onward®
TECHNOLOGIES LIMITED

Date: July 20, 2018

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 31st March, 2018.

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 31st March, 2018, 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.

This is for your information and record.

Thanking You,

Yours faithfully,

For **Onward Technologies Limited**

M. N. Damania

Monik Damania
Company Secretary

ONWARD TECHNOLOGIES LIMITED

Encl: As above.

onward®
TECHNOLOGIES LIMITED
Powering Growth
27th ANNUAL REPORT
2017-18
Engineering PRODUCTS
Enabling BUSINESS
Delivering PROMISES

Board of Directors

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

Registrar and Transfer Agents

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

Investor Relations

info@onwardgroup.com

Statutory Auditors

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

Website

www.onwardgroup.com

Company's Registered Office

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

Corporate Identity Number

L28920MH1991PLC062542

CAUTIONARY STATEMENT

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

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

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

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

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From the Chairman's Desk

Brace yourself, the world is changing... fast !

Dear Shareholders,

We have entered an era of irreversible techno-scientific age. The way advances in technology and innovation are gathering momentum, seeing it optimistically as per leading futurist Ray Kurzweil, in few decades both poverty and disease, the world's two worst enemies could be eliminated.

Under this backdrop, as an engineering and technology services provider, we are living in very interesting and challenging times. Now that disruption is a new constant, every business need to be digital to stay afloat.

Our industry continues to evolve. NASSCOM recently launched Future Skills, a platform intended to train over two million IT professionals as well as two million potential professionals and students in job-oriented skills. NASSCOM has recognized as many as 55 new job roles spanning emerging technology areas including artificial intelligence (AI), big data analytics, 3D Printing, IOT, social and mobile, in line with the needs of the industry. This sets the stage for what is popularly called a "fourth industrial revolution" and with robotics connected to this cyber world of computer systems, brings in the birth of "smart factories".

Digitalization of manufacturing from shop floor to the white collar offices is the major trend. From early adoption of ERP in 90's to PLM for maximizing the Supply chain and Manufacturing processes, Industrial IOT with Analytics , the manufacturing sector is expected to commit quite a bit of funds for software and services over the next 10 to 20 years. We seek to leverage the full capabilities of our offerings with broader participation across the enterprise and product development ecosystem—embedding ourselves more deeply at different steps of the value chain.

The way to survive and thrive in this wave of disruption is to collaborate more with your customers and partner with leading engineering technology providers (CAD, CAE, Simulation, Digital Manufacturing). We are investing in next generation technologies of Digital twins and software tools to facilitate factory automation. We continue to invest in newer skills in re-skilling our work force to meet the demands of our customers to grow their business. The start of the journey has been very encouraging, as evidenced by the performance during the last fiscal year, both in quantitative and qualitative terms.

Looking at the performance of FY 2018, I stand satisfied with a consolidated double-digit growth of the Company together with 60% + improvement in our bottom line. Our service lines across Mechanical Engineering Design Services and IT services attracted many interesting projects (end to end program involving design analysis and prototyping), within our existing customer base, which reflects our growing competence aligned with changing market requirements. Company has renewed 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.

For our IT services business, the current year is offering good potential for growth primarily driven by need for automation, robust spending by public and private sector and India being the most preferred IT destination globally.

We continue to operate with the highest level of commitment, excellence, integrity & corporate governance. I believe our core values are the pillars of our growth and are the way forward for continued success of the organization as well as enhancing brand "Onward". The strength of our culture is what makes us more capable and better positioned for the future than it has been at any time in our history. As we head into 2018-19 and beyond, I am more excited than ever about the opportunity to demonstrate that when we do right for our clients and put them first, others stakeholders viz, our shareholders and our employees also win.

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

Sincerely,

Harish Mehta
Executive Chairman

From the Managing Director's Desk

Dear Shareholders,

FY 17-18 has been a year to celebrate in many ways. The company continued its growth path with a 10.2% growth in top line and 64%+ growth in Profit After Tax (PAT) resulting in Earnings Per Share (EPS) growth of 60%. During the year, Company expanded its infrastructure with opening of new offices in Pune (WTC), Chennai (OMR) & North America (Troy & Cleveland). All this is to ensure the "Quality" & "Quantity" of business at Onward Technologies remains healthy and sustainable, while delivering good margins. At the May, 2018 Board of Directors (BoD) meeting, Company also proposes to pay Dividend for third year in a row.

Further to my last year's note, I am happy to share substantial progress which we have made across various key identified areas which will drive further revenue growth & margin expansion towards doubling the revenue to Rs. 500 crore in the near future.

Our top strategic customers continue to be our focus. I'm pleased to share with you that our revenues from the top 10 customers went up from 30% to 38% in FY 17-18. This percentage has a high probability to go up over 50% in the next 2 years, which is our aim through the continued focused investments and efforts towards these customers. The opportunity to scale with these customers both through current focused service lines of product engineering, manufacturing engineering and new areas like embedded, electronics, digital, etc is more than 20 times their current outsourcing to us. We believe we are rightly positioned, now more than ever before, to achieve the above growth.

Earlier this year, Onward Technologies was listed among the Asia Pacific's top 1000 high growth companies by Financial Times. And again in Sep'17, Onward Technologies was awarded & recognized as "Pride of Maharashtra" award at an event in Pune. We also received numerous recognition & awards from our customers across the regions which is evident with more than 90% annuity contract renewals.

