,214	-
Finance cost	28,078,613	33,750,103
<b>Operating profit before working capital changes</b>	<b>149,090,360</b>	<b>168,228,608</b>
Adjustments for:		
Decrease/(increase) in trade receivables	(105,869,799)	6,001,261
Decrease/(increase) in Stock in trade	(2,292,625)	3,231,629
Decrease/(increase) in other current/non-current assets	86,195,382	(31,561,708)
Decrease/(increase) in short-term/long-term loans and advances	5,650,151	(17,713,570)
(Decrease)/increase in current/non-current liabilities	20,015,243	(14,594,777)
(Decrease)/increase in short-term/long-term provisions	(426,721)	39,461,958
Cash generated from operations	152,361,991	153,053,401
Income tax provided	(24,008,974)	(49,519,160)
Cash flow before extraordinary item	128,353,017	103,534,241
<b>Net cash from operating activities (A)</b>	<b>128,353,017</b>	<b>103,534,241</b>
<b>(B) Cash flow from investing activities</b>		
Purchase of fixed assets and investments	(114,548,712)	(30,189,719)
Proceeds from sale of fixed assets	260,348	235,916
Interest received	18,254,228	8,578,908
<b>Net cash used in investing activities (B)</b>	<b>(96,034,136)</b>	<b>(21,374,895)</b>
<b>(C) Cash flow from financing activities</b>		
Proceeds from issue of share capital	3,429,500	3,821,500
Proceeds from sale of investments	-	-
Proceeds from long-term borrowings	101,443,289	91,090,205
Repayment of long-term borrowings	(95,135,034)	(154,523,394)
Deferred tax expense	-	-
Finance cost	(28,078,613)	(33,750,103)
<b>Net cash (used)/generated in financing activities (C)</b>	<b>(18,340,858)</b>	<b>(93,361,792)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A + B + C)</b>	<b>13,978,023</b>	<b>(11,202,446)</b>
Cash and cash equivalents opening balance	24,433,915	22,610,773
Changes in Foreign currency translation adjustments	(2,725,949)	13,025,588
<b>Cash and cash equivalents closing balance</b>	<b>35,685,989</b>	<b>24,433,915</b>

The accompanying notes are an integral part of the financial statements

As per our report of even date

**For Kirtane & Pandit LLP**

Chartered Accountants

Firm Registration Number: 105215W/W100057

**Parag P. Pansare**

Partner

Membership Number: 117309

Place : Mumbai

Date : May 22, 2017

**For and on behalf of the Board of Directors**
**Harish Mehta**

Executive Chairman

**Jigar Mehta**

Managing Director

**Pranay Vakil**

Audit Committee Chairman

**Monik Damania**

Company Secretary

## Notes to consolidated financial statements

### Note 1 - Significant accounting policies

#### A. Accounting assumptions

The financial statements are prepared and presented in accordance with Generally Accepted Accounting Principles in India ("Indian GAAP") under the historical cost convention, to comply in all material respects with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016 and the relevant provisions of the Companies Act, 2013 and guidelines issued by the Securities and Exchange Board of India (SEBI). The Company follows mercantile system of accounting and recognises income and expenditure on an accrual basis except those with significant uncertainties. These accounts have been prepared on the assumption that the Company is a going concern and have been consistently applied by the Company with those used in the previous year; and the accounting policies not referred to otherwise, are in conformity with Indian GAAP.

#### B. Use of estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of financial statements. The recognition, measurement, classification or disclosure of an item or information in the financial statements has been made relying on these estimates. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from those estimated. Any revision to accounting estimates is recognised prospectively in the current and future periods.

#### C. Plant, Property & Equipment

The Company has adopted cost model to measure the gross carrying amount of fixed assets.

Tangible Fixed assets are stated at original cost, less accumulated depreciation and impairment losses, if any. The cost of the fixed assets includes the purchase price and all the incidental or directly attributable expenditure incurred and necessary to bring the assets to its working condition for its intended use. Own developed assets are capitalized inclusive of all direct costs and attributable overheads. Capital work-in-progress comprises of the cost of fixed assets that are not yet ready for their intended use as at the balance sheet date.

#### D. Intangible Assets

Intangible assets are recorded at the consideration paid for their acquisition. Cost of an internally generated asset comprises all expenditure that can be directly attributed, or allocated on a reasonable and consistent basis, to creating, producing and making the asset ready for its intended use.

#### E. Depreciation & Amortisation

Depreciation on fixed assets is computed on the straight-line method over their useful lives prescribed under Schedule II of the Companies Act, 2013. In respect of intangible assets such as software, depreciation is provided over its license period ranging from two to six years. In case of vehicles purchased for the employees under employee car policy of the Company, the vehicles are transferred to the employees after three years and hence the useful life considered for such vehicles as three years.

Lease hold improvements are depreciated over the period of the lease agreement.

The management periodically assesses fixed assets, using external and internal sources whether there is an indication that an asset may be impaired. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised in the income statement for items of fixed assets carried at cost. The recoverable amount is the higher of an asset's net selling price and value in use. The net selling price is the amount obtained from the sale of an asset in an arm's length transaction while value in use is the present value of estimated future cash flows expected

## Notes to consolidated financial statements (Contd.)

to arise from the continuing use of an asset and from its disposal at the end of its useful life. Recoverable amounts are estimated for individual assets or, if not possible, for the cash generating unit.

### F. Impairment of Asset

Impairment loss recognised for an asset in earlier accounting periods is reversed, to the extent of its recoverable amount, if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised

### G. Foreign currency transactions

Transactions in foreign currencies are normally recorded at the average exchange rate prevailing on the date on which transaction occurred.

Outstanding balances of foreign currency monetary items are reported using the period end rates.

Non-monetary items carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rate that existed, when the values were determined.

Exchange differences arising as a result of the above are recognised as income or expense in the statement of profit and loss.

Translation of financial statements of the foreign subsidiaries from the local currency to the functional currency of the Company is performed for balance sheet accounts using the exchange rates in effect at balance sheet date and for revenue and expenses items using a monthly average exchange rates for the respective periods and the resulting difference is presented as foreign currency translation reserve included in reserves and surplus.

#### Foreign branches

Foreign currency transactions entered into by branches, which are integral foreign operations, are translated in the same manner as foreign currency transactions described above. Monetary assets and liabilities are translated at rates prevailing on the balance sheet date. Non-monetary assets and liabilities are translated at the rate prevailing on the date of the transaction. Depreciation on fixed assets is recognised as per the Company's policy. Net gain/loss on foreign currency translation is recognised in the statement of profit and loss.

#### Derivative instruments and hedge accounting

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain forecasted transactions.

Effective from April 1st 2016, the Company designates some of these as cash flow hedges applying the recognition and measurement principle set out in the "Guidance Note on Accounting for Derivative Contracts" issued by ICAI.

The use of foreign currency forward contracts is governed by the Company's policies provide written principles on the use of such financial derivatives consistent with the Company's risk management strategy.

The counter party to the Company's foreign currency forward contracts is generally a bank.

The Company does not use derivative financial instruments for speculative purposes.

Foreign currency forward contract derivative instruments are initially measured at fair value and are re-measured at subsequent reporting dates.

Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognised directly in hedging reserve and the ineffective portion is recognised immediately in statement of profit and loss.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the statement of profit and loss as they arise.

## Notes to consolidated financial statements (Contd.)

When hedge accounting is discontinued for a cash flow hedge, the net gain or loss will remain in reserves and be reclassified to statement of profit and loss in the same period or periods during which the formerly hedged transaction is reported in statement of profit and loss.

If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in reserves is transferred to statement of profit and loss.

### H. Investments

Trade investments are the investments made to enhance the Company's business interests. Investments are either classified as current/short-term or long-term based on the management's intention at the time of purchase. Long-term investments are carried at cost less any permanent diminution in value (if any), determined separately for each individual investment. Current/short-term investments are carried at the lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investment. Cost for overseas investments comprises the Indian rupee value of the consideration paid for the investment.

### I. Payments and benefits to employees

#### (a) Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages, and short-term compensated absences etc. and the expected cost of bonus, ex-gratia are recognized in the period in which the employee renders the related service.

#### (b) Post employment benefits

(i) Defined contribution plans: The Company's superannuation scheme, state governed provident fund scheme, employee state insurance scheme and employee pension scheme are defined contribution plans. The contribution paid/payable under the schemes is recognized during the period in which the employee renders the related service,

(ii) Defined benefit plans: The employees' gratuity fund schemes managed by trust are the Company's defined benefit plans. The present value of the obligation under such defined benefit plans is determined based on actuarial valuation using the Projected Unit Credit Method which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on government securities as at the balance sheet date having maturity periods approximating to the terms of related obligations.

Actuarial gain and losses are recognized immediately in the statement of profit and loss.

In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans, to recognize the obligation on net basis.

#### (c) Long-term employee benefits

The obligation for long-term employee benefits such as long-term compensated absences is recognized in the same manner as in the case of defined benefit plans as mentioned in (b) (ii) above.

### J. Revenue recognition

Revenue comprises sale of user licence of software, professional services and consultancy, training, interest and dividend. Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and that the revenue can be reliably measured. Revenue is disclosed exclusive of sales tax, service tax, VAT or other taxes, as applicable.

## Notes to consolidated financial statements (Contd.)

### Income from software services and products:

- i) Revenue from sale of products rendered through tele-communication network/courier are recognised on receiving confirmation of receipt from the customers.
- ii) In respect of income received from contracts dependent on time and material basis are recognised when related service are performed.
- iii) In case of fixed price contracts, revenue is recognised over the life of contract based on the mile stones achieved as agreed upon in the contract on proportionate completion basis.
- iv) Revenue through training, annual maintenance contracts and fixed price maintenance contracts are recognised proportionately over the period in which services are rendered/training is provided.
- v) Revenue from the sale of user licences for software applications is recognised on transfer of the title in the user licence.
- vi) Revenue on time and material contracts are recognised as Unbilled Revenue when the related services are rendered from the end of last billing up to the reporting date
- vii) Revenue from services to overseas subsidiary companies are recognised in accordance with transfer pricing agreement entered with the subsidiary companies.

### Other Income

- i) Dividend income is recognized when the Company's right to receive dividend is established.
- ii) Interest is recognised on time proportionate basis taking into account the amount outstanding and the rate applicable.
- iii) All other incomes are accounted for on an accrual basis except, notice pay recovery & bond money.

## K. Principles of consolidation

The consolidated financial statements of the group are prepared in accordance with Accounting Standard 21 - 'Consolidated Financial Statements' as notified under section 133 of Companies act 2013, read with Rule 7 of the Companies (Accounts) Rules 2014.

The financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra group balances and intra group transactions. The unrealized profits or losses resulting from the intra group transactions and intra group balances have been eliminated.

The excess of the cost to the Company of its investment in the subsidiaries over the Company's portion of equity on the acquisition date is recognized in the financial statements as goodwill and is tested for impairment annually. The excess of Company's portion of equity of the subsidiary over the cost of investment therein is treated as capital reserve.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and in case of subsidiary companies incorporated outside India which does not maintain books of account under Indian GAAP has not been adjusted for deviations from accounting policy followed by holding Company and subsidiary Company while preparing consolidated financial statement as same are not material and does not affect consolidated financial statements.

## L. Cash flow statement

Cash and cash equivalents for the purposes of Cash Flow Statement comprise cash on hand and demand deposits with banks. Cash equivalents are short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

## Notes to consolidated financial statements (Contd.)

### M. Tax expense

Tax expense for a year comprises of current tax and deferred tax.

Current tax is measured after taking into consideration, the deductions and exemptions admissible under the provisions of the Income Tax Act, 1961. Whereas the difference between taxes assessed by the authorities and recorded earlier is accounted as previous year tax adjustment under statement of profit and loss.

Deferred tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing difference of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. If there is unabsorbed depreciation or carry forward of losses under tax laws, deferred tax assets are recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax resulting from timing differences which originate during the tax holiday period but are expected to reverse after such tax holiday period is recognised in the year in which the timing differences originate using the tax rates and laws enacted or substantively enacted at the balance sheet date.

Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay income tax higher than that computed under MAT, during the period that MAT is permitted to be set off under the Income Tax Act, 1961 (specified period). In the year, in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in the guidance note issued by the Institute of Chartered Accountants of India (ICAI), the said asset is created by way of a credit to the statement of profit and loss and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay income tax higher than MAT during the specified period.

### N. Earning per share

Basic earnings per share are calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for any bonus shares issued during the year and also after the balance sheet date but before the date the financial statements are approved by the board of directors.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares as appropriate. The dilutive potential equity shares are adjusted for the proceeds receivable, had the shares been issued at fair value. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date.

### O. Employee stock option scheme

In accordance with SEBI Regulation, the excess of the market price of shares, at the date of grant of options under the employee stock option schemes, over the exercise price, is treated as employee compensation expenses and amortised on a straight line basis over the vesting period of the options. In the case of graded vesting, the vesting period is determined separately for each portion of the option. The unamortised portion of the cost is shown under "Deferred employee compensation expenses".

### P. Operating lease

Assets acquired on lease where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating lease. Lease rentals are charged off to the statement of profit and loss as incurred. Initial direct costs in respect of assets given on operating lease are expensed off in the year in which such costs are incurred.

## Notes to consolidated financial statements (Contd.)

### Q. Provisions and contingent liabilities

Necessary provisions are made for the present obligations that arise out of past events prior to the Balance Sheet date entailing future outflow of economic resources. Such provisions reflect best estimates based on available information. However, a disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision is made.

### R. Dividend

Dividend is recognized as liability in the period in which it is declared by the company (usually when approved by shareholder at its General Meeting) or paid.

### S. Warranty cost and revenue

The Company accounts for warranty cost in connection with post sale service to be rendered during the warranty period which, where the post sales service may extend to the period after the balance sheet date. Provision for warranty, if any, is provided based on historical experience.

Similarly, the Company accounts for revenue of annual maintenance services and costs thereof which are similar to warranty services on the basis of the period for which the services are to be rendered.

### T. Borrowing Costs

Borrowing costs are charged to Statement of Profit and Loss except in cases where the borrowings are directly attributable to the acquisition, construction or production of qualifying asset in which case they are capitalised.

Exchange difference arising from foreign currency borrowings are recognised as borrowing cost to the extent that they are regarded as an adjustment to interest costs as per AS 16 Borrowing Costs.

### U. Inventories

Finished goods and spares are valued at lower of cost and net realizable value. Cost of Finished goods and spares is determined on a weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.



**Notes to consolidated financial statements(Contd.)****Note 2 - Share capital**

Figures in Rs.

Particulars	Par value per share	2016		Issued/(reductions) during the year		2017	
		No of shares	Value	No of shares	Value	No of shares	Value
<b>Equity share capital</b>							
<b>Authorised:</b>							
18,000,000 equity shares of Rs. 10 each	10	-	180,000,000	-	-	-	<b>180,000,000</b>
1,000,000 preference shares of Rs. 10 each	10	-	10,000,000	-	-	-	<b>10,000,000</b>
1,000,000 unclassified shares of Rs. 10 each	10	-	10,000,000	-	-	-	<b>10,000,000</b>
<b>Total authorised capital</b>		-	200,000,000	-	-	-	<b>200,000,000</b>
<b>Issued, subscribed and paid-up:</b>							
<b>15,296,270</b> (14,933,770) equity shares of Rs. 10 each	10	14,933,770	149,337,700	<b>262,500</b>	<b>2,625,000</b>	<b>15,196,270</b>	<b>151,962,700</b>

**A. Terms/rights attached to equity shares**

Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.

**1,248,650** (1,329,750) equity shares are outstanding under ESOP 2009 scheme as at balance sheet date; each share being fully paid equity share of Rs. 10 each.

**B. Details of share holdings**

Particulars	2017			2016		
	No of shares	Value	Holding(%)	No of shares	Value	Holding(%)
<b>Share held by holding Company:</b>						
Onward Network Technologies Private Limited	<b>8,633,312</b>	<b>86,333,120</b>	<b>56.81</b>	8,461,925	84,619,250	56.66
<b>Holding more than 5%:</b>						
Onward Network Technologies Private Limited	<b>8,633,312</b>	<b>86,333,120</b>	<b>56.81</b>	8,461,925	84,619,250	56.66

**C. Share Application Money**

Currently Company is in balance towards share application money which have received on various dates in March 2017 in anticipation to issue **132,700** (P.Y. 52,250) shares @ Rs. 10 per share under ESOP 2009 scheme amounting to **Rs. 1,327,000** (P.Y. Rs. 522,500). Subsequently, the shares have been allotted on 06.04.2017.

## Notes to consolidated financial statements(Contd.)

### Note 3 - Reserve and surplus

Figures in Rs.

Particulars	2017	2016
<b>Securities premium account:</b>		
Balance as per last financial statements	108,469,582	96,461,667
Add: Premium on issue of equity shares	9,796,546	12,007,915
<b>Closing balance</b>	<b>118,266,128</b>	<b>108,469,582</b>
<b>Employee stock option plan outstanding (Refer Note - 34):</b>		
Balance as per last financial statements	5,549,272	6,585,167
Add: Gross compensation for options granted during the year	80,805,271	75,960,058
Less: Deferred employee stock compensation	69,557,026	64,988,038
Less: Transferred to securities premium on exercise of stock options	9,796,546	12,007,915
<b>Closing balance</b>	<b>7,000,971</b>	<b>5,549,272</b>
Surplus/(deficit) at the beginning of the year:	41,263,267	27,375,950
Less: Proposed dividend	52,950	14,933,770
Less: Dividend distribution tax	(3,040,164)	3,040,164
Add: Profit after tax for the year	53,113,956	31,861,251
<b>Closing balance</b>	<b>97,364,437</b>	<b>41,263,267</b>
<b>Foreign currency translation reserve</b>		
Opening balance	54,188,117	41,162,529
Add: Foreign exchange gain/(loss) during the year	(2,725,949)	13,025,588
<b>Closing balance</b>	<b>51,462,168</b>	<b>54,188,117</b>
<b>Total</b>	<b>274,093,704</b>	<b>209,470,238</b>

### Note 4 - Long-term borrowings

Particulars	2017			2016		
	Secured	Unsecured	Total	Secured	Unsecured	Total
<b>Term loans:</b>						
Term loans from banks	107,066,113	-	107,066,113	68,566,967	-	68,566,967
Less: Current maturities of long-term borrowings	55,347,504	-	55,347,504	43,340,447	-	43,340,447
Total long-term borrowings	51,718,609	-	51,718,609	25,226,520	-	25,226,520
<b>Total</b>	<b>51,718,609</b>	<b>-</b>	<b>51,718,609</b>	<b>25,226,520</b>	<b>-</b>	<b>25,226,520</b>

#### Maturity profile of term loans from banks:

Particulars	0-1 years	1-2 years	2 years and above	0-1 years	1-2 years	2 years and above
Term loans from bank (principal amounts repayable)	55,347,504	29,835,154	21,883,456	43,340,447	23,057,452	2,169,068

**Notes to consolidated financial statements(Contd.)****Note 5 - Deferred tax assets/(liabilities) (net)**

Figures in Rs.

Particulars	2017	2016
<b>Deferred tax liability:</b>		
Fixed assets: impact of difference between WDV as per financial reporting and as per income tax reporting	<b>(14,043,441)</b>	(8,932,935)
<b>Deferred tax assets:</b>		
Impact of expenditure disallowed as per financial statement but allowed for tax purposes on payment basis	<b>6,807,851</b>	6,309,511
		-
<b>Total</b>	<b>(7,235,590)</b>	(2,623,424)

**Note 6 - Long-term provisions**

Particulars	2017	2016
<b>Provision for employee benefits (Refer Note - 29):</b>		
Leave encashment	<b>9,344,648</b>	9,188,054
<b>Total</b>	<b>9,344,648</b>	9,188,054

**Note 7 - Short-term borrowings (Refer Note - 37)**

Particulars	2017	2016
<b>Secured borrowings:</b>		
Cash credit from banks	<b>145,677,282</b>	165,861,116
<b>Total</b>	<b>145,677,282</b>	165,861,116

**Note 8 - Trade payables**

Particulars	2017	2016
<b>Trade payable for services and software:</b>		
Others	<b>17,304,844</b>	29,551,743
<b>Total</b>	<b>17,304,844</b>	29,551,743

**Notes to consolidated financial statements(Contd.)**
**Note 9 - Other current liabilities**

Figures in Rs.

Particulars	2017	2016
a. Creditors for capital goods	21,124,884	7,589,573
b. Current Maturities of Long Term Borrowings	55,347,504	43,340,447
<b>c. Other payables</b>		
i. Income Tax	10,678,542	11,844,925
i. Taxes and duties	16,618,226	29,550,783
ii. Provident Fund payable	7,336,060	5,712,657
iii. Payable to employees	76,015,940	74,281,759
iv. Creditors for expenses	14,172,602	12,981,332
v. Security Deposit	129,800	129,800
vi. Advance from customers		
- Others	1,401,053	1,725,000
vii. Exchange differences on forward contracts (Net)	-	1,315,000
viii. Other Payables	23,985,891	6,077,084
<b>Total</b>	<b>226,810,502</b>	<b>194,548,360</b>

**Note 10 - Short-term provisions**

Particulars	2017	2016
<b>Provision for employee benefits: (Refer Note - 29):</b>		
Gratuity	19,258,046	16,180,322
Leave encashment	1,803,799	1,513,242
<b>Others:</b>		
Provision for income tax including MAT	98,968,651	84,946,313
Proposed dividend	-	14,933,770
Dividend distribution tax	-	3,040,164
<b>Total</b>	<b>120,030,496</b>	<b>120,613,811</b>

## Notes to consolidated financial statements(Contd.)

## Note 11 - Fixed assets:

Figures in Rs.

Particulars	Gross block (at cost)				Depreciation				Net Block	
	As at 01.04.2016	Additions during the year	Deletions during the year	Total as at 31.03.2017	Provided up to 31.03.2016	Depreciation for the year	Depreciation on deductions/adjustment	Total up to 31.03.2017	As at 31.03.2017	As at 31.03.2016
<b>Tangible assets (Owned):</b>										
Furniture and fixtures	40,384,212	15,812,109	809,479	55,386,842	19,318,879	4,988,685	859,574	23,447,991	31,938,851	21,065,333
Vehicles	13,596,031	8,709,492	1,190,861	21,114,662	7,483,522	1,823,830	1,029,808	8,277,544	12,837,118	6,112,509
Office equipment	8,248,468	4,160,257	658,548	11,750,177	5,174,020	1,258,520	667,754	5,764,786	5,985,392	3,074,448
Electrical fittings	2,446,105	367,314	300,416	2,513,003	903,417	289,348	103,413	1,089,352	1,423,651	1,542,688
Computers	114,342,524	18,585,864	3,910,546	129,017,841	96,280,648	12,532,071	3,919,237	104,893,482	24,124,359	18,061,876
<b>Total</b>	179,017,340	47,635,035	6,869,850	219,782,525	129,160,486	20,892,454	6,579,785	143,473,154	76,309,371	49,856,854
Assets under lease:										
Leasehold improvements	15,081,079	24,252,956	-	39,334,035	6,299,831	3,827,738	-	10,127,569	29,206,466	8,781,249
<b>Total tangible assets</b>	194,098,419	71,887,991	6,869,850	259,116,560	135,460,317	24,720,192	6,579,785	153,600,723	105,515,837	58,638,103
Intangible assets:										
Computer software	150,867,050	42,660,721	861,012	192,666,759	98,405,962	18,575,229	890,731	116,090,460	76,576,299	52,461,089
<b>Total intangible assets</b>	150,867,050	42,660,721	861,012	192,666,759	98,405,962	18,575,229	890,731	116,090,460	76,576,299	52,461,089
<b>Grand total</b>	344,965,469	114,548,712	7,730,862	451,783,319	233,866,279	43,295,421	7,470,516	269,691,183	182,092,136	111,099,192

## Note 12 - Long-term loans and advances

Particulars	2017	2016
	Unsecured, considered good	Unsecured, considered good
Security deposits	28,681,819	19,166,922
<b>Total</b>	28,681,819	19,166,922

Security deposits include earnest money deposits, rent deposits and deposits with various authorities.

## Note 13 - Other non-current assets

Particulars	2017	2016
	Unsecured, considered good	Unsecured, considered good
Advance income tax (IT)	97,897,877	100,383,499
<b>Total</b>	97,897,877	100,383,499

## Note 14 - Trade receivables

Particulars	2017	2016
<b>Unsecured, considered good:</b>		
A) Trade receivables outstanding for a period exceeding six months from the date they are due for payment:	25,078,734	51,768,185
<b>Unsecured, considered good:</b>		
B) Trade receivables outstanding for a period not exceeding not six months from the date they are due for payment:	464,388,853	331,829,603
<b>Total</b>	489,467,587	383,597,788

## Notes to consolidated financial statements(Contd.)

### Note 14 A - Stock in trade

Figures in Rs.

Particulars	2017	2016
Stock in trade:		
Software products	2,292,625	-
<b>Total</b>	<b>2,292,625</b>	<b>-</b>

### Note 15 - Cash and bank balances

Particulars	2017	2016
<b>A) Cash and cash equivalents:</b>		
I. Current Balances		
A. Cash and Cash Equivalents		
a. Cash on hand	62,685	546,959
b. Balances with banks In Current Accounts	32,910,504	21,347,448
<b>II. Non-current Bank Balances</b>		
a. Margin money deposits	2,712,800	2,539,508
b. Deposits with more than 12 months maturity		
<b>Total</b>	<b>35,685,989</b>	<b>24,433,915</b>

### Note 16 - Short-term loans and advances

Particulars	2017	2016
	Unsecured, considered good	Unsecured, considered good
Prepayments	16,792,294	24,363,749
Advance paid to employees	3,570,463	13,368,868
Loans paid to employees	-	1,243,186
Advance paid to supplier	402,766	42,768
Forward contracts (Refer Note - 1-G and 25)	7,016,000	3,928,000
<b>Total</b>	<b>27,781,523</b>	<b>42,946,571</b>

### Note 17 - Other current assets

Particulars	2017	2016
	Unsecured, considered good	Unsecured, considered good
Interest income accrued on bank guarantee margins	18,311	21,843
Advance income tax (IT) and interest receivable on IT refund	129,414,246	175,067,460
Unbilled revenue	12,173,262	50,226,276
<b>Total</b>	<b>141,605,819</b>	<b>225,315,579</b>

**Notes to consolidated financial statements(Contd.)****Note 18 - Revenue from operations**

Figures in Rs.

Particulars	2017	2016
<b>Income from software services and products:</b>		
Professional and consultancy services	2,190,027,330	1,913,870,407
Software products	45,543,463	63,427,636
<b>Other Income From Operations</b>		
Discount received from suppliers	1,736,748	1,712,205
<b>Total</b>	<b>2,237,307,541</b>	<b>1,979,010,248</b>

**Note 19 - Other income**

Particulars	2017	2016
Interest income	214,807	184,268
Interest on income tax refund	18,039,421	8,394,640
Profit on sale of fixed assets	81,078	259,747
Net Gain on Foreign currency transactions and translations	1,669,622	-
Other non-operating income	4,890,220	8,477,981
<b>Total</b>	<b>24,895,148</b>	<b>17,316,636</b>

**Note 20 - Cost of software products**

Particulars	2017		2016	
	Value	%	Value	%
<b>Software products and others:</b>				
Imported	10,853,806	37%	23,560,156	76%
Indigenous	18,733,473	63%	7,584,801	24%
<b>Total</b>	<b>29,587,279</b>	<b>100%</b>	<b>31,144,957</b>	<b>100%</b>

**Note 21 - Employee benefits expenses**

Particulars	2017	2016
a. Salaries, wages and incentives	1,540,889,500	1,324,236,419
b. Contributions to		
i. Provident fund	63,245,675	87,299,104
ii. Retirement Benefits	9,097,573	7,981,729
iii. Others	6,716,726	4,277,512
c. Social security and other benefit plans for overseas employees	7,472,195	8,287,873
d. Expense on Employee Stock Option Scheme (ESOP) and Employee Stock Purchase Plan (ESPP), (Refer Note - 34 (b))	11,248,244	10,972,018
e. Staff welfare expenses	4,648,616	3,475,339
<b>Total</b>	<b>1,643,318,529</b>	<b>1,446,529,994</b>



## Notes to consolidated financial statements(Contd.)

### Note 22 - Finance costs

Figures in Rs.

Particulars	2017	2016
Interest cost	25,582,452	28,480,659
Net Loss on Foreign currency translations on FCTL	220,211	3,050,387
Other finance costs	2,275,950	1,758,161
<b>Total</b>	<b>28,078,613</b>	<b>33,289,207</b>

### Note 23 - Other expenses

Particulars	2017	2016
Power and fuel	13,147,035	11,926,916
Rent for Premises	45,357,872	38,227,382
Repairs to premises	4,923,153	4,656,419
Repairs to others	4,216,483	2,947,804
Printing and stationery	2,097,331	1,270,710
Interest on statutory dues	1,986,427	1,943,136
Recruitment expenses	8,706,467	498,211
Security charges	445,234	490,239
Insurance	7,750,495	7,633,996
Conveyance reimbursement - AMC projects	24,132,496	29,422,104
Conveyance reimbursement - other projects	13,730,420	11,577,362
Local - Travel/Conveyance/Lodging/Boarding	5,653,574	9,454,696
Foreign - Travel/Lodging/Boarding	46,339,821	42,599,429
Travelling and conveyance	48,519,336	27,578,395
Communication cost	10,031,289	8,947,207
Bad debts	40,420,515	10,419,446
Rates and taxes, excluding, taxes on income	5,466,497	2,321,981
Advertisement and sales promotion	9,871,048	14,836,187
Professional fee - technical	56,782,320	59,336,945
Legal and professional fee - non-technical	13,898,188	11,117,121
Service professional charges	29,109,565	13,030,269
Bank Charges	842,392	460,896
Director sitting fees	3,435,000	3,300,000
Net gain/(loss) on foreign currency transactions and translations	68,189	2,084,853
<b>Payments to the auditor:</b>		
(a) as auditors	575,000	575,000
(b) for other services	150,000	185,000
(c) for reimbursement of expenses	27,282	53,273
Office expenses	3,068,173	2,415,950
<b>Leasing and hiring charges:</b>		
(a) Software & License renewals	27,487,356	17,463,538
(b) Workstation Hire Charges	2,187,815	1,525,204
Prior period items	1,615,570	7,001,131
Miscellaneous expenses	8,757,574	20,454,218
<b>Total</b>	<b>440,799,917</b>	<b>365,755,018</b>

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

24. In the opinion of the board and to the best of their knowledge, the current assets, loans and advances, shown in the balance sheet have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated therein.

**25. Other commitments**

Derivatives instrument	Amount outstanding as on March 31		Purpose
	2017	2016	
Forward contract	<b>\$9,50,000</b>	\$1,700,000	Forward contract against USD receivable

The Company did not have any long-term derivative contract for which there were material foreseeable losses.

26. Trade receivables and trade payables are subject to confirmation and reconciliation.

**27. Contingent liabilities not provided for**

Particular	Year ended March 31 (Rs.)	
	2017	2016
Counter guarantees given by the Company against the bank guarantees issued by Company's bankers	<b>14,109,230</b>	13,678,160
Less: Fixed deposits shown under the head cash and bank balances include deposits pledged with the banks as margins to secure letters of credit and guarantees issued by banks. Fixed deposits considered here are only for active guarantees and margins on expired guarantees are not considered.	<b>1,502,759</b>	1,696,370
Net amount	<b>12,606,471</b>	11,981,791
Corporate guarantees given by the Company for the loans taken by subsidiaries	<b>93,915,618</b>	56,506,591
Disputed income tax demand	<b>32,672,627</b>	48,482,500
Capital Commitments	<b>21,124,884</b>	7,589,573
<b>Total</b>	<b>160,319,600</b>	124,560,455

**28. Holding of Onward Technologies Limited in its subsidiaries'**

Name of the subsidiaries	Country of incorporation	Holding as on March 31	
		2017	2016
Onward Technologies, Inc.	USA	<b>100%</b>	100%
Onward Technologies GmbH	Germany	<b>100%</b>	100%
Onward eServices Limited	India	<b>100%</b>	100%
Onward Properties Private Limited	India	<b>100%</b>	100%

**29. Disclosure in pursuance of Accounting Standard – 15 (revised 2005) on "Employee Benefits"****1. Defined contribution plans**

The Company has recognized following amounts in the statement of profit and loss for the year:

Sr. #	Particulars	Year ended March 31 (Rs.)	
		2017	2016
1	Contribution to employees provident fund	<b>38,522,460</b>	31,191,078
2	Contribution to labour welfare fund	<b>80,352</b>	77,184
3	Contribution to E.S.I.C.	<b>6,636,374</b>	4,200,327
	Pension -UK	<b>11,628</b>	-
	<b>Total</b>	<b>45,250,814</b>	35,468,589

## Notes to consolidated financial statements (Contd.)

### 2. Defined benefit plans/compensated absences – as per actuarial valuation on March 31, 2017

a) Reconciliation of opening and closing balances of the present value of the defined benefit obligation (DBO):

Sr. #	Particulars	Gratuity (Rs.)	
		2017	2016
1	Obligations at period beginning	16,921,357	17,266,620
2	Current service cost	4,557,234	4,684,084
3	Interest cost	1,121,295	1,246,963
4	Actuarial (gain)/losses	2,938,173	(3,427,932)
5	Benefits paid	(5,705,301)	(2,848,378)
6	Past service cost (vested benefit)	-	-
7	DBO at period closing	19,832,758	16,921,357

b) A reconciliation of the opening and closing balances of the fair value of plan assets:

Sr. #	Particulars	Gratuity (Rs.)	
		2017	2016
1	Opening fair value of plan asset at period beginning	741,035	474,095
2	Expected returns on plan assets	70,626	61,247
3	Actuarial gain/(losses)	(5283)	(377,299)
4	Contribution by the employer	5,935,369	3,431,370
5	Benefits paid	(5,705,301)	(2,848,378)
6	Fair value of plan assets at period closing	574,712	741,035

c) Net assets/(liabilities) recognized in the balance sheet as at March 31, 2017:

Sr. #	Particulars	Gratuity (Rs.)	
		2017	2016
1	Present value of funded obligations	19,832,758	16,921,357
2	Fair value of plan assets	574,712	741,035
3	Present value of unfunded obligations	(13,584,661)	(11,375,067)
4	Net assets/(liabilities) recognized in the balance sheet	(19,258,046)	(16,180,322)

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

## d) Total expenses recognized in the statement of profit and loss

Sr. #	Particulars	Gratuity (Rs.)	
		2017	2016
1	Current service cost	4,557,234	4,684,084
2	Interest on defined benefit obligation	1,121,295	1,246,963
3	Expected returns on plan assets	(70,626)	(61,247)
4	Actuarial (gains)/losses	2,943,456	(3,050,633)
	<b>Total</b>	<b>8,551,359</b>	<b>2,819,167</b>

All the above have been included under the line item remuneration and benefits to employees in Note - 21 of the Notes to consolidated financial statements.

## e) Major categories of plan assets as a percentage of total plan assets

Sr. #	Particulars	Plan asset - %	Plan asset (Rs.)	
			2017	2016
1	Other/insurer managed funds	100	574,712	741,035

## f) Compensated leave

Para 132 of Accounting Standard 15 (revised 2005) does not require any specific disclosures except where expense resulting from compensated absence is of such size, nature or incidence that its disclosure is relevant under Accounting Standard # 5 or Accounting Standard # 18. In the opinion of the management, the expense resulting from compensated absence is not significant and hence no disclosures are prepared under various paragraphs of Accounting Standard 15 (revised 2005).

## g) Actuarial assumptions

Sr. #	Particulars	Year ended March 31	
		2017	2016
1	Discount rate	7.65%	7.95%
2	Expected return on plan asset	8.25%	8.00%
3	Retirement age	58 years	58 years
4	Salary escalation rate	3.00%	3.00%
5	Attrition rate	2.00%	2.00%

The rates given in above table are average of assumptions of Indian subsidiaries as per actuarial valuations.

## h) Gratuity is administered through group gratuity scheme with Life Insurance Corporation of India.

## i) Salary escalation rate

Future salary increases considered in actuarial valuation take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

## Notes to consolidated financial statements (Contd.)

j) Expected rate of return on plan assets

This is based on actuaries' expectation of the average long-term rate of return expected on investments of the fund during the estimated term of the obligations.

k) Discount rate

The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

### 30. Managerial remuneration

Particular	Year ended March 31 (Rs.)	
	2017	2016
Salary and allowances	16,265,384	8,357,004

### 31. Related party disclosures

#### (a) List of related parties and relationships

	Relation	Parties
A.	Holding Company	Onward Network Technologies Private Limited
B.	Enterprise over which key management personnel exercise significant influence	Desai Finwealth Investments & Securities Private Limited Onward Software Technologies Private Limited
C.	Key management personnel Executive Chairman Managing Director Director	Harish Mehta Jigar Mehta Prachi Mehta

#### (b) Related party transactions

Figures in Rs.