Working towards our Net Zero Debt goal, last year Company repaid close to Rs. 7 crores of external term loan debt with a balance consolidated debt of Rs. 14.98 crores on March, 2018. We are well on track to have net zero debt in the next 18- 24 months. Our (Days Sales Outstanding) DSO has also shown an improvement from average 75 days in past to average 65 days now due to the higher quality of customers that we serve today. We feel confident that we will be able to bring it down further in next 24 months and maintain the same at an average of 50 days.

Last year we also announced strategic Business Transformation partnership with French global industry leader - Dassault Systèmes and entered into services partnership with Michigan based - Altair Engineering to strengthen our capabilities in engineering services domain. Company also made investments in embedded, technical publications and PLM space which will help us to enter into these new domains, bid for larger enterprise deals and partner with our customers better.

We continue to attract & retain exceptional talent with 2500+ employees today serving customers from our various offices globally. I'm particularly pleased that our North American Subsidiary Onward Technologies Inc (OTI) has more than 40% local Americans on its headcount. We have a clear vision of having over 50% local talent in all our primary markets (North America, UK & Germany) to build stronger & deeper relations with the customers. This year we will add more Sales & Client servicing depth in all our international offices to scale the business further.

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

Sincerely,

Jigar Mehta
Managing Director

DIRECTOR'S REPORT

To

The Members,

The Directors of your Company are pleased to present before you the 27TH 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 31st March, 2018.

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 2500+ employees operating across Company's various offices in India (Mumbai, Pune and Chennai), USA (Chicago, Troy, Boston, Milwaukee and Cleveland) 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 is as follows:

Rs. in Lakhs

Particulars	Consolidated Results		Standalone Results	
	For the year ended 31.3.2018	For the year ended 31.3.2017	**For the year ended 31.3.2018**	For the year ended 31.3.2017
Sales and other income (Net)	**24,921.36**	22,608.69	**11,310.03**	9,957.05
Profit before finance cost, depreciation and exceptional items	**1,602.44**	1,372.32	**1,009.00**	1,117.93
Finance costs	**302.98**	279.96	**218.08**	204.48
Depreciation	**548.52**	432.95	**455.94**	378.35
Operating profit	**750.94**	659.41	**334.98**	535.10
Exceptional items	**-**	-	**-**	-
Profit before tax	**750.94**	659.41	**334.98**	535.10
Provision for taxation				
– Current tax	**223.44**	142.70	**103.61**	134.19
– Previous year tax adjustment	**(9.14)**	52.78	**(9.14)**	52.78
– Deferred tax expenses/(benefits)	**(134.98)**	54.01	**20.36**	50.88
Profit after tax	**671.62**	409.91	**220.15**	297.25

Consolidated Performance:

Your Company's revenues grew to Rs. 24,921.36 Lakhs from Rs. 22,608.69 Lakhs in the last financial year, a growth of 10.23 % over the previous financial year.

The Earnings before Interest, Depreciation, Tax and Appropriations (EBIDTA) for the year 2017 - 18 was at Rs. 1,602.44 Lakhs as compared to Rs. 1,372.32 Lakhs in the last financial year. Operationally, your Company continues to invest and grow both in EDS and ITS in India and overseas markets.

The net profit after taxes and minority interest was higher by 63.84% and stood at Rs. 671.62 Lakhs as at 31st March, 2018 as compared to Rs. 409.92 Lakhs in the previous fiscal.

Director's Report *(Contd.)*

Standalone Performance:

Your Company achieved total revenue of Rs. 11,310.03 Lakhs as compared to Rs. 9,957.05 Lakhs in the previous year, representing a year-on-year growth of 13.59% 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. 1,009 Lakhs in the current year as compared to Rs. 1,117.93 Lakhs during the previous year.

DIVIDEND

Your Company had declared and paid final dividend in the 26th Annual General Meeting of the Company held on Friday, 21st July, 2017. The Company paid dividend of Rs. 15,364,570 (Rupees One Crore Five Thirty Lakhs Sixty-Four Thousand Five Hundred Seventy only), excluding dividend distribution tax, at the rate of Re. 1 (Rupee One only) per equity share of face value Rs. 10 (Rupees Ten only).

Also, the Directors have recommended a dividend of Re. 1 (10% per cent) per equity share of face value Rs. 10 each, for the financial year ended 31st March 2018, 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 13th July, 2018, and

(ii) to those whose names appear as beneficial owners, as on 13th July, 2018 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 31st March, 2018.

SUBSIDIARIES

The subsidiaries of your Company are as follows:

Onward Technologies, Inc. (OTI)

Our North American business has been growing steadily with 5.69% revenue growth compared to previous financial year. The bottom line of the business also showed substantial improvement.

We also opened our 5th office in North America in Cleveland, Ohio to cater to the Industrial Equipment & Machinery (IEM) market in the region. The company has also ramped up its local hiring & delivery capabilities in North America with 40%+ employees resident Americans now. We expect this percentage to go up on annual basis as we continue to invest and scale our North American business.

Onward eServices Limited (OeSL)

Our domestic IT Services business continues to expand its presence in Mumbai & Chennai. We delivered a strong year with 12.23% revenue growth with PAT growth of 40.73% compared to previous financial year.

We are today serving top customers and brands from both of our offices and have a very healthy pipeline and sales funnel to expand the presence in the coming financial year.

Onward Technologies GmbH (OTG)

Our European business underperformed last year and revenues went down by 37% compared to previous financial year. We have taken corrective steps with the change in the entire leadership team and adding more delivery and domain depth to cater to the customers.

Director's Report *(Contd.)*

Overall the region is very attractive and with the new strategy in full motion, we will deliver growth in the coming financial year.

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 31st March, 2018 was hereunder:

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

The Board of Directors of your Company had appointed Mr. Rahul Rathi and Mr. Parish Meghani as an Additional Director (Non-executive/Independent) on the Board of the Company on 24th April, 2017 and 10th May, 2017, respectively, to hold office upto date of 26th Annual General Meeting, in terms of provisions contained in Section 161 of the Companies Act, 2013 (the Act) and rules made thereunder. The members at the 26th Annual General Meeting held on 21st July, 2017, regularized above appointments as the Independent Directors of the Company for a term of three years.

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 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.

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 2017-18.

Independent Directors

Mr. Pranay Vakil, Mr. Nandkumar Pradhan, Mr. Rahul Rathi and Mr. Parish Meghani were the Independent Directors of the Company as on 31st March, 2018. 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 11th May, 2018.

Director's Report *(Contd.)*

Meetings of the Board of Directors:

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

Sr. No.	Day	Date	Venue
1	Monday	22nd May, 2017	Mumbai, India
2	Tuesday	21st July, 2017	Mumbai, India
3	Monday	16th October, 2017	Mumbai, India
4	Tuesday	23rd January, 2018	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 was no discussion at the meeting which took place through video conferencing; the Directors present were available at the venue of the meeting.

Separate meeting of Independent Directors:

Meeting of the Independent Directors of the Company was held on 27th February, 2018, 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. M. V. S. S. Narayanacharyulu	Chief Financial Officer	16th October, 2017

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

Director Retiring by Rotation

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

Board Evaluation

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

Audit Committee

The Audit Committee of the Board comprised of Mr. Pranay Vakil, as the Chairman, Mr. Nandkumar Pradhan, Rahul Rathi and Mr. Parish Meghani as members as at 31st March, 2018. 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.

Director's Report *(Contd.)*

SHARE CAPITAL

During the year the share capital of your Company increased from Rs. 151,962,700 to Rs. 155,420,700 by allotment of 345,800 new shares issued of face value Rs. 10 each under Company's Employees Stock Option Plan 2009. Further, on 4th April, 2018 your Company had allotted 109,500 shares under ESOP scheme and at present, the paid-up share capital is Rs. 156,515,700 divided into 15,651,570 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 2017-18 has been paid by the Company to National Securities Depositories Limited and Central Depository Services (India) Limited.

Pledge of shares

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

EMPLOYEE STOCK OPTION SCHEME

Your Company had implemented Employee Stock Option Plan 2009 (ESOP 2009) for the benefit of employees of your Company and its subsidiaries. The aforesaid scheme was approved by the members of your Company at the 18th Annual General Meeting held on 31st August, 2009 and the scheme is monitored under the guidance of the members of Nomination and Remuneration Committee of the Board of Directors. The rationale of implementation of ESOP 2009 was to attract, motivate and retain talented personnel with the organization for long time. The total number of warrants approved under the scheme for employees of your Company and of its subsidiaries are 875,000 with option to convert into 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 the 26th Annual General Meeting of the Company held on Friday, 21st July, 2017 had appointed M/s. Price Waterhouse Chartered Accountants LLP (Firm Registration No. 012754N/ N500016) as Statutory Auditors of the Company to hold office from the conclusion of that Annual General Meeting till the conclusion of 31st Annual General Meeting to be held in the year 2022. Statutory auditors has conducted statutory audit of the financials of the Company for the financial year ended 31st March, 2018 and has submitted their report to the Board along with the financial statements approved at the Board meeting held on 11th May, 2018. The said report is enclosed along with the financials of your Company and also forms part of this Annual Report, which includes their remarks and matters of emphasis which are self-explanatory.

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board had appointed M/s. Nilesh A. Pradhan & Co., Company Secretaries in Practice (FCS: 5445, CP No.: 3659) to undertake the secretarial audit of your Company for the financial year ended 31st March, 2018. Their audit report is annexed herewith this report as **Annexure-3.**

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

Director's Report *(Contd.)*

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 2017-18 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 22nd May, 2017, for routine transactions with related party which are made on an arms' length basis. A statement of all related party transactions is placed before the Audit Committee for its review on a quarterly basis, specifying the nature, value and terms and conditions of the transactions. Your Company has also adopted a related party transaction policy. This policy, as approved by the Board, is uploaded on your Company's website; www.onwardgroup.com. All transactions are undertaken as per the provisions of the Company's policy.

The related party transactions that were entered during the financial year 2017-18, are given in the notes to financial statements which form part of the Annual Report.

Director's Report *(Contd.)*

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.

Your Company continues to extend 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.

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.

Director's Report *(Contd.)*

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 WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

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

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report on the business outlook and performance review for the year ended 31st March, 2018 as stipulated in Regulation 34 of the Listing Obligations, is presented in a separate report which forms part of this Report.

Director's Report *(Contd.)*

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.