Aggregate of transactions	Key management personnel	Associate Companies and promoter Companies	Total
Unsecured loans	( - )	(5,800,000)	(5,800,000)
Repayment of unsecured loans	( - )	(67,906,028)	(67,906,028)
Directors sitting fees	495,000 (420,000)	( - )	495,000 (420,000)
Interest paid during the year	( - )	( - )	(3,530,926)
Reimbursement of expenses	( - )	5,000 (2,500)	5,000 (2,500)
Reimbursement of expenses paid on behalf of	( - )	637,957 ( - )	637,957 ( - )
Rent	( - )	6,579,080 (5,854,080)	6,579,080 (5,854,080)
Deposit Paid	( - )	1,170,000 (2,627,040)	1,170,000 (2,627,040)
Salary and allowances	16,265,384 (13,727,340)	( - )	16,265,384 (13,727,340)

**Notes to consolidated financial statements (Contd.)****(c) Balance outstanding at end of financial year**

Figures in Rs.

<b>Credit balances outstanding</b>				
Loans and advances	- ( - )	- ( - )	- ( - )	- ( - )
Salary and allowances	<b>500,606</b> (374,979)	<b>434,713</b> (287,677)	- ( - )	<b>935,319</b> (662,656)

**32. Disclosure for operating leases**

The lease payments for lock in period to be made in respect of the leases in future are as follows:

<b>Particulars</b>	<b>Year ended March 31 (Rs.)</b>	
	<b>2017</b>	<b>2016</b>
Lease payment debited to statement of profit and loss	<b>24,906,320</b>	22,426,805
<b>Lease obligation</b>		
Up to 1 year	<b>21,952,486</b>	24,906,320
Greater than 1 year but less than 5 years	<b>21,654,741</b>	53,607,227

**33. Earnings per share**

The earnings per share have been computed in accordance with the "Accounting Standard 20 - Earnings per Share".

<b>Particulars</b>	<b>Year ended March 31</b>	
	<b>2017</b>	<b>2016</b>
Profit/(loss) after tax (Rs.)	<b>53,113,956</b>	31,861,251
Profit/(loss) attributable to equity shareholders (Rs.)	<b>53,113,956</b>	31,861,251
Adjusted number of ordinary shares (face value Rs. 10)	<b>15,078,639</b>	14,740,061
Basic earnings per share (Rs.)	<b>3.52</b>	2.16
Weighted average number of shares in calculating diluted EPS	<b>16,171,208</b>	15,878,892
Diluted earnings per share (Rs.)	<b>3.28</b>	2.01
Number of shares outstanding under employee stock option plan	<b>1,248,650</b>	1,329,750
Fair value of shares during the year (Rs.)	<b>80.00</b>	69.65
Exercise price for share under option (Rs.)	<b>10</b>	10
Number of shares that would have been issued at fair value	<b>156,081</b>	193,790
Weighted average number of share under employee stock option plan	<b>1,092,569</b>	1,155,960

**34. a) Onward Technologies employee stock option plan 2009**

The Company instituted the 2009 plan for all eligible employees in pursuance of a special resolution approved by the shareholders at the extraordinary general meeting held on August 31, 2009. Scheme covers grant of options to specified permanent employees of the Company as well as its subsidiaries.

## Notes to consolidated financial statements (Contd.)

Pursuant to scheme, the Company has granted options each to eligible employees at an exercise price of Rs. 10 per equity share of Rs. 10 each.

Under the term of scheme, the vesting period shall commence on the expiry of one year from the date of grant of the options to the employees and it will be spread equally over 4 years. 25% of the options will vest in the employees at the end of first year, 25% at the end of second year, 25% at the end of third year and balance 25% at the end of fourth year from the grant date.

The employee stock options granted shall be capable of being exercised within a period of one year from the date of vesting the options, they would be exercisable by the option holder and the shares arising on exercise of such options shall not be subject to any lock-in period. 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. The movement in the stock options during the year was as per the table given below:

Particular	Year ended March 31	
	2017	2016
Options outstanding at the beginning of the year	<b>337,437</b>	296,650
Options granted during the year	<b>95,000</b>	149,200
Options forfeited/cancelled during the year	<b>47,713</b>	16,963
Options lapsed during the year	<b>7,338</b>	1,725
Options exercised during the year	<b>65,625</b>	89,725
Options outstanding at the end of the year	<b>312,163</b>	337,437
Shares exercisable at the end of the year	<b>868,650</b>	1,329,750

b) Stock options issued during the year have been accounted as per the accounting guidelines issued by the Securities and Exchange Board of India (Share Based Employee Benefits) Regulation, 2014. Accordingly, an amount of **Rs.11,248,244** (Rs. 10,972,018) representing the current year charge has been debited to statement of profit and loss during the year under both plan.

35. a. The principal amount of working capital term loan repayable within a year is **Rs. 2,040,224** (Rs. 3,410,222).  
 b. The principal amount of term loan repayable within a year is **Rs. 47,844,918** (Rs. 35,423,018).

### 36. Information about business segments

In accordance with the requirement of Accounting Standard 17 (AS 17) 'Segment Reporting' issued by the Institute of Chartered Accountants of India, disclosed business segment as the primary segment. Segments have been identified taking into account the nature of the products and service and different risks and returns as under:

- a) Professional services and consultancy (including exports)
- b) Software products – resale

These segments have been identified because management perceives that these businesses are subject to different risks and returns.

'Software products - resale' segment concentrated around the Company's products and other agency related products.



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

The primary segment disclosures with respect to business segments are as under:

Particulars	Business segment Professional services and consultancy (including exports)	Software products – resale	Un-allocable	Total
Segment revenue	<b>21,918</b> (19,140)	<b>455</b> (633)		<b>22,373</b> (19,773)
Segment results	<b>1,153</b> (1,133)	<b>83</b> (223)		<b>1,236</b> (1,356)
Other un-allocable expenditure, depreciation adjusted with other incomes			<b>184</b> (209)	<b>184</b> (209)
Segment result before interest and tax				<b>1,052</b> (1,147)
Less: Finance costs				<b>281</b> (333)
Profit before tax				<b>771</b> (814)
Income tax expense/(income)				<b>240</b> (495)
Add: Exceptional items				<b>-</b> ( - )
Total profit after tax				<b>531</b> (319)

Secondary segment disclosures on the basis of geographical segments are as under:

Rs. in Lac

Geographical segments	Year ended March 31	
	2017	2016
India	<b>14,313</b>	8,771
Europe	<b>704</b>	2,269
U.S.A.	<b>7356</b>	8,733
<b>Total</b>	<b>22,373</b>	19,773

The fixed assets used in the Company's business or liabilities contracted have not been identified to any of the reportable segments as the fixed assets and services are used interchangeably between segments and as such it is not practicable to allocate fixed assets to segments and to provide segment disclosures in relation to total assets and liabilities.

37. a) Term loans including working capital term loans and foreign currency term loans sanctioned by Kotak Mahindra Bank Limited (KMBL) and Yes Bank Limited (YBL) are secured by exclusive charge on all existing and future current assets and movable fixed assets of the Company and personal guarantee of Mr. Harish Mehta and Mr. Jigar Mehta along with corporate guarantee of Onward Network Technologies Private Limited. Further secured by extension of equitable mortgage over the properties situated at Sterling Centre, Worli, Mumbai and E-Space, Nagar Road, Pune

## Notes to consolidated financial statements (Contd.)

(both the properties are owned by Onward Network Technologies Private Limited). The term loans which were converted to foreign currency term loans carried interest rate of LIBOR plus 6%. Term loans taken from KMBL carries floating interest rate of 10.50% p.a. and from YBL carries floating interest rate of 10.50% p.a.

- b) Term loans obtained from Kotak Mahindra Prime Limited for purchase of vehicles are secured by hypothecation of vehicles and repayable in equal monthly instalments.
- c) Onward Technologies, Inc., USA (OTI) had a term loan facility of \$400,000 equivalent to Rs. 25,961,480 @ 64.9037 per USD for meeting its working capital requirements. The credit facility was secured by a first charge on the tangible assets of the Company and the corporate guarantee of the parent company. The fixed interest rate on the term loan facility was 3.38%. The term loan is repayable in equal combined instalments and the repayment began in June 15, 2015. The outstanding balance as on March 31, 2016 is \$67,163 equivalent to Rs.4,359,127 @ 64.9037 per USD which was repaid subsequently during the year.
- d) Onward Technologies, Inc., USA (OTI) a new term loan facility of \$250,000 equivalent to Rs. 16,225,925 @ 64.9037 per USD for meeting its working capital requirements. The credit facility is secured by a first charge on the tangible assets of the Company and the corporate guarantee of the parent company. The fixed interest rate on the term loan facility is 3.17%. The term loan is repayable in equal combined instalments and the repayment began on August 18, 2016. The amount of loan outstanding as of March 31, 2017 is \$84,161 equivalent to Rs. 5,462,360 @ 64.9037 per USD.
- e) The Company has obtained a \$1,500,000 equivalent to Rs.97,355,550 @ 64.9037 per USD secured revolving credit facility to meet its working capital requirements, which was renewed during the year. The duration of this facility is one year from October 2016. The credit facility bears interest at the rate of prime plus 1%. The average interest rate on the credit facility during the year ended March 31, 2017 was 5% (previous year 4.5%). As of March 31, 2017, the outstanding amount of this facility aggregated to \$620,000 (March 31, 2016: \$400,000). equivalent to Rs. 40,240,294 @ 64.9037 per USD The credit facility is secured by a first charge on the tangible and intangible assets of the Company and the corporate guarantee of the parent company.

### 38. OESL:-

Term loans are availed from Kotak Mahindra Bank Limited and the terms are

Type of Loan	Repayable in	Commencing from	Ending on	Floating Interest Rate
Working Capital Term Loan	60 Monthly Instalments	April ,2017	March, 2022	10.5% per annum
Term Loan	36 Monthly instalments	April, 2017	March, 2020	10.5% per annum

The above Loans are secured by exclusive charge on all existing and future current assets and movable fixed assets of the Company and personal guarantee of Mr. Harish Mehta, Director & Mr. Jigar Mehta, Director and Corporate Guarantees of Onward Network Technologies Private Limited and Onward Technologies Limited. The loan is further secured by extension of equitable mortgage over the properties situated at Sterling Centre, Worli, Mumbai (Property is owned by Onward Network Technologies Private Limited).

**Notes to consolidated financial statements (Contd.)****39. Disclosure pursuant to the general circular # 2 dated February 8, 2011**

Figures in Rs.

Particulars	OTI	OTG	OeSL	OPPL
Capital	95,169,663	21,598,542	246,200,000	500,000
Reserves	65,524,285	(17,947,427)	(97,270,494)	9,580,872
Total assets	232,328,681	31,027,066	262,922,894	10,069,347
Debit balance in P&L A/C	-	17,947,427	97,270,494	-
Total liabilities	71,634,733	27,375,951	113,993,388	21,189
Investments	-	-	-	-
Turnover	735,613,662	70,379,591	499,401,660	-
Profit/(loss) before tax	8,561,578	12,303,514	23,704,666	(32,714)
Provision for tax	3,826,799	-	-	-
Profit/(loss) after tax	4,734,779	12,303,514	23,704,666	(32,714)
Proposed dividend	-	-	-	-

Full names of subsidiaries are as under:

OTI – Onward Technologies, Inc., USA

OTG – Onward Technologies GmbH, Germany

OeSL – Onward eServices Limited, India

OPPL – Onward Properties Private Limited, India

**40.** All assets and liabilities have been classified as current or non-current as per the operating cycle criteria set out in the Schedule III of Companies Act, 2013. Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification/disclosure.

**41. Dues to micro, small & medium enterprise**

As at March 31, 2017, Company has no payables outstanding to any micro or small enterprises registered under "The Micro, Small and Medium Enterprises Development Act, 2006.

**42.** The Company has not yet appointed Key Managerial Personnel (KMP) - Chief Financial Officer as required under provisions of section 203 read with Companies (Appointment and remuneration of Managerial person) Rules, 2014. In the Company, Onward eServices Limited, a full time Company Secretary has not yet been appointed; however, all compliances are done by an independent Company Secretary firm. Also, the Company is in process of appointment of whole time Key Managerial Person (KMP).

**43.** Figures are rounded off to the nearest rupee and figures in bracket pertain to the previous year.

## Notes to consolidated financial statements (Contd.)

**44.** Details of Specified Bank Notes (SBN) held and transacted during the period November 08, 2016 to December 30, 2016 by the Company are as under:

(Amount in Rupees)

	SBNs	Other Denomination Notes	Total
Closing cash in hand as on November 08, 2016	36,500	291,390	<b>327,890</b>
(+) Permitted receipts	5,000	536,220	<b>541,220</b>
(-) Permitted payments		642,332	<b>642,332</b>
(-) Amount deposited in Banks	41,500	-	<b>41,500</b>
Closing Cash in hand as on December 30, 2016		185,278	<b>185,278</b>

The accompanying notes are an integral part of the financial statements

As per our report of even date

**For Kirtane & Pandit LLP**

Chartered Accountants

Firm Registration Number: 105215W/W100057

**For and on behalf of the Board of Directors**

**Parag P. Pansare**

Partner

Membership Number: 117309

**Harish Mehta**

Executive Chairman

**Jigar Mehta**

Managing Director

Place: Mumbai

Date: May 22, 2017

**Pranay Vakil**

Audit Committee Chairman

**Monik Damania**

Company Secretary

## Independent Auditor's Report on Standalone Financials

To  
The Members,  
Onward Technologies Limited  
Report on the Financial Statements

We have audited the accompanying Financial Statements of Onward Technologies Limited ("the Company") which comprise the Balance Sheet as at March 31, 2017 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### Management's responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder from time to time. The responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; the 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 the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by 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 2017, and its profits and its cash flow for the year ended on that date.

### Emphasis of Matter

We draw attention to Note no. 40 to the financial statements regarding non appointment of key management personnel. Our opinion is not modified in respect of this matter.

### Report on Other Legal and Regulatory Requirements:

1. 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 A", statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

## Independent Auditor's Report on Standalone Financials (Contd.)

2. 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards referred under Section 133 of the Act, read with relevant rules issued thereunder from time to time;
  - (e) On the basis of the written representations received from the directors of the Company as on 31st March, 2017 taken on record by the Board of Directors, none of the directors of the Company are disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “Annexure B”;
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 28 to the financial statements.
    - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses - Refer Note 27 to the financial statements.
    - iii. There were no amounts required to be transferred to the Investor Education and Protection Fund by the Company.
    - iv. The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 08, 2016 to December 30, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of accounts maintained by the Company and as produced to us by the Management - Refer Note 43 to the financial statements.

### For Kirtane & Pandit LLP

Chartered Accountants

Firm Registration Number: 105215W/W 100057

### Parag Pansare

Partner

Membership Number: 117309

Mumbai, May 22, 2017

## Annexure-A to the Independent Auditors' Report

The annexure referred to in paragraph 1 in Report on Other Legal and Regulatory Requirements of the Independent Auditors' Report to the members of the Company on the financial statements for the year ended March 31, 2017, we report that:

- (I) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- (b) During the year, some I.T. Assets, has been physically verified by the Management. As informed to us, that the discrepancies will then be dealt with in the accounts once the process of compilation is complete.

**Independent Auditor's Report on Standalone Financials (Contd.)**

- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not own any immovable property.
- (ii) The Company is a service company, primarily engaged in Mechanical Engineering designing and Information Technology services and consultancy. Further in respect of trading activities of the company, the products viz. Software are purchased only if counter orders are received from the customers, thus it does not carry any physical inventories as on balance sheet date. Thus, paragraph 3(ii) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has granted unsecured loans to its wholly owned subsidiary which is a party covered in the Register maintained under Section 189 of the Companies Act, 2013 ('The Act').
- (a) The terms and conditions of the grant of this loan are not prejudicial to the Company's interest.
- (b) Even though, no schedule of repayment of principal and payment of interest has been stipulated, as per the mutually agreed upon terms, the same loan has been received fully.
- (c) As mentioned above, there is no amount due as at the year-end in respect to the loan granted.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Act, with respect to the loans and investments made.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public under Section 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Act, for any of the products and services rendered by the company. Accordingly, paragraph 3(vi) of the Order is not applicable.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of accounts in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Service Tax, Value Added Tax, Cess and any other material statutory dues have been regularly deposited during the year by the Company with appropriate authorities.
- According to the information and explanations given to us, no undisputed amounts payable in respect of statutory dues were outstanding as at 31st March 2017 for a period of more than six months from the date they become payable.
- (b) According to the information and explanations given to us, as at the end of the year, there are no dues on account of Sales Tax, Income Tax, Customs Duty, Service Tax, Excise Duty, Cess and any other statutory dues as may be applicable, that have not been deposited on account of any dispute except as follows:-

Name of Statute	Nature of Dues	Year	Amount (Rs.)	Forum where dispute is pending
Income tax Act, 1961	Transfer Pricing Adjustments	FY 2005-06	Nil	Hon'ble High Court, Mumbai
Income tax Act, 1961	Transfer Pricing Adjustments	FY 2006-07	34,729,121	ITAT, Mumbai
Income tax Act, 1961	Transfer Pricing Adjustments	FY 2007-08	73,302,289	ITAT, Mumbai
Income tax Act, 1961	Transfer Pricing Adjustments	FY 2008-09	178,379,846	ITAT, Mumbai
Income tax Act, 1961	Transfer Pricing Adjustments	FY 2010-11	1,135,000	CIT(A), Mumbai
Income tax Act, 1961	Transfer Pricing Adjustments	FY 2011-12	761,637	CIT(A), Mumbai



## Independent Auditor's Report on Standalone Financials (Contd.)

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its banks and financial institutions. The Company did not have any loan or borrowings from government or any debentures outstanding during the year.
- (ix) During the year, the Company has not raised any moneys by way of Initial Public Offer or Further Public Offer (including debt instruments). However, during the year, the company has raised money by way of term loans which were completely applied for the purpose for which they were raised.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been reported during the year.
- (xi) According to the information and explanations given to us and on the basis of our examination of the records of the Company, 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 of the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

### For Kirtane & Pandit LLP

Chartered Accountants

**Firm Registration Number: 105215W/W100057**

### Parag Pansare

Partner

Membership Number: 117309

Mumbai, May 22, 2017

## Annexure-B to the Independent Auditors' Report

The annexure referred to in paragraph 2(f) on Other Legal and Regulatory Requirements of the Independent Auditors' Report to the members of the Company on the financial statements for the year ended March 31, 2017.

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Onward Technologies Limited** ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

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". 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 Companies Act, 2013.



## Independent Auditor's Report on Standalone Financials (Contd.)

### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit conducted in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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.

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 over financial reporting.

### Meaning of Internal Financial Controls over Financial Reporting

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

### Inherent Limitations of Internal Financial Control Over Financial Reporting

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

### Opinion

In our opinion the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017 except that there is scope for improvement and certain areas require strengthening of controls such as Verification of Fixed Assets, Bill Booking of Expenses, Processing of Payroll and General Controls with respect to Information Technology based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### For Kirtane & Pandit LLP

Chartered Accountants

Firm Registration Number: 105215W/W100057

### Parag Pansare

Partner

Membership Number: 117309

Mumbai, May 22, 2017

## Balance sheet as at 31st March, 2017

Figures in Rs.