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

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

Director's Report *(Contd.)*

(Amount in Rs. Lakhs)

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

	2017-18	2016-17
Foreign exchange earnings	**4,883.12 Lakhs**	4,737.23 Lakhs
Foreign exchange outgo	**1,809.01 Lakhs**	1,901.92 Lakhs

PARTICULARS OF EMPLOYEES

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

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

Sr. no.	Name	Designation	Remuneration (in Rs.)	Nature of employment whether contractual or otherwise	Qualification & Experience & Age	Date of Commencement of Employee	The last employment held by employee before joining Company	% of equity shares held by employee in the Company	Whether the employee is a relative of any Director , Manager of the Company. If yes provide the details
1	Harish Mehta	Executive Chairman	16,774,000	Permanent	**Qualification:** M.S. ELECTRICAL **Experience:** 40 years **Age:** 70 years	1-Jan-2006	NA	216,528 (1.39%)	Relative of Mr. Jigar Mehta, Managing Director and Mrs. Prachi Mehta, Director of the Company
2	Jigar Mehta	Managing Director	7,785,516	Permanent	**Qualification:** Bachelor's in business administrations with concentration in Marketing and Management information system, Boston University, USA **Experience:** 17 years **Age:** 38 years	19-Jun-2001	NA	215,944 (1.39%)	Relative of Mr. Harish Mehta, Executive Chairman and Mrs. Prachi Mehta, Director of the Company

Director's Report *(Contd.)*

REMUNERATION POLICY:

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

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

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

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),

Director's Report *(Contd.)*

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

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

ACKNOWLEDGEMENTS

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

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

For and on behalf of the Board of Directors

Place: Mumbai
Date : 11th May, 2018

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 Lakhs)

Sr. No.	Name of the subsidiary	Onward eServices Limited	Onward Technologies Inc.	Onward Technologies GmbH	Onward Properties Private Limited
1.	Date since when subsidiary was acquired	Since 2003	Since 1996	Since 2003	Since 1995
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as Parent Company	Same as Parent Company	Same as Parent Company	Same as Parent Company
3.	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	INR	USD Rates for profit and loss Rs. 64.4163; balance sheet Rs. 64.9180	EURO Rates for profit and loss Rs. 75.9019; balance sheet Rs. 79.9708	INR
4.	Share capital (including share application money) (Rs.)	2,462.00	951.70	215.99	5.00
5.	Reserves and surplus	(653.18)	726.79	(216.51)	95.27
6.	Total assets	3,131.92	2,124.97	299.53	100.51
7.	Total Liabilities	1,323.10	349.65	300.06	0.24
8.	Investments	-	-	-	-
9.	Turnover	5,605.02	10,317.19	935.53	0.00
10.	Profit before taxation	178.01	256.88	(40.26)	(0.21)
11.	Provision for taxation	(146.28)	90.47	-	0.00
12.	Profit after taxation	324.29	166.41	(40.26)	(0.21)
13.	Proposed Dividend	-	-	-	-
14.	% of shareholding	100	100	100	100

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

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

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

Director's Report *(Contd.)*

Annexure - 2

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

Description	ESOP 2009	
	2017-18	2016-17
Total number of shares covered by ESOP Scheme approved by the shareholders	**35,000,000**	35,000,000
Options granted	**67900**	95,000
Maximum term of options granted	**5 years**	5 years
Source of shares	**Primary**	Primary
Options vested (in shares)	**366,100**	456,200
Options exercised	**86,450**	65,625
The total number of shares arising as a result of exercise of option	**345,800**	262,500
Options forfeited	**63,450**	47,713
Options lapsed	**4,163**	7,337
Extinguishment or modification of options	**None**	None
The exerise price	**Rs. 10**	Rs. 10
Pricing formula	**Face Value**	Face Value
Variation of terms by exercise of options	**None**	None
Money realised by exercise of options	**3,458,000**	2,625,000
Total number of options outstanding at the end of the year	**226,000**	312,163
Total number of options exercisable at the end of the year	**70,400**	217,163
Employee - wise details of options granted to:		
Key Managerial Personnel and Senior Managerial Personnel	Details available on the website of the Company	
Any other employee who receives a grant of options in any one year of option amounting to 5% or more of options granted during that year	**None**	None
Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued captial (excluding outstanding warrants and conversions) of the Company at the time of grant.	**None**	None
Issued capital (excluding outstanding warrants and conversions of the Company at the time of grant.	**Rs. 155,420,700 (15,542,070 equity shares)**	Rs. 151,962,700 (15,196,270 equity shares)
Method used to accounting of options	**Fair Value**	Fair Value
Diluted EPS calculated in accordance with International Accounting Standards (IAS) 33	**1.33**	1.83

Director's Report *(Contd.)*

Annexure - 3

SECRETARIAL AUDIT REPORT

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

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2018 (01-04-2017 to 31-03-2018)

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 myopinion 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 1st April, 2017 to 31st March, 2018 complied with the Statutory provisions listed hereunder and also that the Companyand its Subsidiary Companyhas 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 1st April, 2017 to 31st March 2018 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;

Director's Report *(Contd.)*

(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);

(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 ofthe following:

(i) Secretarial Standards issued by The Institute of CompanySecretaries of Indiawhich has came into effect from 1st July, 2015.

During the financial year from 1st April, 2017 to 31st March, 2018 under review the Company has complied with the provisions of the Act, Old Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directorsand 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 leasts even 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 andprocesses in the Company commensurate with the size andoperations of the Company to monitor and ensure compliance withapplicable 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.

Director's Report *(Contd.)*

I further report that during the audit period the Companyhasnot undertaken events/ actions having a major bearing on the Company's affairs in pursuance of the above referred laws,rules, regulations, guidelines, standards, etc.

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

Nilesh A. Pradhan
Proprietor
FCS No: 5445.
CP No: 3659.

Place: Mumbai
Date : 11th May, 2018.

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

Annexure - A

List of documents verified

1. Latest Memorandum & Articles of Association of the Company.
2. Annual Report for the financial year ended 31st March, 2017.
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 1st April, 2017 to 31st March 2018 under report.
4. Minutes of General Body Meeting held during the period commencing from 1st April, 2017 to 31st March, 2018 under report.
5. Agenda papers submitted to all the Directors |Members for the Board Meetings and Committee Meetings.
6. Declarations received from the Directors of the Company pursuant to the provisions of 164 &184 of the Companies Act, 2013.
7. 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, 2017 to 31st March, 2018 under report.
8. 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 1st April, 2017 to 31st March, 2018 under report.

Director's Report *(Contd.)*

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.*

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.

Director's Report *(Contd.)*

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

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

Nilesh A. Pradhan
Proprietor
FCS No: 5445.
CP No: 3659.

Place: Mumbai
Date : 11th May, 2018.

Annexure - 4

Particulars of Loans, Gurantee, Security and Investments for the financial year 2017-18

A Guarantee(s)/Security(s) provided during financial year 2017-18: **(Amount in Rs.)**

Sr. No.	Name of the Company for whom gaurantee is provided	Name of the Party in whose favour guarantee is given	Purpose of Gaurantee	Amount for which guarantee is given
1	Kotak Mahindra bank Limited	Onward eServcies Limited	Bank - Cash Credit facility	(10,037,087)
2	Yes Bank Ltd	Onward eServcies Limited	Bank - Cash Credit facility	46,730,666
3	Yes Bank Ltd	Onward eServcies Limited	Term Loan	14,060,741
			Total	**50,754,320**

B Investments made during the financial year 2017-18:

Sr. No.	Particulars	Opening Balance	During FY 2017-18		
			Acquisition	Sale	Closing Balance
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 Limited - 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
	Total	**373,660,870**	**-**	**-**	**373,660,870**

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

Annexure - 5

Form No. MGT 9

Extract of annual return as on financial year ended 31st March, 2018
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: rnt.helpdesk@linkintime.co.in Contact person: Ms. Nayna Shashikant Wakle

II Principal business activities of the Company

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

Sr. No.	Name and description of main products/services	NIC code of the product/service	% to total turnover of the Company
1	Consultancy services	722	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 eServices Limited	U72900MH2003PLC140979	Subsidiary	100.00%	2(87) of Companies Act, 2013
2	Onward Properties Private Limited	U99999MH1987PTC045115	Subsidiary	100.00%	2(87) of Companies Act, 2013
3	Onward Technologies Inc.		Subsidiary	100.00%	2(87) of Companies Act, 2013
4	Onward Technologies GmbH		Subsidiary	100.00%	2(87) of Companies Act, 2013

Director's Report *(Contd.)*

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

Category of Shareholders	Shareholding at the beginning of the year				Shareholding at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A Promoters									
[1] Indian									
(a) Individuals / Hindu Undivided Family	755,710	0	755,710	4.97	761,160	0	761,160	4.90	(0.08)
(b) Central Government / State Government(s)	-	-	-	-	-	-	-	-	-
(c) Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
(d) Any Other (Specify)									
Bodies Corporate	9,141,895	0	9,141,895	60.16	7,791,895	0	7,791,895	50.13	(10.02)
Sub Total : (A)(1)	**9,897,605**	**0**	**9,897,605**	**65.13**	**8,553,055**	**0**	**8,553,055**	**56.28**	**(8.85)**
[2] Foreign									
(a) Individuals (Non-Resident Individuals / Foreign Individuals)	-	-	-	-	-	-	-	-	-
(b) Government	-	-	-	-	-	-	-	-	-
(c) Institutions	-	-	-	-	-	-	-	-	-
(d) Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-
(e) Any Other (Specify)	-	-	-	-	-	-	-	-	-
Sub Total :(A)(2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	**9,897,605**	**-**	**9,897,605**	**65.13**	**8,553,055**	**-**	**8,553,055**	**56.28**	**(8.85)**
(B) Public Shareholding									
[1] Institutions									
(a) Mutual Funds / UTI	150	3600	3,750	0.02	150	3600	3,750	0.02	(0.00)
(b) Central Government									
(c) State Government(s)									
(d) Venture Capital Funds	-	-	-	-	-	-	-	-	-
(e) Alternate Investment Funds	-	-	-	-	-	-	-	-	-
(f) Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(g) Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-
(h) Financial Institutions / Banks	250	100	350	0.00	55,300	100	55,400	0.36	0.35
(i) Insurance Companies	-	-	-	-	-	-	-	-	-
(j) Provident Funds/ Pension Funds	-	-	-	-	-	-	-	-	-
(k) Any Other (Specify)									
Sub Total :(B)(1)	**400**	**3,700**	**4,100**	**0.03**	**55,450**	**3,700**	**59,150**	**0.39**	**0.36**