Particulars	Notes	2017	2016
<b>Equity and liabilities</b>			
<b>Shareholders' funds</b>			
(a) Share capital	2	151,962,700	149,337,700
(b) Reserves and surplus	3	324,328,894	280,938,253
		<u>476,291,594</u>	<u>430,275,953</u>
Share Application Money pending allotment	2b	1,327,000	522,500
<b>Non-current liabilities</b>			
(a) Long-term borrowings	4	47,675,967	35,310,113
(b) Long-term provisions	5	5,751,635	6,191,492
(c) Deferred tax liability (net)	6	705,759	-
		<u>54,133,361</u>	<u>41,501,605</u>
<b>Current liabilities</b>			
(a) Short-term borrowings	7	74,841,984	113,807,411
(b) Trade payables			
- Due to MSME Payables		-	-
- Due to Others	8	69,535,006	97,866,320
(c) Other current liabilities	9	148,856,229	120,477,619
(d) Short-term provisions	10	113,804,060	115,083,569
		<u>407,037,279</u>	<u>447,234,919</u>
<b>Total</b>		<u>938,789,234</u>	<u>919,534,977</u>
<b>Assets</b>			
<b>Non-current assets</b>			
(a) Fixed assets	11		
(i) Tangible assets		69,361,826	50,043,942
(ii) Intangible assets		74,804,294	50,023,748
(b) Non-current investments	12	373,660,869	283,660,870
(c) Deferred tax assets (net)	6	-	780,204
(d) Long-term loans and advances	13	15,336,547	113,880,135
(e) Other non-current assets	14	58,174,403	65,435,800
		<u>591,337,939</u>	<u>563,824,699</u>
<b>Current assets</b>			
(a) Stock in Trade	14A	2,292,625	-
(b) Trade receivables	15	166,658,896	128,021,104
(c) Cash and bank balances	16	21,483,121	12,703,176
(d) Short-term loans and advances	17	18,299,176	17,958,288
(e) Other current assets	18	138,717,477	197,027,710
		<u>347,451,295</u>	<u>355,710,278</u>
<b>Total</b>		<u>938,789,234</u>	<u>919,534,977</u>
<b>Summary of significant accounting policies</b>	1		

The accompanying notes are an integral part of the financial statements  
 As per our report of even date

**For Kirtane & Pandit LLP**

Chartered Accountants

Firm Registration Number: 105215W/W100057

**Parag P. Pansare**

Partner

Membership Number: 117309

Place : Mumbai

Date : May 22, 2017

**For and on behalf of the Board of Directors**

**Harish Mehta**

Executive Chairman

**Jigar Mehta**

Managing Director

**Pranay Vakil**

Audit Committee Chairman

**Monik Damania**

Company Secretary

## Statement of profit and loss for the year ended 31st March, 2017

Figures in Rs.

Particulars	Notes	2017	2016
I. Revenue from operations	19	945,886,521	893,813,189
II. Other income	20	42,634,562	13,651,206
III. Total revenue (I + II)		<u>988,521,083</u>	<u>907,464,395</u>
IV. Expenses:			
Cost of software products consumed	21	23,758,909	24,757,775
Employee benefits expenses	22	630,370,064	573,680,914
Finance costs	23	20,447,664	20,740,018
Depreciation and amortization expenses	11	37,834,923	33,690,489
Other expenses	24	226,772,170	195,801,929
Total expenses		<u>939,183,730</u>	<u>848,671,125</u>
V. Profit before exceptional and extraordinary items and tax (III - IV)		49,337,353	58,793,270
VI. Exceptional items		-	-
VII. Profit before extraordinary items and tax (V - VI)		49,337,353	58,793,270
VIII. Extraordinary items		-	-
IX. Profit before tax (VII - VIII)		49,337,353	58,793,270
X. Tax expenses:			
(1) Current Tax		13,418,562	22,429,720
(2) MAT credit entitlement		-	-
(3) Previous year tax adjustment		5,277,646	12,211,728
(4) Deferred tax		1,485,963	13,329,466
XI. Profit for the period from continuing operations (IX - X)		<u>29,155,182</u>	<u>10,822,356</u>
XII. Earnings per equity share:			
(1) Basic		1.93	0.73
(2) Diluted		1.80	0.68

The accompanying notes are an integral part of the financial statements

As per our report of even date

For Kirtane &amp; Pandit LLP

Chartered Accountants

Firm Registration Number: 105215W/W100057

Parag P. Pansare

Partner

Membership Number: 117309

Place : Mumbai

Date : May 22, 2017

For and on behalf of the Board of Directors

Harish Mehta

Executive Chairman

Jigar Mehta

Managing Director

Pranay Vakil

Audit Committee Chairman

Monik Damania

Company Secretary

## Cash flow statement for the year ended 31st March, 2017

Figures in Rs.

	2017	2016
<b>(A) Cash flows from operating activities</b>		
Profit before extra ordinary item and tax	49,337,353	58,793,270
Adjustments for:		
Depreciation	37,834,923	33,690,489
Deferred employees compensation expenses	11,248,244	10,972,018
Interest income	(21,761,196)	(10,031,047)
Prior period adjustment in investment	-	612,645
Adjustments of Net Saving on Dividend Distribution Tax	2,987,214	-
Finance cost	20,447,664	21,200,914
<b>Operating profit before working capital changes</b>	<b>100,094,202</b>	<b>115,238,289</b>
Adjustments for:		
Decrease/(increase) in trade receivables	(38,637,792)	(9,275,478)
Decrease/(increase) in stock in trade	(2,292,625)	3,231,629
Decrease/(increase) in other current/non-current assets	65,571,630	(31,762,802)
Decrease/(increase) in short-term/long-term loans and advances	98,202,700	(95,684,394)
(Decrease)/increase in current/non-current liabilities/payables	47,296	14,928,902
(Decrease)/increase in short-term/long-term provision	(1,719,366)	37,336,309
Cash generated from operations	221,266,045	34,012,455
Income tax provided	(20,182,171)	(47,970,914)
<b>Net cash from operating activities (A)</b>	<b>201,083,873</b>	<b>(13,958,459)</b>
<b>(B) Cash flow from investing activities</b>		
Purchase of fixed assets and investments	(172,328,435)	(28,665,600)
Proceeds from sale of fixed assets	395,083	-
Interest received	21,761,196	10,031,047
<b>Net cash used in investing activities (B)</b>	<b>(150,172,156)</b>	<b>(18,634,553)</b>
<b>(C) Cash flow from financing activities</b>		
Proceeds from issue of share capital	3,429,500	3,821,500
Proceeds from long-term borrowings	67,599,404	91,090,205
Repayment of long-term borrowings	(94,198,977)	(53,703,406)
Deferred Tax Expenses	1,485,963	13,329,466
Finance cost	(20,447,664)	(21,200,914)
<b>Net cash (used)/generated in financing activities (C)</b>	<b>(42,131,774)</b>	<b>33,336,854</b>
<b>Net increase/(decrease) in cash and cash equivalents (A + B + C)</b>	<b>8,779,944</b>	<b>743,842</b>
Cash and cash equivalents opening balance	12,703,176	11,959,334
<b>Cash and cash equivalents closing balance</b>	<b>21,483,121</b>	<b>12,703,176</b>

The accompanying notes are an integral part of the financial statements

As per our report of even date

**For Kirtane & Pandit LLP**

Chartered Accountants

Firm Registration Number: 105215W/W100057

**Parag P. Pansare**

Partner

Membership Number: 117309

Place : Mumbai

Date : May 22, 2017

**For and on behalf of the Board of Directors**
**Harish Mehta**

Executive Chairman

**Jigar Mehta**

Managing Director

**Pranay Vakil**

Audit Committee Chairman

**Monik Damania**

Company Secretary

## Notes to financial statements

### Note 1 – Significant accounting policies:

#### A. Accounting assumptions

The financial statements are prepared and presented in accordance with Generally Accepted Accounting Principles in India ("Indian GAAP") under the historical cost convention, to comply in all material respects with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016 and the relevant provisions of the Companies Act, 2013 and guidelines issued by the Securities and Exchange Board of India (SEBI). The Company follows mercantile system of accounting and recognises income and expenditure on an accrual basis except those with significant uncertainties. These accounts have been prepared on the assumption that the Company is a going concern and have been consistently applied by the Company with those used in the previous year; and the accounting policies not referred to otherwise, are in conformity with Indian GAAP.

#### B. Use of estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of financial statements. The recognition, measurement, classification or disclosure of an item or information in the financial statements has been made relying on these estimates. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from those estimated. Any revision to accounting estimates is recognised prospectively in the current and future periods.

#### C. Revenue recognition

Revenue comprises sale of user licence of software, professional services and consultancy, training, interest and dividend. Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and that the revenue can be reliably measured. Revenue is disclosed exclusive of sales tax, service tax, VAT or other taxes, as applicable.

#### Income from software services and products

- i) Revenue from sale of products rendered through tele-communication network/courier are recognised on receiving confirmation of receipt from the customers.
- ii) In respect of income received from contracts dependent on time and material basis are recognised when related service are performed.
- iii) In case of fixed price contracts, revenue is recognised over the life of contract based on the mile stones achieved as agreed upon in the contract on proportionate completion basis.
- iv) Revenue through training, annual maintenance contracts and fixed price maintenance contracts are recognised proportionately over the period in which services are rendered/training is provided.
- v) Revenue from the sale of user licences for software applications is recognised on transfer of the title in the user licence.
- vi) Revenue on time and material contracts are recognised as Unbilled Revenue when the related services are rendered from the end of last billing up to the reporting date.
- vii) Revenue from services to overseas subsidiary companies are recognised in accordance with transfer pricing agreement entered with the subsidiary companies.

#### Other income

- i) Dividend income is recognised when the Company's right to receive dividend is established.
- ii) Interest is recognised on time proportionate basis taking into account the amount outstanding and the rate applicable.
- iii) All other incomes are accounted for on an accrual basis except, notice pay recovery & bond money.

## Notes to financial statements (Contd.)

### D. Plant, Property & Equipment

The Company has adopted cost model to measure the gross carrying amount of fixed assets.

Tangible Fixed assets are stated at original cost, less accumulated depreciation and impairment losses, if any. The cost of the fixed assets includes the purchase price and all the incidental or directly attributable expenditure incurred and necessary to bring the assets to its working condition for its intended use. Own developed assets are capitalized inclusive of all direct costs and attributable overheads. Capital work-in-progress comprises of the cost of fixed assets that are not yet ready for their intended use as at the balance sheet date.

### E. Intangible Assets

Intangible assets are recorded at the consideration paid for their acquisition. Cost of an internally generated asset comprises all expenditure that can be directly attributed, or allocated on a reasonable and consistent basis, to creating, producing and making the asset ready for its intended use.

### F. Depreciation & Amortisation

Depreciation on fixed assets is computed on the straight-line method over their useful lives prescribed under Schedule II of the Companies Act, 2013. In respect of intangible assets such as software, depreciation is provided over its license period ranging from two to six years. In case of vehicles purchased for the employees under employee car policy of the Company, the vehicles are transferred to the employees after three years and hence the useful life considered for such vehicles as three years.

Lease hold improvements are depreciated over the period of the lease agreement.

The management periodically assesses fixed assets, using external and internal sources whether there is an indication that an asset may be impaired. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised in the income statement for items of fixed assets carried at cost. The recoverable amount is the higher of an asset's net selling price and value in use. The net selling price is the amount obtained from the sale of an asset in an arm's length transaction while 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. Recoverable amounts are estimated for individual assets or, if not possible, for the cash generating unit.

### G. Impairment of Asset

Impairment loss recognised for an asset in earlier accounting periods is reversed, to the extent of its recoverable amount, if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised.

### H. Foreign currency transactions

Transactions in foreign currencies are normally recorded at the average exchange rate prevailing on the date on which transaction occurred.

Outstanding balances of foreign currency monetary items are reported using the period end rates.

Non-monetary items carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rate that existed, when the values were determined.

Exchange differences arising as a result of the above are recognised as income or expense in the statement of profit and loss, except the following.

#### Foreign branches

Foreign currency transactions entered into by branches, which are integral foreign operations, are translated in the same manner as foreign currency transactions described above. Monetary assets and liabilities are translated at rates

## Notes to financial statements (Contd.)

prevailing on the balance sheet date. Non-monetary assets and liabilities are translated at the rate prevailing on the date of the transaction. Depreciation on fixed assets is recognised as per the Company's policy. Net gain/loss on foreign currency translation is recognised in the statement of profit and loss.

### Derivative instruments and hedge accounting

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain forecasted transactions.

Effective from April 1st 2016, the Company designates some of these as cash flow hedges applying the recognition and measurement principle set out in the "Guidance Note on Accounting for Derivative Contracts" issued by ICAI.

The use of foreign currency forward contracts is governed by the Company's policies provide written principles on the use of such financial derivatives consistent with the Company's risk management strategy.

The counter party to the Company's foreign currency forward contracts is generally a bank.

The Company does not use derivative financial instruments for speculative purposes.

Foreign currency forward contract derivative instruments are initially measured at fair value and are re-measured at subsequent reporting dates.

Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognised directly in hedging reserve and the ineffective portion is recognised immediately in statement of profit and loss.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the statement of profit and loss as they arise.

When hedge accounting is discontinued for a cash flow hedge, the net gain or loss will remain in reserves and be reclassified to statement of profit and loss in the same period or periods during which the formerly hedged transaction is reported in statement of profit and loss.

If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in reserves is transferred to statement of profit and loss.

### I. Investments

Trade investments are the investments made to enhance the Company's business interests. Investments are either classified as current/short-term or long-term based on the management's intention at the time of purchase. Long-term investments are carried at cost less any permanent diminution in value (if any), determined separately for each individual investment. Current/short-term investments are carried at the lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investment. Cost for overseas investments comprises the Indian rupee value of the consideration paid for the investment.

### J. Cash flow statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated.

### K. Borrowing Costs

Borrowing costs are charged to Statement of Profit and Loss except in cases where the borrowings are directly attributable to the acquisition, construction or production of qualifying asset in which case they are capitalised.

Exchange difference arising from foreign currency borrowings are recognised as borrowing cost to the extent that they are regarded as an adjustment to interest costs as per AS 16 Borrowing Costs



## Notes to financial statements (Contd.)

### L. Payments and benefits to employees

#### (a) Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages, and short-term compensated absences etc. and the expected cost of bonus, ex-gratia except for variable pay which is accounted on cash basis due to unavailability of estimation are recognised in the period in which the employee renders the related service.

#### (b) Post employment benefits

- (i) Defined contribution plans: The Company's superannuation scheme, state governed provident fund scheme, Statute employee state insurance scheme and employee pension scheme are defined contribution plans. The contribution paid/payable under the schemes is recognised during the period in which the employee renders the related service,
- (ii) Defined benefit plans: The employees' gratuity fund schemes managed by trust are the Company's defined benefit plans. The present value of the obligation under such defined benefit plans is determined based on actuarial valuation using the Projected Unit Credit Method which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on government securities as at the balance sheet date having maturity periods approximating to the terms of related obligations. Actuarial gain and losses are recognised immediately in the statement of profit and loss. In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans, to recognize the obligation on net basis.

#### (c) Long-term employee benefits

The obligation for long-term employee benefits such as long-term compensated absences is recognised in the same manner as in the case of defined benefit plans as mentioned in (b) (ii) above.

### M. Operating lease

Assets acquired on lease where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating lease. Lease rentals are charged off to the statement of profit and loss as incurred. Initial direct costs in respect of assets given on operating lease are expensed off in the year in which such costs are incurred.

### N. Earnings per share

Basic earnings per share are calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for any bonus shares issued during the year and also after the balance sheet date but before the date the financial statements are approved by the management.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares as appropriate. The dilutive potential equity shares are adjusted for the proceeds receivable, had the shares been issued at fair value. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date.

## Notes to financial statements (Contd.)

### O. Tax expense

Tax expense for the year comprises of current tax and deferred tax. Current tax is measured after taking into consideration, the deductions and exemptions admissible under the provisions of the Income Tax Act, 1961. Whereas the difference between tax assessed by the authorities or self assessed tax and tax expenses recorded earlier is accounted as previous year tax adjustment under statement of profit and loss.

Deferred tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing difference of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. If there is unabsorbed depreciation or carry forward of losses under tax laws, deferred tax assets are recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax resulting from timing differences which originate during the tax holiday period but are expected to reverse after such tax holiday period is recognised in the year in which the timing differences originate using the tax rates and laws enacted or substantively enacted at the balance sheet date.

Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay income tax higher than that computed under MAT, during the period that MAT is permitted to be set off under the Income Tax Act, 1961 (specified period). In the year, in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in the guidance note issued by the Institute of Chartered Accountants of India (ICAI), the said asset is created by way of a credit to the statement of profit and loss and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay income tax higher than MAT during the specified period and shown under previous year tax adjustments.

### P. Employee stock option scheme

In accordance with SEBI Regulation, the excess of the market price of shares, at the date of grant of options under the employee stock option schemes, over the exercise price, is treated as employee compensation expenses and amortised on a systematic basis over the vesting period of the options.

In the case of graded vesting, the vesting period is determined separately for each portion of the option. The unamortised portion of the cost is shown under "Deferred employee compensation expenses".

### Q. Provisions and contingent liabilities

Necessary provisions are made for the present obligations that arise out of past events prior to the Balance Sheet date entailing future outflow of economic resources. Such provisions reflect best estimates based on available information.

However, a disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision is made.

### R. Cash and cash equivalents

Cash and cash equivalents for the purposes of Cash Flow Statement comprise cash on hand and demand deposits with banks. Cash equivalents are short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

### S. Dividend

Dividend is recognized as liability in the period in which it is declared by the company (usually when approved by shareholder at its General Meeting) or paid.

## Notes to financial statements (Contd.)

Figures in Rs.

Note 2 - Share capital	Par value per share	2017		2016	
		No of shares	Value	No of shares	Value
<b>(a) Authorised</b>					
18,000,000 equity shares of Rs. 10 each	10	18,000,000	180,000,000	18,000,000	180,000,000
1,000,000 preference shares of Rs. 10 each		1,000,000	10,000,000	1,000,000	10,000,000
1,000,000 unclassified shares of Rs. 10 each		1,000,000	10,000,000	1,000,000	10,000,000
<b>(b) Issued, subscribed and paid-up:</b>					
Equity Shares of Rs.10/- each	10	15,196,270	151,962,700	14,933,770	149,337,700
		15,196,270	151,962,700	14,933,770	149,337,700

Note 2.1 - Reconciliation of Shares outstanding at the beginning and at the end of the Year	Par value per share	As at 31st March 2017		As at 31st March 2016	
		No of shares	Value	No of shares	Value
<b>(a) Equity Shares</b>					
At the Beginning of the Year	10	14,933,770	149,337,700	14,574,870	145,748,700
Issued during the Year		262,500	2,625,000	358,900	3,589,000
<b>At the end of the Year</b>		15,196,270	151,962,700	14,933,770	149,337,700

Note 2.2 - Details of Shares held by Holding Company / Ultimate Holding Company	Par value per share	As at 31st March 2017		As at 31st March 2016	
		No of shares	Value	No of shares	Value
<b>(a) Equity Shares</b>					
Held by Holding Company	10	8,633,312	86,333,120	8,461,925	84,619,250
Onward Network Technologies Private Limited					
	-	-	-	-	-

Note 2.3 - Details of Shareholders holding Company / Ultimate Holding Company	Par value per share	As at 31st March 2017		As at 31st March 2016	
		No of shares	Value	No of shares	Value
<b>(a) Equity Shares</b>					
Holding Company - Onward Network Technologies Private Limited	10	8,633,312	56.81	8,461,925	56.66

### A. Terms/rights attached to equity shares

Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.