Director's Report *(Contd.)*

Category of Shareholders	Shareholding at the beginning of the year				Shareholding at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
[2] Non-Institutions									
(a) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh.	2,515,160	200,879	2,716,039	17.87	3,131,570	197,829	3,329,399	21.42	3.55
(ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	1,586,673	0	1,586,673	10.44	1,683,490	0	1,683,490	10.83	0.39
(b) NBFCs registered with RBI	-	-	-	-	-	-	-	-	-
(c) Employee Trusts	-	-	-	-	-	-	-	-	-
(d) Overseas Depositories (holding DRs) (balancing figure)	-	-	-	-	-	-	-	-	-
(e) Any Other (Specify)									
Hindu Undivided Family	249,369	0	249,369	1.64	273688	0	273,688	1.76	0.12
Non Resident Indians (Non Repat)	24,987	0	24,987	0.16	27620	0	27,620	0.18	0.01
Non Resident Indians (Repat)	30,966	6,350	37,316	0.25	76956	6,350	83,306	0.54	0.29
Overseas Bodies Corporates	1,250	0	1,250	0.01	1250	0	1,250	0.01	(0.00)
Clearing Member	200,737	0	200,737	1.32	504923	0	504,923	3.25	1.93
Bodies Corporate	471,294	6,900	478,194	3.15	1019289	6,900	1,026,189	6.60	3.46
Sub Total :(B)(2)	**5,080,436**	**214,129**	**5,294,565**	**34.84**	**6,718,786**	**211,079**	**6,929,865**	**45.60**	**10.76**
Total Public Shareholding :(B)=(B)(1)+(B)(2)	**5,080,836**	**217,829**	**5,298,665**	**34.87**	**6,774,236**	**214,779**	**6,989,015**	**45.99**	**11.12**
Total :(A)+(B)	**14,978,441**	**217,829**	**15,196,270**	**100.00**	**15,327,291**	**214,779**	**15,542,070**	**100.00**	**0**
(C) Non Promoter - Non Public									
[1] Custodian/DR Holder	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total :(A)+(B)+(C)	**14,978,441**	**217,829**	**15,196,270**	**100.00**	**15,327,291**	**214,779**	**15,542,070**	**100.00**	**-**

Director's Report *(Contd.)*

(ii) Share holding of promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		Number of shares	% of total Shares of the company	%of Shares Pledged /encumbered to total shares	NO.OF SHARES HELD	% of total Shares of the company	%of Shares Pledged/ encumbered to total shares	
1.	Onward Network Technologies Private Limited	8,633,312	56.81	-	7,283,312	46.86	-	(10)
2.	Desai Finwealth Investments and Securities Private Limited	508,583	3.35	-	508,583	3.27	-	(0.07)
3.	Harish Shantital Mehta	216,528	1.42	-	216,528	1.39	-	(0.03)
4.	Jigar Harish Mehta	215,944	1.42	-	215,944	1.39	-	(0.03)
5.	Heral Harish Mehta	187,186	1.23	-	187,186	1.20	-	(0.03)
6.	Prachi Harish Mehta	136,052	0.90	-	141,502	0.91	-	0.02
	Total	**9,897,605**	**65.13**	**-**	**8,553,055**	**55.03**	**-**	**(10.10)**

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

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year		Changes during the year			Cumulative Shareholding at the end of 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
1	**Onward Network Technologies Private Limited**							
	At the beginning of the year	8,633,312	55.55				8,633,312	55.55
	Change during the year			14 Apr 2017	(300,000)	Transfer	8,333,312	53.62
				21 Apr 2017	(1,050,000)	Transfer	7,283,312	46.86
	At the end of the year						7,283,312	46.86
2	**Desai Finwealth Investments and Securities Private Limited**							
	At the beginning of the year	508,583	3.27				508,583	3.27
	Change during the year			-	-	-		
	At the end of the year						508,583	3.27
3	**Harish Mehta**							
	At the beginning of the year	216,528	1.39				216,528	1.39
	Change during the year			-	-	-		
	At the end of the year						216,528	1.39
4	**Jigar Mehta**							
	At the beginning of the year	215,944	1.39				215,944	1.39
	Change during the year			-	-	-		
	At the end of the year						215,944	1.39

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Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year		Changes during the year			Cumulative Shareholding at the end of 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
5	**Heral Mehta**							
	At the beginning of the year	187,186	1.20				187,186	1.20
	Change during the year			-	-	-		
	At the end of the year						187,186	1.20
6	**Prachi Mehta**							
	At the beginning of the year	136,052	0.88				136,052	0.88
	Change during the year			02 Feb 2018	2,800	Transfer	138,852	0.89
				09 Feb 2018	2,350	Transfer	141,202	0.91
				16 Feb 2018	300	Transfer	141,502	0.91
	At the end of the year						141,502	0.91

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

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year		Changes during the year			Cumulative Shareholding at the end of the year	
		Number of shares	% of total shares of the Company	Date	Reason	Number of shares held	Number of shares held	% of total shares of the Company
1	Prabhudas Lilladhar Pvt Ltd- Client Account	1,000	0.01				1,000	0.01
				07 Apr 2017	Transfer	(1,000)	0	0.00
				28 Apr 2017	Transfer	4,000	4,000	0.03
				19 May 2017	Transfer	(4,000)	0	0.00
				04 Aug 2017	Transfer	710	710	0.00
				11 Aug 2017	Transfer	228,950	229,660	1.48
				18 Aug 2017	Transfer	(6,934)	222,726	1.43
				25 Aug 2017	Transfer	11,348	234,074	1.51
				01 Sep 2017	Transfer	528,850	762,924	4.91
				08 Sep 2017	Transfer	102,444	865,368	5.57
				15 Sep 2017	Transfer	(134,794)	730,574	4.70
				22 Sep 2017	Transfer	(171,848)	558,726	3.59
				29 Sep 2017	Transfer	(25,400)	533,326	3.43
				06 Oct 2017	Transfer	177,234	710,560	4.57
				13 Oct 2017	Transfer	136,347	846,907	5.45
				20 Oct 2017	Transfer	(267,879)	579,028	3.73
				27 Oct 2017	Transfer	139,330	718,358	4.62
				03 Nov 2017	Transfer	(150,215)	568,143	3.66
				10 Nov 2017	Transfer	(307,720)	260,423	1.68
				17 Nov 2017	Transfer	300,006	560,429	3.61
				24 Nov 2017	Transfer	(4,974)	555,455	3.57
				01 Dec 2017	Transfer	(150,275)	405,180	2.61
				08 Dec 2017	Transfer	(46,884)	358,296	2.31
				15 Dec 2017	Transfer	(296)	358,000	2.30
				22 Dec 2017	Transfer	(100)	357,900	2.30

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Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year		Changes during the year			Cumulative Shareholding at the end of the year	
		Number of shares	% of total shares of the Company	Date	Reason	Number of shares held	Number of shares held	% of total shares of the Company
				29 Dec 2017	Transfer	887	358,787	2.31
				05 Jan 2018	Transfer	(1,294)	357,493	2.30
				12 Jan 2018	Transfer	(501)	356,992	2.30
				19 Jan 2018	Transfer	(1,601)	355,391	2.29
				26 Jan 2018	Transfer	706	356,097	2.29
				02 Feb 2018	Transfer	(48)	356,049	2.29
				09 Feb 2018	Transfer	(957)	355,092	2.28
				23 Feb 2018	Transfer	(900)	354,192	2.28
				16 Mar 2018	Transfer	2,058	356,250	2.29
				23 Mar 2018	Transfer	2,452	358,702	2.31
				31 Mar 2018	Transfer	(1,000)	357,702	2.30
	At the end of the year						357,702	2.30
2	IL And FS Securities Services Limited	0	0				0	0.00
				28 Apr 2017	Transfer	1,000	1,000	0.01
				26 May 2017	Transfer	10,000	11,000	0.07
				09 Jun 2017	Transfer	300	11,300	0.07
				23 Jun 2017	Transfer	5,200	16,500	0.11
				30 Jun 2017	Transfer	1,000	17,500	0.11
				07 Jul 2017	Transfer	(2,000)	15,500	0.10
				14 Jul 2017	Transfer	19,300	34,800	0.22
				21 Jul 2017	Transfer	7,545	42,345	0.27
				28 Jul 2017	Transfer	(3,800)	38,545	0.25
				04 Aug 2017	Transfer	900	39,445	0.25
				11 Aug 2017	Transfer	(3,145)	36,300	0.23
				18 Aug 2017	Transfer	(23,000)	13,300	0.09
				25 Aug 2017	Transfer	(5,000)	8,300	0.05
				01 Sep 2017	Transfer	(6,000)	2,300	0.01
				22 Sep 2017	Transfer	326,250	328,550	2.11
				29 Sep 2017	Transfer	(15,950)	312,600	2.01
				06 Oct 2017	Transfer	(271,904)	40,696	0.26
				13 Oct 2017	Transfer	(6,200)	34,496	0.22
				20 Oct 2017	Transfer	(800)	33,696	0.22
				27 Oct 2017	Transfer	526	34,222	0.22
				03 Nov 2017	Transfer	6,500	40,722	0.26
				10 Nov 2017	Transfer	6,230	46,952	0.30
				17 Nov 2017	Transfer	140,619	187,571	1.21
				24 Nov 2017	Transfer	(1,810)	185,761	1.20
				01 Dec 2017	Transfer	(2,451)	183,310	1.18
				08 Dec 2017	Transfer	(1,100)	182,210	1.17
				15 Dec 2017	Transfer	4,880	187,090	1.20
				22 Dec 2017	Transfer	(38,303)	148,787	0.96
				29 Dec 2017	Transfer	(111,347)	37,440	0.24
				05 Jan 2018	Transfer	300	37,740	0.24
				12 Jan 2018	Transfer	122,047	159,787	1.03