1,248,650 (1,329,750) equity shares are outstanding under ESOP 2009 scheme as at balance sheet date; each share being fully paid equity share of Rs. 10 each.

### B. Share Application Money

Currently Company is in balance towards share application money which have received in March 2017 in anticipation to issue 132,700 (P.Y. 52,250) shares @ Rs. 10 per share under ESOP 2009 scheme amounting to Rs. 1,327,000 (P.Y. Rs. 522,500). Subsequently, the shares have been allotted on 06.04.2017.

## Notes to financial statements (Contd.)

## Note 3 - Reserve and surplus

Figures in Rs.

Particulars	2017	2016
<b>Securities premium account:</b>		
Balance as per last financial statements	108,469,582	96,461,667
Add: Additions on employee stock option plan	9,796,546	12,007,915
<b>Closing balance</b>	<b>118,266,128</b>	<b>108,469,582</b>
<b>Employee stock option plan outstanding (Refer Note - 37):</b>		
Balance as per last financial statements	5,549,272	6,585,167
Add: Gross compensation for options granted during the year	80,805,271	75,960,058
Less: Deferred employee stock compensation	69,557,026	64,988,038
Less: Transferred to securities premium on exercise of stock options	9,796,546	12,007,915
<b>Closing balance</b>	<b>7,000,971</b>	<b>5,549,272</b>
<b>Surplus at the beginning of the year:</b>	<b>166,919,399</b>	<b>174,070,977</b>
Less: Proposed dividend	52,950	14,933,770
Less: Dividend distribution tax	(3,040,164)	3,040,164
Add: Profit after tax for the year	29,155,182	10,822,356
<b>Surplus at the end of the year</b>	<b>199,061,795</b>	<b>166,919,399</b>
<b>Total</b>	<b>324,328,894</b>	<b>280,938,253</b>

## Note 4 - Long-term borrowings (Refer Note -38)

Figures in Rs.

Particulars	2017			2016		
	Secured	Unsecured	Total	Secured	Unsecured	Total
<b>Term loans:</b>						
Term loans from banks - Secured	83,985,793	-	83,985,793	64,114,080	-	64,114,080
Less: Current maturities of long-term borrowings	46,343,419	-	46,343,419	38,887,560	-	38,887,560
<b>Total long-term borrowings</b>	<b>37,642,374</b>	<b>-</b>	<b>37,642,374</b>	<b>25,226,520</b>	<b>-</b>	<b>25,226,520</b>
<b>Inter-corporate deposits from related parties:</b>						
Onward Properties Private Limited - Unsecured	-	10,033,593	10,033,593	-	10,083,593	10,083,593
<b>Total</b>	<b>37,642,374</b>	<b>10,033,593</b>	<b>47,675,967</b>	<b>25,226,520</b>	<b>10,083,593</b>	<b>35,310,113</b>

## Maturity profile of term loans from banks:

Particulars	0-1 years	1-2 years	2-3 years	0-1 years	1-2 years	2-3 years
Term loans from bank (principal amounts repayable)	46,343,419	25,925,429	11,716,945	38,887,560	23,057,452	2,169,068

## Notes to financial statements (Contd.)

### Note 5 - Long-term provisions

Figures in Rs.

Particulars	2017	2016
<b>Provision for employee benefits (Refer Note - 32):</b>		
Leave Encashment	5,751,635	6,191,492
<b>Total</b>	<b>5,751,635</b>	<b>6,191,492</b>

### Note 6 - Deferred tax assets/(liability) (Net)

Particulars	2017	2016
<b>Deferred tax liability:</b>		
Fixed assets: impact of difference between WDV as per financial reporting and as per income tax reporting	9,508,093	5,529,307
<b>Deferred tax assets:</b>		
Impact of expenditure disallowed as per financial statement but allowed for tax purposes on payment basis	8,802,335	6,309,511
Impact of carried forward losses		-
<b>Total</b>	<b>(705,759)</b>	<b>780,204</b>

### Note 7 - Short-term borrowings

Particulars	2017	2016
<b>Secured borrowings:</b>		
Cash credit from bank- Secured (Refer Note -38)	74,841,984	113,807,411
<b>Total</b>	<b>74,841,984</b>	<b>113,807,411</b>

### Note 8 - Trade payables

Particulars	2017	2016
<b>Trade payable for services and software:</b>		
Intercompany Payables	63,485,201	82,528,195
Other Trade Payables	6,049,805	15,338,124
<b>Total</b>	<b>69,535,006</b>	<b>97,866,319</b>

**Notes to financial statements (Contd.)****Note 9 - Other current liabilities**

Figures in Rs.

Particulars	2017	2016
a. Creditors for capital goods	19,631,046	7,582,495
b. Current Maturities of Long Term Borrowings	46,343,419	38,887,560
c. Other payables	4,208,646	3,057,549
i. Income Tax	9,411,683	9,765,651
ii. Taxes and duties	8,103,780	8,211,574
iii. Provident Fund payable	3,593,815	3,008,807
iv. Payable to employees	47,776,978	38,178,249
v. Creditors for expenses	8,335,809	7,003,331
vi. Security Deposit	50,000	50,000
vii. Advance from customers		
- From related party - Onward Technologies Inc. [Refer Note -34 (c)]	-	1,692,404
- Others	1,401,053	1,725,000
viii. Exchange differences on forward contracts (Net)	-	1,315,000
<b>Total</b>	<b>148,856,229</b>	<b>120,477,619</b>

**Note 10 - Short-term provisions**

Particulars	2017	2016
<b>Provision for employee benefits (Refer Note - 32):</b>		
Leave encashment	1,250,748	1,513,242
Gratuity	13,584,661	11,375,067
<b>Others:</b>		
Provision for income tax including MAT	98,968,651	84,221,326
Proposed dividend	-	14,933,770
Dividend distribution tax	-	3,040,164
<b>Total</b>	<b>113,804,060</b>	<b>115,083,569</b>

## Notes to financial statements (Contd.)

### Note 11 - Fixed assets:

Figures in Rs.

Particulars	Gross block (at cost)				Depreciation				Net Block	
	As at 01.04.2016	Additions during the year	Deletions during the year	Total as at 31.03.2017	Provided up to 31.03.2016	Depreciation for the year	Depreciation on deductions/adjustment	Total up to 31.03.2017	As at 31.03.2017	As at 31.03.2016
<b>Tangible assets (owned):</b>										
Furniture and fixtures	25,496,608	5,170,044	-	30,666,652	11,576,460	3,229,389	-	14,805,849	15,860,803	13,920,148
Vehicles	13,596,031	8,709,492	1,190,861	21,114,662	7,483,522	1,823,830	1,029,808	8,277,544	12,837,118	6,112,509
Office equipment	5,284,445	3,631,090	-	8,915,535	2,608,460	969,314	-	3,577,774	5,337,761	2,675,985
Electrical fittings	2,426,905	367,314	300,416	2,493,803	884,217	289,348	103,413	1,070,152	1,423,651	1,542,688
Computers	102,341,397	15,132,419	2,585,991	114,887,825	85,317,191	11,049,811	2,548,964	93,818,038	21,069,787	17,024,206
<b>Total</b>	149,145,386	33,010,359	4,077,268	178,078,477	107,869,850	17,361,692	3,682,185	121,549,357	56,529,120	41,275,536
<b>Assets under lease:</b>										
Leasehold improvements	15,035,581	7,429,010	-	22,464,591	6,267,175	3,364,710	-	9,631,885	12,832,706	8,768,406
<b>Total tangible assets</b>	164,180,967	40,439,369	4,077,268	200,543,068	114,137,025	20,726,402	3,682,185	131,181,242	69,361,826	50,043,942
<b>Intangible assets:</b>										
Computer software	91,521,987	41,889,067	-	133,411,054	41,498,239	17,108,521	-	58,606,760	74,804,294	50,023,748
<b>Total intangible assets</b>	91,521,987	41,889,067	-	133,411,054	41,498,239	17,108,521	-	58,606,760	74,804,294	50,023,748
<b>Grand total</b>	255,702,954	82,328,436	4,077,268	333,954,122	155,635,264	37,834,923	3,682,185	189,788,002	144,166,120	100,067,690

### Note 12 - Long-term loans and advances

Particulars	2017	2016
<b>Investments in equity instruments (Unquoted and non-trade)</b>		
<b>In subsidiaries:</b>		
<b>Onward eServices Limited</b>		
15,620,000 (15,620,000) equity shares of Rs. 10 per share fully paid	156,200,000	156,200,000
900,000 (0) preference shares of Rs. 100 per share fully paid	90,000,000	-
<b>Onward Technologies GmbH</b>	21,598,543	21,598,543
<b>Onward Technologies, Inc.</b>	95,169,663	95,169,663
114,000 (114,000) fully paid equity shares of US\$ 20 each		
<b>Onward Properties Private Limited</b>	10,692,664	10,692,664
5,000 (5,000) fully paid equity shares of Rs. 100 each		
<b>Total</b>	373,660,869	283,660,870
Aggregate cost of unquoted investments	373,660,869	283,660,870
<b>Total</b>	373,660,869	283,660,870

**Notes to financial statements (Contd.)****Note 13 - Long-term loans and advances**

Figures in Rs.

Particulars	2017	2016
	Unsecured, considered good	Unsecured, considered good
Security deposits	15,336,547	10,626,262
Loan to Onward eServices Limited	-	103,253,873
<b>Total</b>	<b>15,336,547</b>	<b>113,880,135</b>

Security deposits include earnest money deposits, rent deposits and deposits with various authorities.

**Note 14 - Other non-current assets**

Particulars	2017	2016
	Unsecured, considered good	Unsecured, considered good
Advance income tax	58,174,403	65,435,800
<b>Total</b>	<b>58,174,403</b>	<b>65,435,800</b>

**Note 14A - Stock in trade**

Particulars	2017	2016
<b>Stock in trade:</b>		
Software products	2,292,625	-
<b>Total</b>	<b>2,292,625</b>	<b>-</b>

**Note 15 - Trade receivables**

Particulars	2017	2016
<b>Unsecured, considered good:</b>		
a. Trade receivables outstanding for a period exceeding six months from the date they are due for payment:	7,020,128	3,332,259
Less : Provision for doubtful debts	6,032,374	-
	<b>987,754</b>	<b>3,332,259</b>
<b>Unsecured, considered good:</b>		
b. Trade receivables outstanding for a period not exceeding six months from the date they are due for payment:	165,671,142	124,688,845
<b>Total</b>	<b>166,658,896</b>	<b>128,021,104</b>



**Notes to financial statements (Contd.)**
**Note 16 - Cash and bank balances**

Figures in Rs.

Particulars	2017	2016
<b>A) Cash and cash equivalents:</b>		
<b>I. Current Balances</b>		
A. Cash and Cash Equivalents		
a. Cash on hand	43,472	245,902
b. Balances with banks		
In Current Accounts	20,492,258	11,506,504
<b>II. Non-current Bank Balances</b>		
a. Margin money deposits	947,391	950,770
<b>Total</b>	<b>21,483,121</b>	<b>12,703,176</b>

**Note 17 - Short-term loans and advances**

Particulars	2017	2016
	Unsecured, considered good	Unsecured, considered good
Prepayments	9,540,806	13,640,358
Advances paid to employees	1,339,604	347,162
Advances paid to suppliers	402,766	42,768
Forward Contracts (Refer Note - 1-H and 27)	7,016,000	3,928,000
<b>Total</b>	<b>18,299,176</b>	<b>17,958,288</b>

**Note 18 - Other current assets**

Particulars	2017	2016
	Unsecured, considered good	Unsecured, considered good
Interest income accrued on bank guarantee margins	2,279	8,557
Advance income tax and interest receivable on IT refund	128,420,249	160,693,048
Unbilled revenue	10,294,949	36,326,104
<b>Total</b>	<b>138,717,477</b>	<b>197,027,709</b>

**Notes to financial statements (Contd.)****Note 19 - Revenue from operations**

Figures in Rs.

Particulars	2017	2016
<b>Income from software services and products:</b>		
Professional and consultancy services	901,840,868	835,129,214
Software products	42,308,906	56,971,770
<b>Other Operating Income</b>		
Discount received from suppliers	1,736,748	1,712,205
<b>Total</b>	<b>945,886,521</b>	<b>893,813,189</b>

**Note 20- Other income**

Particulars	2017	2016
Interest income	6,201,248	6,232,679
Dividend Received	16,751,471	-
Interest on income tax refund	15,559,948	3,798,368
Profit on sale of fixed assets	81,078	259,747
Net Gain on Foreign currency transactions and translations	1,517,891	-
Other non-operating income	2,522,925	3,360,412
<b>Total</b>	<b>42,634,562</b>	<b>13,651,206</b>

**Note 21 - Cost of software products consumed**

Particulars	2017		2016	
	Value	%	Value	%
<b>Software products and others:</b>				
Imported	10,853,806	46	23,560,156	95
Indigenous	15,197,728	54	1,197,619	5
Less: Closing Stock	(2,292,625)		-	
<b>Total</b>	<b>23,758,909</b>	<b>100</b>	<b>24,757,775</b>	<b>100</b>

## Notes to financial statements (Contd.)

### Note 22 - Employee benefits expenses

Figures in Rs.

Particulars	2017	2016
a. Salaries, wages and incentives	<b>582,752,890</b>	529,525,222
b. Contributions to		
i. Provident fund	<b>20,755,966</b>	18,499,191
ii. Retirement Benefits	<b>5,455,752</b>	4,511,824
iii. Others	<b>273,786</b>	66,834
c. Social security and other benefit plans for overseas employees	<b>7,472,195</b>	8,287,873
d. Expense on Employee Stock Option Scheme (ESOP) and Employee Stock Purchase Plan (ESPP), <b>(Refer Note - 37 (b))</b>	<b>11,248,244</b>	10,972,018
e. Staff welfare expenses	<b>2,411,231</b>	1,817,952
<b>Total</b>	<b>630,370,064</b>	573,680,914

### Note 23 - Finance costs

Particulars	2017	2016
Interest cost	<b>19,229,283</b>	16,259,318
Net Loss on Foreign currency translations on FCTL	<b>220,211</b>	3,050,387
Other Borrowing Cost	<b>998,170</b>	1,430,313
<b>Total</b>	<b>20,447,664</b>	20,740,018

**Notes to financial statements (Contd.)****Note 24 - Other expenses**

Figures in Rs.

Particulars	2017	2016
Power and fuel	11,348,750	11,078,636
Rent	20,816,083	19,270,770
Repairs to premises	4,883,180	4,165,741
Repairs to others	3,280,145	2,937,998
Insurance	1,664,450	2,441,963
Conveyance	2,083,743	2,044,815
Travel/Lodging/Boarding - Local	4,814,955	5,182,826
Travel/Lodging/Boarding - Foreign	46,339,821	42,599,429
Communication cost	4,841,804	4,527,908
Bank Charges	455,845	460,896
Bad debts/ Provision for doubtful debts	20,844,744	224,805
Rates and taxes	4,306,351	2,313,481
Advertisement and sales promotion	3,118,304	3,487,924
Marketing Fee	33,193,432	28,587,169
Professional fee - technical	4,985,942	10,385,771
Legal and professional fee - non-technical	8,173,190	7,189,396
Service professional charges	11,651,345	8,429,909
Director sitting fees	2,230,000	2,100,000
Net Loss on Foreign currency transactions and translations	-	2,084,853
<b>Payments to the auditor:</b>		
(a) as auditors	575,000	575,000
(b) for other services	150,000	185,000
(c) for reimbursement of expenses	27,282	53,273
Office expenses	3,068,173	2,383,714
<b>Leasing and hiring charges:</b>		
(a) Software & License renewals	27,252,569	17,463,538
(b) Workstation Hire Charges	2,187,815	811,011
Prior period items	765,231	2,358,437
Miscellaneous expenses	3,714,017	12,457,667
<b>Total</b>	<b>226,772,170</b>	<b>195,801,929</b>

## Notes to financial statements (Contd.)

25. In the opinion of the management and to the best of their knowledge, the current assets, loans and advances, shown in the balance sheet have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated therein.

26. Trade receivables and trade payables are subject to confirmation and reconciliation.

### 27. Other commitments

Derivatives instrument	Amount outstanding as on March 31		Purpose
	2017	2016	
Forward contract	<b>\$9,50,000</b>	\$1,700,000	Forward contract against USD receivable

The Company did not have any long-term derivative contract for which there were material foreseeable losses.

### 28. Contingent liabilities not provided for

Particular	Year ended March 31 (Rs.)	
	2017	2016
Counter guarantees given by the Company against the bank guarantees issued by Company's bankers	<b>1,139,400</b>	1,021,741
Less: Fixed deposits shown under the head cash and bank balances include deposits pledged with the banks as margins to secure letters of credit and guarantees issued by banks. Fixed deposits considered here are only for active guarantees and margins on expired guarantees are not considered.	<b>97,041</b>	263,578
Net amount	<b>1,042,359</b>	758,164
Corporate guarantees given by the Company for the loans taken by subsidiaries	<b>93,915,618</b>	56,506,591
Disputed income tax demand	<b>32,672,627</b>	48,482,500
Capital Commitments	<b>19,631,046</b>	-
<b>Total</b>	<b>147,261,650</b>	105,747,255

### 29. (A) Earnings in foreign currency

Particulars	Year ended March 31 (Rs.)	
	2017	2016
Product sale	<b>4,550,492</b>	5,847,623
Software exports including consulting services and commissions	<b>469,172,684</b>	418,746,452
<b>Total</b>	<b>473,723,176</b>	424,594,075

**Notes to financial statements (Contd.)****(B) Expenditure in foreign currency**

Particulars	Year ended March 31 (Rs.)	
	2017	2016
Travelling	43,970,509	41,904,501
Professional fees	3,028,827	2,474,432
Communication	65,828	114,480
Salaries and bonus	77,089,558	85,864,795
Miscellaneous expenditure	378,330	1,178,922
Compensation premises	564,677	621,297
Marketing fees and technical support	33,338,378	28,587,169
Conveyance	349,975	551,973
Finance costs	2,085,892	3,951,913
Bad Debts	18,532,374	-
<b>Total</b>	<b>179,404,347</b>	<b>165,249,482</b>

**(C) Value of import**

Particulars	Year ended March 31 (Rs.)	
	2017	2016
Software & Support Services	10,787,309	23,560,156

30. a) The principal amount of working capital term loan repayable within a year is **Rs. NIL** (Rs. 3,410,222).  
b) The principal amount of term loan repayable within a year is **Rs. 46,343,419** (Rs. 35,477,338).

**31. Derivative instruments and un-hedged foreign currency**

Particular of un-hedged foreign currency exposure as on balance sheet date:

As on 31st March	Foreign currency receivable		
	USD	GBP	EURO
2016	-	10,230	469,682
<b>2017</b>	<b>-</b>	<b>4,762</b>	<b>502,584</b>

Particular of un-hedged foreign currency exposure as on balance sheet date:

As on 31st March	Foreign currency payable		
	USD	GBP	EURO
2016	1,146,083	1,498	156,130
<b>2017</b>	<b>823,725</b>	<b>-</b>	<b>146,849</b>

## Notes to financial statements (Contd.)

Reconciliation of Hedging Reserve details as below:

Figures in Rs.

Particulars	As at March 31, 2017	As at March 31, 2016
Opening Balance	13,15,000	-
Effective Portion recognized in Hedging Reserve	-	13,15,000
Recycled to Profit & Loss	(13,15,000)	-
Closing Balance	-	13,15,000

### 32. Disclosure in pursuance of Accounting Standard – 15 (revised 2005) on “Employee Benefits”

#### a) Defined contribution plans

The Company has recognised following amounts in the statement of profit and loss for the year:

Particulars	Year ended March 31 (Rs.)	
	2017	2016
Contribution to employees provident fund	20,755,966	18,499,191
Contribution to E.S.I.C.	231,594	26,226
Contribution to labour welfare fund	42,192	40,608
Pension -UK	11,628	-
<b>Total</b>	<b>21,041,380</b>	<b>18,566,025</b>

#### b) Defined benefit plans/compensated absences – as per actuarial valuation on March 31, 2017

i. Reconciliation of opening and closing balances of the present value of the defined benefit obligation (DBO):

Sr. #	Particulars	Gratuity (Rs.)	
		2017	2016
1	Obligations at period beginning	11,713,152	12,041,718
2	Current service cost	2,589,942	2,995,094
3	Interest cost	789,335	889,023
4	Actuarial (gains)/losses	2,561,582	(2,636,148)
5	Benefits paid	(3,692,932)	(1,576,535)
6	Past service cost (vested benefit)	-	-
7	DBO at period closing	13,961,079	11,713,152

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

## ii) A reconciliation of the opening and closing balances of the fair value of plan assets

Sr. #	Particulars	Gratuity (Rs.)	
		2017	2016
1	Opening fair value of plan asset at period beginning	338,085	312,584
2	Expected returns on plan assets	38,435	34,201
3	Actuarial gains/(losses)	4,065	(238,566)
4	Contribution by the employer	3,948,509	1,806,401
5	Benefits paid	(3,692,932)	(1,576,535)
6	Fair value of plan assets at period closing	376,418	338,085

## iii) Net assets/(liabilities) recognized in the balance sheet as at March 31, 2017

Sr. #	Particulars	Gratuity (Rs.)	
		2017	2016
1	Present value of funded obligations	13,961,079	11,713,152
2	Fair value of plan assets	376,418	338,085
3	Present value of unfunded obligations	(13,584,661)	(11,375,067)
4	Net assets/(liabilities) recognised in the balance sheet	(13,584,661)	(11,375,067)

## iv) Total expenses recognized in the statement of profit and loss

Sr. #	Particulars	Gratuity (Rs.)	
		2017	2016
1	Current service cost	2,589,942	2,995,094
2	Interest on defined benefit obligation	789,335	889,023
3	Expected returns on plan assets	(38,435)	(34,201)
4	Actuarial (gains)/losses	2,557,517	(2,397,582)
5	Past service cost (vested benefit)	-	-
	<b>Total</b>	<b>5,898,359</b>	<b>1,452,344</b>

All the above have been included under the line item remuneration and benefits to employees in Note - 22 of the Notes to financial statements.

## v) Major categories of plan assets as a percentage of total plan assets

Sr. #	Particulars	Plan asset - %	Plan asset (Rs.)	
			2017	2016
1	Other/insurer managed funds	100	376,418	338,085



## Notes to financial statements (Contd.)

### vi) Compensated leave

Para 132 of Accounting Standard 15 (revised 2005) does not require any specific disclosures except where expense resulting from compensated absence is of such size, nature or incidence that its disclosure is relevant under Accounting Standard # 5 or Accounting Standard # 18. In the opinion of the management, the expense resulting from compensated absence is not significant and hence no disclosures are prepared under various paragraphs of Accounting Standard 15 (revised 2005).

### vii) Experience adjustments

Particulars	Year ended March 31 (Rs.)	
	2017	2016
Defined benefit obligation	<b>13,961,,079</b>	11,713,152
Plan assets	<b>376,418</b>	338,,085
Surplus/(deficit)	<b>(13,584,661)</b>	(11,375,067)
Exp. Adj. on plan liabilities (loss)/gain	<b>1,926,746</b>	(1,049,253)
Exp. Adj. on plan assets (loss)/gain	<b>(2,900)</b>	238,566

### viii) Actuarial assumptions

Sr. #	Particulars	Year ended March 31	
		2017	2016
1	Discount rate	<b>7.60%</b>	8.00%
2	Expected return on plan asset	<b>8.25%</b>	8.00%
3	Retirement age	<b>58 years</b>	58 years
4	Salary escalation rate	<b>3.00%</b>	3.00%
5	Attrition rate	<b>2.00%</b>	2.00%

ix) Gratuity is administered through group gratuity scheme with Life Insurance Corporation of India.

### x) Salary escalation rate

Future salary increases considered in actuarial valuation take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

### xi) Expected rate of return on plan assets

This is based on actuaries' expectation of the average long-term rate of return expected on investments of the fund during the estimated term of the obligations.

### xii) Discount rate

The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

**Notes to financial statements (Contd.)****33. Information about business segments**

As permitted by paragraph 4 of Accounting Standard-17 (AS - 17), 'Segment Reporting', if a single financial report contains both consolidated financial statements and the separate financial statements of the parent, segment information need be presented only on the basis of the consolidated financial statements. Thus, disclosures required by AS - 17 are given in consolidated financial statements.

**34. Related party disclosures****(a) List of related parties and relationships**

	Relation	Parties
A.	Holding Company	Onward Network Technologies Private Limited
B.	Subsidiary Companies	Onward Technologies, Inc., USA Onward Technologies GmbH, Germany Onward eServices Limited, India Onward Properties Private Limited, India
C.	Enterprise over which key management personnel exercise significant influence	Desai Finwealth Investments & Securities Private Limited Onward Software Technologies Private Limited
D.	Key management personnel Executive Chairman Managing Director Director	Harish Mehta Jigar Mehta Prachi Mehta

**(b) Related party transactions**

Figures in Rs.

Aggregate of transactions	Holding Company	Total
	Onward Network Technologies Private Limited	
Unsecured loans accepted	- (3,500,000)	- (3,500,000)
Repayment of unsecured loans	- (13,510,532)	- (13,510,532)
Interest paid during the year	- (314,034)	- (314,034)
Rent	6,579,080 (5,854,080)	6,579,080 (5,854,080)
Reimbursement of expenses received on behalf of	2,500 ( - )	2,500 ( - )
Reimbursement of expenses paid on behalf of	637,957 (-)	637,957 (-)
Deposit paid	1,170,000 (2,627,040)	1,170,000 (2,627,040)

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

Figures in Rs.

Aggregate of transactions	Subsidiary Companies				Total
	Onward Technologies, Inc., USA	Onward Technologies GmbH, Germany	Onward eServices Limited	Onward Properties Private Limited	
Offshore services	<b>239,645,797</b> (210,419,011)	<b>66,803,775</b> (54,602,167)	- (-)	- (-)	<b>306,449,572</b> (265,021,178)
Income from management fees	<b>11,614,022</b> (11,649,031)	<b>(2,964,273)</b> 2,359,872	- (-)	- (-)	<b>13,973,894</b> (14,613,304)
Reimbursement of expenses received on behalf of	<b>1,183,766</b> (3,312,530)	<b>1,474,440</b> (1,002,983)	- (-)	<b>2,500</b> (8,500)	<b>2,660,706</b> (4,324,013)
Reimbursement of expenses paid on behalf of	<b>10,894,347</b> (15,369,262)	- (-)	<b>257,155</b> (723,236)	- (-)	<b>11,151,502</b> (16,092,498)
Marketing fees expenses	<b>22,753,673</b> (17,178,079)	<b>10,584,705</b> (11,409,090)	- (-)	- (-)	<b>33,338,378</b> (28,587,169)
Investment in equity shares (shares allotted against share application money)	- (-)	- (2,116,780)	- (-)	- (-)	- (2,116,780)
Investment in Pref. shares	- (-)	- (-)	<b>90,000,000</b> (-)	- (-)	<b>90,000,000</b> (-)
Advance given	- (-)	- (-)	- (-)	- (25,000)	- (25,000)
Unsecured loans given to	- (-)	- (-)	<b>49,105,601</b> (90,276,000)	- (-)	<b>49,105,601</b> (90,276,000)
Interest charged during the year on unsecured loans given	- (-)	- (-)	<b>6,097,714</b> (6,161,088)	- (-)	<b>6,097,714</b> (6,161,088)
Repayment of unsecured loans	- (-)	- (-)	<b>152,359,474</b> (6,092,127)	<b>50,000</b> (31,000)	<b>152,409,474</b> (6,123,127)

Aggregate of transactions	Key Management Personnel			Total
	Harish Mehta	Prachi Mehta	Jigar Mehta	
Directors sitting fees	- (-)	<b>495,000</b> (420,000)	- (-)	<b>495,000</b> (420,000)
Salary and allowance	<b>8,357,004</b> (8,357,004)	- (-)	<b>7,908,360</b> (5,370,336)	<b>16,265,364</b> (13,727,340)

## Notes to financial statements (Contd.)

Figures in Rs.

Credit balances outstanding	Enterprise over which key management personnel exercise significant influence		Total
	Onward Software Technologies Private Limited	Desai Finwealth Investments and Securities Private Limited	
Reimbursement of expenses	2,500 (2,500)	2,500 (2,500)	5,000 (5,000)

## (C) Balance outstanding at end of financial year

Aggregate of transactions	Subsidiary Companies				Total
	Onward Technologies, Inc., USA	Onward Technologies GmbH, Germany	Onward eServices Limited	Onward Properties Private Limited	
Debit balances outstanding					
Trade receivables	3,430,904 ( - )	32,705,402 (34,950,750)	- ( - )	- ( - )	36,136,306 (34,950,750)
Loans and advance	- ( - )	- ( - )	- (103,253,873)	- ( - )	- (103,253,873)
Investment in equity shares	95,169,663 (95,169,663)	21,598,543 (21,598,543)	156,200,000 (156,200,000)	10,692,664 (10,692,664)	283,660,869 (283,660,869)
Investment in Pref. shares	- (-)	- ( - )	90,000,000 (-)	- (-)	90,000,000 (-)
Credit balances outstanding					
Unsecured loan	- ( - )	- ( - )	- ( - )	10,033,593 (10,083,593)	10,033,593 (10,083,593)
Credit balance in trade receivables	- (1,692,404 )	- ( - )	- ( - )	- ( - )	- (1,692,404 )
Trade payables	53,240,159 (70,816,832)	10,233,482 (11,711,363)	- ( - )	- ( - )	63,473,641 (82,331,330)

Credit balances outstanding	Key management personnel (Harish Mehta)	Key management personnel (Jigar Mehta)	Total
Salary and allowances	500,606 (374,979)	434,713 (287,677)	935,319 (662,656 )

## Notes to financial statements (Contd.)

### 35. Disclosure for operating leases

The lease payments for lock in period to be made in respect of the leases in future are as follows:

Particular	Year ended March 31 (Rs.)	
	2017	2016
Lease payment debited to statement of profit and loss	20,816,083	19,270,770
<b>Lease obligation</b>		
Up to 1 year	21,952,486	20,816,083
Greater than 1 year but less than 5 years	21,654,741	43,607,227

### 36. Earnings per share

The earnings per share have been computed in accordance with the "Accounting Standard 20 - Earnings per Share".

Particular	Year ended March 31	
	2017	2016
Profit/(loss) after tax (Rs.)	29,155,178	10,822,356
Profit/(loss) attributable to equity shareholders (Rs.)	29,155,178	10,822,356
Adjusted number of ordinary shares (face value Rs. 10)	15,078,639	14,740,061
Basic earnings per share (Rs.)	1.93	0.73
Weighted average number of shares in calculating diluted EPS	16,171,208	15,896,021
Diluted earnings per share (Rs.)	1.80	0.68
Number of shares outstanding under employee stock option plan	1,248,650	13,29,750
Fair value of shares during the year (Rs.)	80.00	69.65
Exercise price for share under option (Rs.)	10	10
Number of shares that would have been issued at fair value	156,081	193,790
Weighted average number of share under employee stock option plan	1,092,569	1,155,960

### 37. a) Onward Technologies employee stock option plan 2009

The Company instituted the 2009 plan for all eligible employees in pursuance of a special resolution approved by the shareholders at the extraordinary general meeting held on August 31, 2009. Scheme covers grant of options to specified permanent employees of the Company as well as its subsidiaries.

Pursuant to scheme, the Company has granted options each to eligible employees at an exercise price of Rs. 10 per equity share of Rs. 10 each.

Under the term of scheme, the vesting period shall commence on the expiry of one year from the date of grant of the options to the employees and it will be spread equally over 4 years. 25% of the options will vest in the employees at the end of first year, 25% at the end of second year, 25% at the end of third year and balance 25% at the end of fourth year from the grant date.

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

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. 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. The movement in the stock options during the year was as per the table given below:

Particular	Year ended March 31	
	2017	2016
Options outstanding at the beginning of the year	337,437	296,650
Options granted during the year	95,000	149,200
Options forfeited/cancelled during the year	47,713	16,963
Options lapsed during the year	7,338	1,725
Options exercised during the year	65,625	89,725
Options outstanding at the end of the year	312,163	337,437
Shares exercisable at the end of the year	868,650	1,329,750

b) Stock options issued during the year have been accounted as per the accounting guidelines issued by the Securities and Exchange Board of India (Share Based Employee Benefits) Regulation, 2014. Accordingly, an amount of **Rs.11,248,244** (Rs. 10,972,018) representing the current year charge has been debited to statement of profit and loss during the year under both plan.

38. a) Term loans including term loans and foreign currency term loans sanctioned by Kotak Mahindra Bank Limited (KMBL) and Yes Bank Limited (YBL) are secured by exclusive charge on all existing and future current assets and movable fixed assets of the Company and personal guarantee of Mr. Harish Mehta and Mr. Jigar Mehta along with corporate guarantee of Onward Network Technologies Private Limited. Further secured by extension of equitable mortgage over the properties situated at Sterling Centre, Worli, Mumbai and E-Space, Nagar Road, Pune (both the properties are owned by Onward Network Technologies Private Limited). The term loans which were converted to foreign currency term loans carried interest rate of LIBOR plus 6%. Term loans taken from KMBL carries floating interest rate of 10.50% p.a. and from YBL carries floating interest rate of 10.50% p.a.
- b) Term loans obtained from Kotak Mahindra Prime Limited for purchase of vehicles are secured by hypothecation of vehicles and repayable in equal monthly instalments.
- c) Loan from Onward Properties Private Limited is interest free and the Company has unconditional right to defer the repayment.
- d) There are no defaults in repayment of term loans during the year.

**39. Dues to micro, small & medium enterprise**

As at March 31, 2017, the Company has no payables outstanding to any micro or small enterprises registered under "The Micro, Small and Medium Enterprises Development Act, 2006".

40. The Company has not yet appointed the key managerial personnel - Chief Financial Officer as required under provisions of section 203 read with Companies (Appointment and remuneration of Managerial person) Rules, 2014; however, all secretarial compliances are done by an independent Company Secretary firm.

## Notes to financial statements (Contd.)

41. All assets and liabilities have been classified as current or non-current as per the operating cycle criteria set out in the Schedule III of Companies Act, 2013. Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

42. Figures are rounded off to the nearest rupee and figures in bracket pertain to the previous year.

43. Details of Specified Bank Notes (SBN) held and transacted during the period November 08, 2016 to December 30, 2016 by the Company are as under:

Figures in Rs.

	SBNs	Other Denomination Notes	Total
Closing cash in hand as on November 08, 2016	36,500	244,427	<b>280,927</b>
(+) Permitted receipts	5,000	203,220	<b>208,220</b>
(-) Permitted payments		312,380	<b>312,380</b>
(-) Amount deposited in Banks	41,500		<b>41,500</b>
Closing Cash in hand as on December 30, 2016		135,267	<b>135,267</b>

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

As per our report of even date

### For Kirtane & Pandit LLP

Chartered Accountants

Firm Registration Number: 105215W/W100057

### For and on behalf of the Board of Directors

#### Parag P. Pansare

Partner

Membership Number: 117309

#### Harish Mehta

Executive Chairman

#### Jigar Mehta

Managing Director

Place: Mumbai

Date: May 22, 2017

#### Pranay Vakil

Audit Committee Chairman

#### Monik Damania

Company Secretary

## Notice of Annual General Meeting

**NOTICE** is hereby given that the Twenty Sixth Annual General Meeting of Onward Technologies Limited (the 'Company') will be held on Friday, July 21, 2017 at Victoria Memorial School for the Blind, 73, Tardeo Road, Mumbai 400 034 at 11.00 A.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, 2017 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, 2017 and the report of the Auditors thereon.

#### 2. Declaration of Dividend:

To declare dividend of Re. 1 per equity share for the financial year 2016-17.

#### 3. Appointment of statutory auditors and fixing their remuneration:

To appoint statutory auditors and fix their remuneration; to consider and if thought fit, pass the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. Price Waterhouse Chartered Accountants LLP (Firm Registration No. 012754N/ N500016) be and are hereby appointed as the Statutory Auditors of the Company in place of the retiring Statutory Auditors, M/s. Kirtane & Pandit LLP, Chartered Accountants, (Firm Registration No. 105215W/W100057), who shall hold office from the conclusion of this Annual General Meeting till the conclusion of the 31st Annual General Meeting of the Company, subject to ratification of appointment by members at every Annual General Meeting held after this Annual General Meeting of the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred as the "Board", which term shall be deemed to include any Committee thereof which the Board may have constituted or hereinafter constitute) be and are hereby authorized to fix such remuneration as may be determined by the Board in consultation with the Statutory Auditors in addition to reimbursement of all out-of-pocket expenses as may be incurred in connection with the audit of the accounts of the Company."

#### 4. 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

#### 5. Appointment of Mr. Rahul Rathi as an Independent Director of the Company:

To consider and if deemed fit, pass the following resolution as an ordinary resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV of the Companies Act, 2013 (the 'Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and other applicable provisions, if any, Mr. Rahul Rathi (DIN: 00966359), who was appointed as an additional director of the Company pursuant to provisions of Section 161 of the Act with effect from April 24, 2017 and who holds office up to the date of this Annual General Meeting, and who qualifies for being appointed as an Independent Director and in respect of whom the Company has received a notice in writing along with requisite deposit under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as a Non-executive Independent Director of the Company, not liable to retire by rotation, to hold office for 3 (three) consecutive years for a term up to July 20, 2020."



## Notice (Contd.)

### 6. Appointment of Mr. Parish Meghani as an Independent Director of the Company:

To consider and if deemed fit, pass the following resolution as an ordinary resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and other applicable provisions, if any, Mr. Parish Meghani (DIN: 02106768), who was appointed as an additional director of the Company pursuant to provisions of Section 161 of the Act with effect from May 10, 2017 and who holds office up to the date of this Annual General Meeting, and who qualifies for being appointed as an Independent Director and in respect of whom the Company has received a notice in writing along with requisite deposit under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as a Non-executive Independent Director of the Company, not liable to retire by rotation, to hold office for 3 (three) consecutive years for a term up to July 20, 2020."

### 7. Re-appointment of Mr. Pranay Vakil as an Independent Director of the Company:

To consider and if deemed fit, pass the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and other applicable provisions, if any, Mr. Pranay Vakil (DIN: 00433379), Non-executive Independent Director of the Company, who qualifies for being re-appointed as an Independent Director and in respect of whom the Company has received a notice in writing along with requisite deposit under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby re-appointed as a Non-executive Independent Director of the Company, not liable to retire by rotation, to hold office for 3 (three) consecutive years for a term up to July 20, 2020."

### 8. Re-appointment of Mr. Nandkumar Pradhan as an Independent Director of the Company:

To consider and if deemed fit, pass the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and other applicable provisions, if any, Mr. Nandkumar Pradhan (DIN: 01197795), Non-executive Independent Director of the Company, who qualifies for being re-appointed as an Independent Director and in respect of whom the Company has received a notice in writing along with requisite deposit under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby re-appointed as a Non-executive Independent Director of the Company, not liable to retire by rotation, to hold office for 3 (three) consecutive years for a term up to July 20, 2020."

### 9. Extension of the benefits of Employee Stock Option Plan 2009 (ESOP 2009):

To consider and if deemed fit, pass following resolution as a **Special Resolution**:

**"RESOLVED THAT** in accordance with the provisions of Section 62(1)(b) of the Companies Act, 2013 (the "Act"), Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (including any statutory modifications, amendments or re-enactments thereof for the time being in force), and all other applicable laws and rules for the time being in force and subject to such approvals, consents, permissions and sanctions, as may be required, consent of the Company be and is hereby accorded to the Board of Directors (including any Committee(s) thereof), to extend the benefits and coverage of the "Onward Employee Stock Option Plan 2009" (hereinafter referred as 'ESOP 2009') of the Company for a period up to March 31, 2020 or till the remaining options are exhausted, whichever is earlier.

**Notice (Contd.)**

**RESOLVED FURTHER THAT** all other terms and conditions and provisions as contained in the ESOP 2009 shall remain unchanged as approved by the members at the Eighteenth Annual General Meeting held on August 31, 2009.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to do all such acts, matters, deeds and things and execute such agreements, documents and writings and file such forms with Registrar of Companies, as may be required for the purpose of giving effect to this resolution."

**By the order of the Board of Directors**

Place: Mumbai

Date: May 22, 2017

**Harish Mehta**  
Executive Chairman

**Registered Office:**

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

**Notes:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. Proxies to be effective, the instrument appointing the proxy (Form MGT-11) should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
3. Members/Proxies should fill the Attendance Slip for attending the meeting and bring their Attendance Slips along with their copy of the Annual Report to the meeting.
4. The explanatory statement pursuant to Section 102 (1) of the Companies Act, 2013 relating to the special business to be transacted at the meeting is annexed to this Notice.
5. The brief profile and other required information about the Directors proposed to be appointed/re-appointed, as required under Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 also forms part this Notice.
6. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of the board resolution authorizing their representative to attend and vote on their behalf at the meeting.
7. Pursuant to Section 91 of the Companies Act, 2013, the register of members and share transfer books of the Company will remain closed from Saturday, July 15, 2017 to Friday, July 21, 2017 (both days inclusive).
8. Dividend on equity shares as recommended by the Board of Directors for the year ended March 31, 2017, if approved at the meeting, will be payable to those Members who hold shares:
  - a) 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 Friday, July 14, 2017.
  - b) 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 Friday, July 14, 2017.

## Notice (Contd.)

9. Members who may wish to claim unclaimed dividends are requested to correspond with the Company, at the Company's registered office. Members are requested to note that dividends which is 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.
10. Members can avail 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, LBS Marg, Vikhroli (West),  
Mumbai 400 083.
12. Members seeking any information relating to accounts are requested to write to the Company at an early date to enable the management to keep the required information ready.
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 provided with this annual report and shall be available for inspection by the Members at the meeting.
14. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant provisions of Companies (Management and Administration) Rules, 2014, which allows the companies to send documents including annual reports and other intimation by an email. Therefore, members are requested to register their email IDs with the Registrar and Transfer Agent of the Company. The Company is already having email ID of the members holding their shares in Demat through their respective depository participants. The said email ID shall be considered as registered email ID for the said members unless informed otherwise to the company or Registrar and Transfer Agent.
15. A member shall be allowed to vote only by one method. Where a member has cast his vote by more than one method, the vote casted by remote e-voting shall be considered. Where a member has not cast vote through remote e-voting, he may cast his vote by ballot paper which shall be provided at the venue of the meeting.
16. The notice of meeting and annual report of the Company circulated to the members of the Company by physical and electronic mode will also be made available on the website of the Company at [www.onwardgroup.com](http://www.onwardgroup.com). Relevant documents referred to in the accompanying notice are open for inspection by the members at the registered office of the Company on all working days between 10.00 A.M. and 12.00 Noon upto the date of the meeting.
17. Members are requested to register their email IDs with the Company and encourage paper free communications. The Company would send its annual reports and other communications to the members on their registered email IDs. The shareholders may register their email IDs with the Registrar and Transfer Agent – M/s. Link Intime India Private Limited.
18. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in physical form can submit their PAN to the Company / Link Intime India Private Limited.
19. The route map of the venue of the meeting is also forming part of the Notice. The prominent landmark for the venue is, it is "Near to Tardeo AC Market".

**Notice (Contd.)****Remote E-Voting:**

20. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 as amended from time to time and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is providing to the members facility of voting by electronic means in respect of businesses to be transacted at the meeting which includes remote e-voting (i.e. voting electronically from a place other than the venue of the general meeting). The Company also proposes to provide the option of voting by means of ballot paper at the venue of meeting in addition to the remote electronic voting mentioned above. The Company has engaged the services of National Securities Depository Limited (NSDL) for facilitating voting by electronic means.
21. Mr. Nilesh A. Pradhan, Proprietor of M/s. Nilesh A. Pradhan & Co., Practicing Company Secretaries [Membership Number: FCS 5445; CP Number: 3659] [Address: B-201, Pratik Industrial Estate, Mulund Goregaon Link Road, Next to Fortis Hospital, Nahur (West), Mumbai] has been appointed as the scrutinizer to scrutinize the voting through remote e-voting process and voting process at meeting in fair and transparent manner.

The instructions and process for voting electronically by the members are as under:

- A. In case of members receiving notice by e-mail from NSDL:
- i. Open e-mail and open the attached PDF file viz; "Onward.e-voting.pdf" with your Client ID (in case you are holding shares in demat mode) or Folio No. (in case you are holding shares in physical mode) as password. The said PDF file contains your user ID and password for e-voting. Please note that this password is an initial password.
  - ii. Launch internet browser by typing the URL <https://www.evoting.nsdl.com>.
  - iii. Click on "Shareholder-Login".
  - iv. Insert your user ID and password as initial password noted in step (i) above. Click Login. If you are already registered with NSDL for e-voting, you can use your existing user ID and password for casting your vote.
  - v. Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - vi. Home page of remote e-voting opens. Click on "e-Voting: Active Voting Cycles".
  - vii. Select "E Voting Event Number (EVEN)" of Onward Technologies Limited for casting your vote.
  - viii. Now you are ready for e-voting as "Cast Vote" page opens.
  - ix. Cast your vote by selecting appropriate option and click on: "Submit" and also "Confirm" when prompted. Upon confirmation, the message "vote cast successfully" will be displayed.
  - x. Once you have voted on the resolution, you will not be allowed to modify your vote.
  - xi. Institutional shareholders and bodies corporate (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. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote to the scrutinizer through e-mail to [info@napco.in](mailto:info@napco.in) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) with the subject "Onward Tech – E-voting."
- B. In case of members receiving Notice of meeting by post:
- (a) Initial password is provided on the attendance slip for the meeting.
  - (b) Please follow all steps from Sr. No. (ii) to Sr. No.(xi) mentioned in (A) above, to cast your vote.

## Notice (Contd.)

### C. Other details:

1. Persons who have acquired shares and became members of the Company after the dispatch of the notice of the meeting but before the cut-off date of Friday, July 14, 2017, may obtain their user ID and password for e-voting from Company's Registrar and Transfer Agent, Link Intime India Private Limited or from NSDL by sending request on santosh.jaiswal@linkintime.co.in or evoting@nsdl.co.in, respectively.
2. The e-voting period commences on Monday, July 17, 2017 [9:00 a.m.] and ends on Thursday, July 20, 2017 [5:00 p.m.]. During this period members of the Company, holding shares either in physical form or in dematerialized form, may cast their vote electronically. The e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
3. In case of any queries, you may refer to the "Frequently Asked Questions (FAQs)" for shareholders and e-voting user manual for shareholders available at the "downloads" section of NSDL website at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
4. The voting rights of the members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date. In case of joint holders, only such joint holder in the order of names will be entitled to vote.
5. Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their voting right at the meeting through ballot paper. The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
6. The results of the voting will be declared not later than 48 hours from the conclusion of the meeting. The declared results along with the scrutinizer's report will be available on the Company's website at [www.onwardgroup.com](http://www.onwardgroup.com) and on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com) and will also be forwarded to the stock exchanges where the Company's shares are listed. Subject to receipt of requisite number of votes, the resolutions set out in the Notice shall be deemed to be passed on the date of the meeting.

## EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013.

### Item No. 3 Appointment of statutory auditors and fixing their remuneration:

The Members at the 23rd Annual General Meeting of the Company held on Friday, August 1, 2014 had appointed M/s. Kirtane & Pandit LLP (or Existing Auditors), Chartered Accountants, (Firm Registration No. 105215W/W100057) as Statutory Auditors of the Company to hold office from the conclusion of that Annual General Meeting till the conclusion of 26th Annual General Meeting to be held in the year 2017. The term of office of existing auditors is getting expired in this Annual General Meeting. M/s. Kirtane & Pandit LLP has been auditors of the Company for more than past 10 years and cannot be re-appointed in accordance with the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force).

The Board of Directors has proposed appointment of M/s. Price Waterhouse Chartered Accountants LLP (Firm Registration No. 012754N/ N500016) to hold office as statutory auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of the 31st Annual General Meeting of the Company, subject to approval of members. Also, authority need to be given to the Board of Directors to fix such remuneration to be paid to M/s. Price Waterhouse Chartered Accountants LLP, as may be determined by the Audit Committee in consultation with the Statutory Auditors, in addition to reimbursement of all out-of-pocket expenses as may be incurred in connection with the audit of the accounts of the Company.

The Company has received a written consent from M/s. Price Waterhouse Chartered Accountants LLP, to act as the auditors of the Company for abovementioned period along with a certificate confirming the appointment, if made, shall be in accordance with the provisions mentioned above. Further, M/s. Price Waterhouse Chartered Accountants LLP are not disqualified to become the auditors of the Company under Section 141 of the Companies Act, 2013.

**Notice (Contd.)**

The Board recommends resolution set forth in item number 3 of the notice as Special Resolution in accordance with the provisions mentioned above. 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 3.

**Item No. 5 Appointment of Mr. Rahul Rathi as an Independent Director of the Company:**

Mr. Rahul Rathi was appointed as an Additional Director on the Board with effect from April 24, 2017 in accordance with the provisions of Section 161 of the Companies Act, 2013 (the "Act") and the Articles of Association of the Company. Pursuant to Section 161 of the Act, he holds office upto the date of this meeting. Mr. Rahul Rathi is eligible for appointment as an Independent Director of the Company, and, as required under Section 160 of the Act, the Company has received a notice from a member along with requisite deposit proposing his candidature for the office of Non-executive Independent Director of the Company. He is not disqualified from being appointed in terms of Section 164 and Section 149 of the Act.

The Company has received from Mr. Rahul Rathi (i) consent in writing to act as director in Form DIR 2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR 8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Sub-section (2) of Section 164 of the Act, and (iii) a declaration to the effect that he meets the criteria of independence as provided in Sub-section (6) of Section 149 of the Act.

The resolution seeks the approval of members by an ordinary resolution for appointment of Mr. Rahul Rathi as an Independent Director of the Company for a period of 3 (three) consecutive years up to July 20, 2020 pursuant to Section 149 and other applicable provisions of the Act and the Rules made thereunder. If appointed, Mr. Rahul Rathi will act as a Non-executive Independent Director, not liable to retire by rotation. Keeping in view the experience and expertise, the Board of Directors recommends his appointment as an Independent Director of the Company by an ordinary resolution, which is set forth as item number 5 of the Notice.

A copy of the draft letter for the appointment of Mr. Rahul Rathi as a Non-executive Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during normal business hours on working days up to the date of the Annual General Meeting.

**Brief profile of Mr. Rahul Rathi is given below:**

Mr. Rahul Rathi has over 14 years of equity research and implementation experience gained from working with global financial institutions in New York, London and Asia. Using extensive data mining and risk analytics, he was responsible for analyzing and communicating the portfolio level risk to Fund Managers and the concerned stakeholders. In this role, he oversaw the risk for funds with an AUM of over \$2 billion.

Since the last 6 years, Mr. Rathi has designed and driven the 'Purnartha Investment Philosophy' of long term wealth generation and has an audited, stellar performance track record. Rahul is an active contributor in society and is a trustee on the seventy year old Pune Blind Men's Association and Laxminarayan Devasthan trust. He has equity ownership in Capital Metrics and Risk Solutions and is also a partner in Beharay Rathi Group of companies.

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 Regulation 36 (3) of 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 5.

**Item No. 6 Appointment of Mr. Parish Meghani as an Independent Director of the Company:**

Mr. Parish Meghani was appointed as an Additional Director on the Board with effect from May 10, 2017 in accordance with the provisions of Section 161 of the Companies Act, 2013 (the "Act") and the Articles of Association of the Company. Pursuant to Section 161 of the Act, he holds office upto the date of this meeting. Mr. Parish Meghani is eligible for



## Notice (Contd.)

appointment as an Independent Director of the Company, and, as required under Section 160 of the Act, the Company has received a notice from a member along with requisite deposit proposing his candidature for the office of Non-executive Independent Director of the Company. He is not disqualified from being appointed in terms of Section 164 and Section 149 of the Act.

The Company has received from Mr. Parish Meghani (i) consent in writing to act as director in Form DIR 2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR 8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Sub-section (2) of Section 164 of the Act, and (iii) a declaration to the effect that he meets the criteria of independence as provided in Sub-section (6) of Section 149 of the Act.

The resolution seeks the approval of members by an ordinary resolution for appointment of Mr. Parish Meghani as a Non-executive Independent Director of the Company for a period of 3 (three) consecutive years up to July 20, 2020 pursuant to Section 149 and other applicable provisions of the Act and the Rules made thereunder. If appointed, Mr. Parish Meghani will act as a Non-executive Independent Director, not liable to retire by rotation. Keeping in view the experience and expertise, the Board of Directors recommends his appointment as an Independent Director of the Company by an ordinary resolution, which is set forth as item number 6 of the Notice.

A copy of the draft letter for the appointment of Mr. Parish Meghani as a Non-executive Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during normal business hours on working days up to the date of the Annual General Meeting.

### 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.

Mr. Parish Meghani is a Production Engineer & holds an MBA with a finance concentration from Bentley College, Waltham, MA (USA).

Information as required under Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 also forms part of this notice.

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 6.

### **Item No. 7 Re-appointment of Mr. Pranay Vakil as an Independent Director of the Company:**

Mr. Pranay Vakil was appointed as an Independent Director on the Board with effect from August 1, 2014 in accordance with the provisions of Section 149 of the Companies Act, 2013 (the "Act"). Pursuant to above provisions and terms of said appointment, he holds office upto the date of this meeting. Mr. Pranay Vakil is eligible for re-appointment as an Independent Director of the Company, and, as required under Section 160 of the Act, the Company has received a notice from a member along with requisite deposit proposing his candidature for the office of Non-executive Independent Director of the Company. He is not disqualified from being re-appointed in terms of Section 164 and Section 149 of the Act.

The Company has received from Mr. Pranay Vakil (i) consent in writing to act as director in Form DIR 2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR 8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that she is not disqualified under Sub-section (2) of Section 164 of the Act, and (iii) a declaration to the effect that she meets the criteria of independence as provided in Sub-section (6) of Section 149 of the Act.

In accordance with the provisions of Section 149 (10) of the Act, an Independent Director shall hold office for a term up to 5 (five) consecutive years, but shall be eligible for re-appointment for another term up to 5 (five) consecutive years by approval of members by special resolution. Accordingly, keeping in view his experience, expertise and contribution to Board during his previous tenure for making the Board, work more objectively and constructively, and uphold the ethical

**Notice (Contd.)**

standards of integrity and probity, the Board of Directors recommends his re-appointment for the period of 3 (three) consecutive years up to July 20, 2020 by means of Special Resolution. Further, above re-appointment is recommended based on the report of performance evaluation of Independent Directors done by the Board of the Company.

A copy of the draft letter for the re-appointment of Mr. Pranay Vakil as a Non-executive Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during normal business hours on working days up to the date of the Annual General Meeting.

Brief profile of Mr. Pranay Vakil is given below:

Mr. Pranay Vakil is involved in property business for over 27 years with basic education and training in Accountancy (CA) and Law (LLB). Presently, he is the founder Chairman of Praron Consultancy (India) Pvt. Ltd., a consulting organization, involved in Real Estate.

Earlier, Mr. Vakil was a founder Chairman of Knight Frank in India, having set up the joint venture in 1995 with Knight Frank UK, a leading international property consulting firm. He has also served as an Executive Director of Raychem in India (California based Fortune 500 company) and with various TATA Group companies including Tata Textiles, TCS and Tata Sons, for over 15 years.

He is also associated with Federation of Indian Chambers of Commerce & Industry (FICCI) for over 5 years as Co-Chairman of the Real Estate Committee. Now he is a Member of FICCI Real Estate Committee. He was recently awarded "Lifetime Achievement Award for outstanding contribution to Real Estate Sector" by ABP TV (Star TV) in Mumbai, India.

Presently, he is the Co-Chairman of Housing & Real Estate Committee with Indian Merchants Chamber (IMC) and on the Management Board of IMC. He is amongst the first few in India to be honored with Fellowship of Royal Institute of Chartered Surveyors (RICS), the highest professional Real Estate Body and on the World Governing Council of RICS.

Also, he is associated as a Trustee with organizations connected with setting up of old age homes (Dignity), a school for integrated education (Rites) and an institution operating medical dispensaries (Prakash Charities).

Information as required under Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 also forms part of this notice.

Except for Mr. Pranay Vakil, 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.

**Item No. 8 Re-appointment of Mr. Nandkumar Pradhan as an Independent Director of the Company:**

Mr. Nandkumar Pradhan was appointed as an Independent Director on the Board with effect from August 1, 2014 in accordance with the provisions of Section 149 of the Companies Act, 2013 (the "Act"). Pursuant to above provisions and terms of said appointment, he holds office upto the date of this meeting. Mr. Nandkumar Pradhan is eligible for re-appointment as an Independent Director of the Company, and, as required under Section 160 of the Act, the Company has received a notice from a member along with requisite deposit proposing his candidature for the office of Non-executive Independent Director of the Company. He is not disqualified from being re-appointed in terms of Section 164 and Section 149 of the Act.

The Company has received from Mr. Nandkumar Pradhan (i) consent in writing to act as director in Form DIR 2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR 8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that she is not disqualified under Sub-section (2) of Section 164 of the Act, and (iii) a declaration to the effect that she meets the criteria of independence as provided in Sub-section (6) of Section 149 of the Act.

In accordance with the provisions of Section 149 (10) of the Act, an Independent Director shall hold office for a term up to 5 (five) consecutive years, but shall be eligible for re-appointment for another term up to 5 (five) consecutive years by approval of members by special resolution. Accordingly, keeping in view his experience, expertise and contribution to Board during his previous tenure for making the Board, work more objectively and constructively, and uphold the ethical



## Notice (Contd.)

standards of integrity and probity, the Board of Directors recommends his re-appointment for the period of 3 (three) consecutive years up to July 20, 2020 by means of Special Resolution. Further, above re-appointment is recommended based on the report of performance evaluation of Independent Directors done by the Board of the Company.

A copy of the draft letter for the re-appointment of Mr. Nandkumar Pradhan as a Non-executive Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during normal business hours on working days up to the date of the Annual General Meeting.

Brief profile of Mr. Nandkumar Pradhan is given below:

Mr. Nandkumar Pradhan has been working in the Indian IT Industry for the last 30 years holding Country leadership position in leading global companies like Onward Novell, Patni Computers, Red Hat Inc. and Microsoft. Currently, he is engaged in providing business consulting services to startups and early stage companies.

He was the President and Managing Director, India for Red Hat Inc., USA from 2006 to 2011. Red Hat is the global leader in Open Source products. He has successfully managed the business in the Asia Pacific and the Indian Subcontinent. He has set up Global development and support center for some of the companies that he has worked in. He has been Charter member of TiE Mumbai.

Mr. Pradhan is an Electrical Engineering from COEP, Pune and has completed post graduate management degree from Jamnalal Bajaj Institute of Management Studies, Bombay.

He has also completed Executive Development program from Babson College MA USA.

Information as required under Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 also forms part of this Notice.

Except for Mr. Nandkumar Pradhan, 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 8.

### **Item No. 9 Extension of the benefits of Employee Stock Option Plan 2009 (ESOP 2009):**

The members of the Company at their Eighteenth Annual General Meeting held on August 31, 2009 had approved Onward Employee Stock Option Plan 2009 ('ESOP 2009' or the 'Scheme') granting authority to Board of Directors of the Company including any Committee of the Board constituted / authorized for said purpose to create, offer, issue and allot 3,500,000 equity shares of the Company to employees as described in the Scheme. Also, the members had approved extension of the benefits of the Scheme in the 24th Annual General Meeting held on Friday, July 31, 2015 for a further period upto March 31, 2018. The said extension was sought owing to remaining options which were not yet granted to the employees, also options granted to employees were not yet vested or exercised by the respective employees.

Pursuant to provisions of Section 62(1)(b) of the Companies Act, 2013 (the "Act") and Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (including any statutory modifications, amendments or re-enactments thereof for the time being in force) and any other applicable laws and rules for the time being in force, any modification or variation in the terms and conditions of the Scheme shall be approved by the members of the Company by way of passing Special Resolution at the general meeting of the Company.

Owing to the provisions mentioned above, permission of the members is sought to authorize further extension of benefits of the Scheme for a period upto March 31, 2020. Brief details of the Scheme is as under:

Sr. No.	Particulars	Details
1	Date of approval of the Scheme	August 31, 2009
2	Number of shares for which approval was granted	3,500,000 equity shares
3	Number of shares exercised and allotted under the Scheme	2,051,800 equity shares
4	Number of shares not yet granted/vested/ exercised	1,448,200 equity shares

**Notice (Contd.)**

Particulars as required under Regulation 6 (2) of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (ESOP Regulations) is as under:

Sr. No.	Particulars	Details
1	Brief description of the scheme	Onward Employee Stock Option Plan 2009
2	Total number of options to be granted	875,000 options representing 3,500,000 equity shares of the Company
3	Identification of classes of employees	As per ESOP Regulations
4	Lock-in Period	One year from the date of grant of Options
5	Vesting Period	25% of every option granted shall vest every year after lock-in period
6	Exercise Price	Rs. 10 per equity share
7	Pricing Formula	Face Value of equity share
8	Exercise Period	One year from the date of vesting
9	Process of Exercise	Employee is required to submit ESOP application form along with application money to be deposited in designated account of the Company.
10	Appraisal process for determining the eligibility of employees	As per Company's HR Policy
11	Maximum number of options to be issued per employee	As per Scheme and ESOP regulations
12	Maximum quantum of benefits to be provided per employee	As per Scheme and Company's HR Policy
13	Whether the Scheme is to be implemented and administered directly by the company or through a trust	The Scheme is being administered by the Company
14	Whether the Scheme involves new issue of shares by the company or secondary acquisition by the trust or both	Fresh Issue of equity shares by the Company
15	Method which the company uses to value its options	Intrinsic value method

The Directors of the Company hereby confirms that the above extension is not detrimental to the interests of the employees, in any manner. Further, the Company has followed the applicable accounting policies as prescribed under Regulation 15 of the ESOP Regulations. Also, necessary disclosures as required under the Act and ESOP Regulations are provided in the Directors' Report which forms part of the Annual Report for the financial year 2016-17.

The Board of Directors recommends extensions of benefits of the Scheme for the period mentioned above by means of Special Resolution described in item number 9 of this Notice.

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 9.

**By the order of the Board of Directors**

Place: Mumbai  
Date: May 22, 2017

**Harish Mehta**  
Executive Chairman

**Registered Office:**  
Sterling Centre, 2nd Floor,  
Dr. A. B. Road, Worli,  
Mumbai – 400018.

## Notice (Contd.)

### Information on directors recommended for appointment / re-appointment as required under Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Particulars	Mrs. Prachi Mehta	Mr. Parish Meghani	Mr. Rahul Rathi
Director Identification Number	06811085	02106768	00966359
Date of Birth	October 3, 1978	July 31, 1973	December 14, 1972
Date of Appointment	March 27, 2015	May 10, 2017	April 24, 2017
Qualifications	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.	Mr. Parish Meghani is a Production Engineer & holds an MBA with a finance concentration from Bentley College, Waltham, MA (USA).	He has a Master's degree in Industrial Administration from Carnegie Mellon University USA and a Polymer Engineering degree from the University of Pune.
Expertise in Specific Functional Area	General Management	Finance and Business Management	Business Management
Directorships held in other Listed Companies	Nil	Nil	Nil
Memberships/Chairmanships of Committees in other Listed Companies*	Nil	Nil	Nil
Shareholding In Company	136,052 equity shares	65,643 equity shares	Nil

Particulars	Mr. Pranay Vakil	Mr. Nandkumar Pradhan
Director Identification Number	00433379	01197795
Date of Birth	January 13, 1947	August 29, 1956
Date of Appointment	August 1, 2014	August 1, 2014
Qualifications	Provided in Explanatory Statement, above.	Provided in Explanatory Statement, above.
Expertise in Specific Functional Area	General Management	General Management
Directorships held in other Listed Companies	2 Listed entities.  1. Deepak Fertilisers and Petrochemicals Corporation Limited 2. Godrej Properties Limited	Nil
Memberships/Chairmanships of Committees in other Listed Companies*	Audit Committee Member: Godrej Properties Limited	Nil
Shareholding in Company	Nil	Nil

*Note: None of the Directors mentioned above have any relationship, pecuniary or otherwise, with other director on the Board of the Company.*

*\* Membership/Chairmanship in audit and stakeholders' relationship committee is considered.*

**CIN:** L28920MH1991PLC062542

**Regd. Office:** Sterling Centre, 2nd Floor, Dr. A.B. Road, Worli Mumbai - 400018  
**Tel.:** +91 (22) 24926570 **Fax:** +91 (22) 24926549 **Website:** www.onwardgroup.com  
**Email:** info@onwardgroup.com

### ATTENDANCE SLIP

Folio No..... DP ID..... Client ID.....

Name of Member.....

Name of Proxy holder.....

Number of Shares Held.....

I hereby record my presence at the 26<sup>TH</sup> ANNUAL GENERAL MEETING of ONWARD TECHNOLOGIES LIMITED held on **Friday, July 21, 2017 at 11.00 A. M.** at Victoria Memorial School for the Blind, 73, Tardeo Road, Mumbai- 400034.

Signature of Member/Proxy

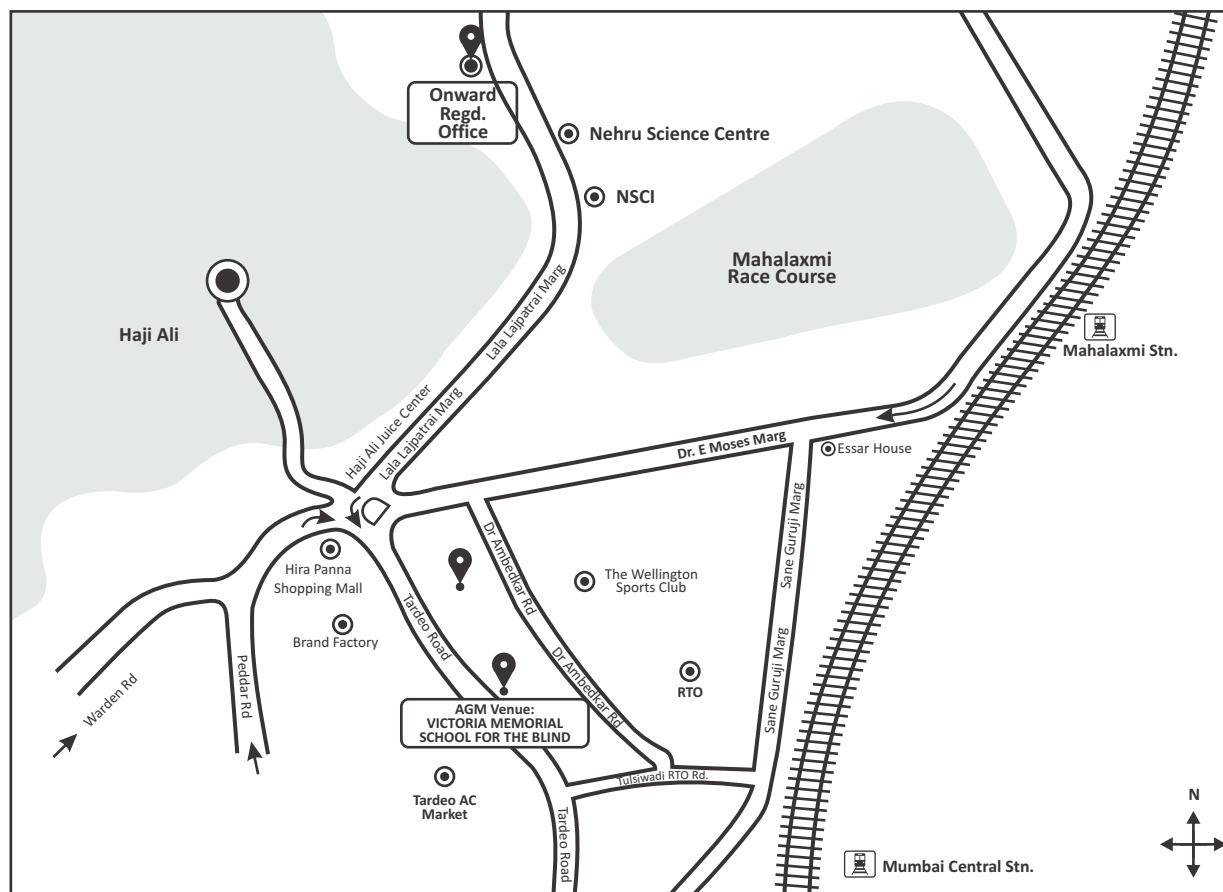
Notes:

- (1) Members/Proxy-holders are requested to produce the attendance slip duly signed for admission to the Meeting hall.
- (2) Members are requested to bring their copy of Annual Report for reference at the Meeting.

### LOCATION MAP OF THE VENUE OF ANNUAL GENERAL MEETING\*

Venue: Victoria Memorial School for the Blind, 73, Tardeo Road, Mumbai 400034

Time: 11.00 A.M. Date: Friday, July 21, 2017



*\*Sites, Places And Locations Envisaged in the above location map are just indicative and for reference purpose of the viewers. The same does not claim to be actual geographical indications situated thereat.*





CIN: L28920MH1991PLC062542

**Regd. Office:** Sterling Centre, 2nd Floor, Dr. A.B. Road, Worli Mumbai - 400018  
**Tel.:** +91 (22) 24926570 **Fax:** +91 (22) 24926549 **Website:** www.onwardgroup.com  
**Email:** info@onwardgroup.com

**PROXY FORM**  
**Form No. MGT-11**

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the Member(s)		
Registered Address:		
E-mail Id:		
*DP Id. / Client Id.		Regd. Folio No.:

(\* Applicable for members holding share(s) in electronic form)

I / We, being the member(s) of ..... shares of the above named company, hereby appoint:

(1) Name: ..... Address: .....  
E-mail Id ..... Signature.....or failing him

(2) Name: ..... Address: .....  
E-mail Id ..... Signature.....or failing him

(3) Name: ..... Address: .....  
E-mail Id ..... Signature.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **26th Annual General Meeting** of the Company, to be held on **Friday, July 21, 2017 at 11.00 A. M.**, at **Victoria Memorial School for the Blind, 73, Tardeo Road, Mumbai 400034**, and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution no.	Matter of Resolution	No. of Shares	For	Against
1	Adoption of Audited Financial Statements (including consolidated financial statements) of the Company for the financial year ended March, 31, 2017			
2	Declaration of Dividend			
3	Appointment of statutory auditors and fixing their remuneration			
4	Appointment of Director in place of those retiring			
5	Appointment of Mr. Rahul Rathi as an Independent Director of the Company			
6	Appointment of Mr. Parish Meghani as an Independent Director of the Company			
7	Re- appointment of Mr. Pranay Vakil as an Independent Director of the Company			
8	Re- appointment of Mr. Nandkumar Pradhan as an Independent Director of the Company			
9	Extension of the benefits of Employee Stock Option Plan 2009 (ESOP 2009)			

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

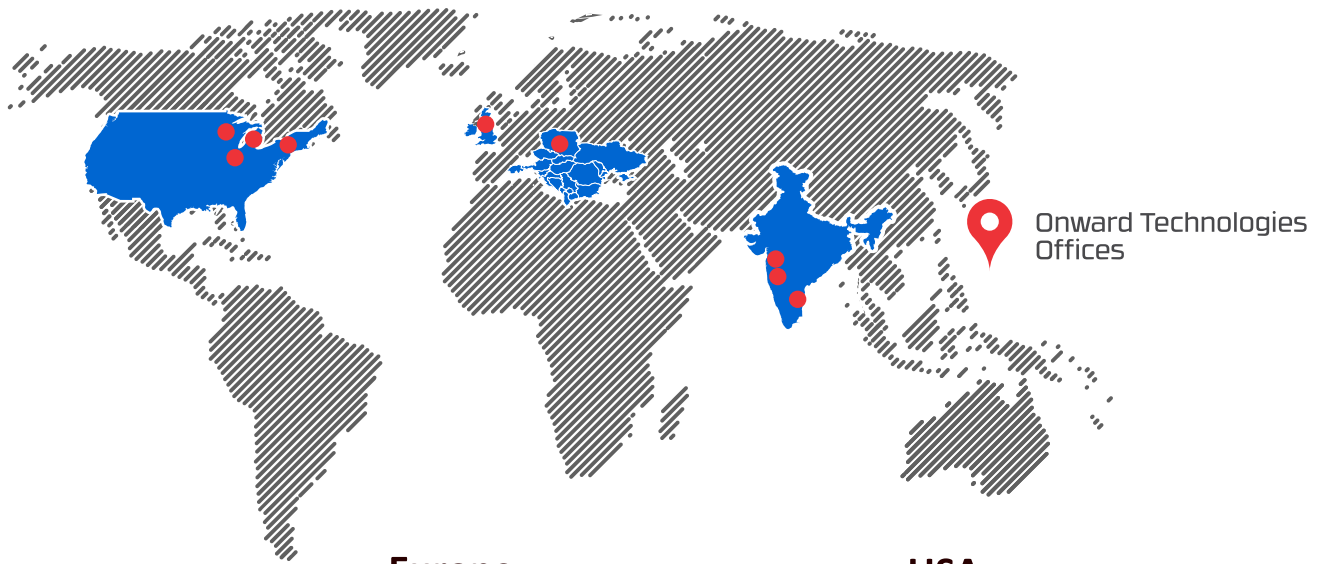
\_\_\_\_\_  
Signature of the Shareholder(s)

\_\_\_\_\_  
Signature of Proxy holder(s)

Affix  
Revenue  
Stamp

**Note:** This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.





## India

### Mumbai (Registered Office)

Onward Technologies Ltd.  
Sterling Center, 2nd floor,  
Dr A.B. Road, Worli,  
Mumbai – 400018

### Mumbai

Onward Technologies Ltd.  
No.152, SDF V, 1st Floor,  
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## Core Values



Trust



Integrity



Accountability



Confidentiality