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Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year		Changes during the year			Cumulative Shareholding at the end of the year	
		Number of shares	% of total shares of the Company	Date	Reason	Number of shares held	Number of shares held	% of total shares of the Company
				19 Jan 2018	Transfer	(97,960)	61,827	0.40
				26 Jan 2018	Transfer	500	62,327	0.40
				02 Feb 2018	Transfer	(6,782)	55,545	0.36
				09 Feb 2018	Transfer	(37,557)	17,988	0.12
				16 Feb 2018	Transfer	750	18,738	0.12
				23 Feb 2018	Transfer	1,000	19,738	0.13
				09 Mar 2018	Transfer	46,650	66,388	0.43
				23 Mar 2018	Transfer	(48,725)	17,663	0.11
				31 Mar 2018	Transfer	179,720	197,383	1.27
	At the end of the year						197,383	1.27
3	Joseph Jivanayakam Daniel	0	0				0	0.00
				10 Nov 2017	Transfer	125,000	125,000	0.80
				24 Nov 2017	Transfer	(125,000)	0	0.00
				09 Feb 2018	Transfer	150,000	150,000	0.97
	At the end of the year						150,000	0.97
4	Dhankalash Distributors Private Limited.	0	0				0	0.00
				29 Dec 2017	Transfer	100,000	100,000	0.64
				31 Mar 2018	Transfer	46,000	146,000	0.94
	At the end of the year						146,000	0.94
5	M V S S Narayanacharyulu	136,600	0.8789				136,600	0.88
				01 Sep 2017	Transfer	(21,500)	115,100	0.74
				20 Oct 2017	Transfer	10,000	125,100	0.80
				26 Jan 2018	Transfer	7,000	132,100	0.85
	At the end of the year						132,100	0.85
6	Meghani Parish Arun	65,643	0.4224				65,643	0.42
				16 Feb 2018	Transfer	28,423	94,066	0.61
				23 Feb 2018	Transfer	252	94,318	0.61
				31 Mar 2018	Transfer	27,000	121,318	0.78
	At the end of the year						121,318	0.78
7	Rishi Kajaria	150,000	0.9651				150,000	0.97
				14 Apr 2017	Transfer	(50,000)	100,000	0.64
	At the end of the year						100,000	0.64
8	Techpro Ventures LLP	96,794	0.6228				96,794	0.62
	At the end of the year						96,794	0.62
9	Manisha Ashok Chokani	74,828	0.4815				74,828	0.48
	At the end of the year						74,828	0.48
10	S Manivasagam	44,500	0.2863				44,500	0.29
				28 Apr 2017	Transfer	7,000	51,500	0.33
				20 Oct 2017	Transfer	12,000	63,500	0.41
				26 Jan 2018	Transfer	7,000	70,500	0.45
	At the end of the year						70,500	0.45

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V Indebtedness

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

	Secured loans excluding deposits	Unsecured loans	Deposits	Total indebtedness
Indebtness at the beginning of the financial year				
i) Principal Amount	158,827,776	10,033,593	-	168,861,369
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**158,827,776**	**10,033,593**		**168,861,369**
Change in indebtedness during the financial year				
Additions	1,410,562,480	-	-	1,410,562,480
Reduction	1,394,877,676	-	-	1,394,877,676
Net Change	**15,684,804**	**-**	**-**	**15,684,804**
Indebtedness at the end of the financial year				
i) Principal Amount	174,512,580	10,033,593	-	184,546,173
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**174,512,580**	**10,033,593**	**-**	**184,546,173**

VI Remuneration of directors and key managerial personnel

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

Sr. No.	Particulars of remuneration	Name of the MD/WTD/Manager	
		Mr. Jigar Mehta Managing Director	Mr. Harish Mehta Executive Chairman
1	**Gross salary**		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	Rs. 7,785,516	Rs. 16,774,000
	(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	-	-
	Total (A)	Rs. 7,785,516	Rs. 16,774,000
	Ceiling as per the Act	**16,800,000.00**	**16,800,000.00**

Director's Report *(Contd.)*

B. Remuneration to other directors:

Sr. No.	Particulars of remuneration	Name of the Directors				Total
1	**Independent directors**	**Mr. Nandkumar Pradhan**	**Mr. Rahul Rathi**	**Mr. Parish Meghani**	**Mr. Pranay Vakil**	
	(a) Fee for attending board/committee meetings	390,000	515,000	530,000	385,000	1,820,000
	(b) Commission	-	-	-	-	-
	(c) Others, please specify	-	-	-	-	-
	Total (1)	**390,000**	**515,000**	**530,000**	**385,000**	**1,820,000**
2	**Other Non-Executive directors**	**Mrs. Prachi Mehta**	-	-	-	**Total**
	(a) Fee for attending/board committee meetings	320,000	-	-	-	320,000
	(b) Commission	-	-	-	-	-
	(c) Others, please specify.	-	-	-	-	-
	Total (2)	**320,000**	-	-	-	**320,000**
	Total (B) = (1 + 2)		-	-	-	**2,140,000**
	Total managerial remuneration		-	-	-	**NA**
	Overall ceiling as per the Act		-	-	-	**NA**

VII Penalties/Punishment/Comppounding 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.539,008
Remuneration of Mr. Harish Mehta (Executive Chairman) (B)	Rs. 16,774,000
Remuneration of Mr. Jigar Mehta (Managing Director) (C)	Rs. 7,785,516
Ratio of A to B	31.12 Times
Ratio of A to C	14.44 Times

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

Name of Director	Percentage increase in remuneration
Mr. Harish Mehta (Executive Chairman)	100%
Mr. Jigar Mehta (Managing Director)	NA

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

Percentage increase in median remuneration	6.73%

The number of permament employees on the rolls of the Company: 914

Explanation on the relationship between average increase in remuneration and the Company's performance:	Factors considered while recommending increase in compensation:	
	1. Financial performance of the Company	
	2. Industry benchmarking	
	3. Contribution made by the employee	
Comparison of the remuneration of the key managerial personnel (KMP) against the performance of the Company	The compensation of KMP (Directors) is in rational with the performance of the Company. The profit after tax of the company increased by 63.84%. While remuneration to KMPs is paid as per the requirements and conditions specified under Companies Act, 2013.	
Variations in the market capitalisation of the Company, price earing ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of 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 31st March, 2018**	As on 31st March, 2017
Market capitalisation	**135.84**	122.25
Price to earning ratio	**61.12**	41.68
Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year:	5%	
The key parameters for variable component of remuneration availed by the directors	None of the directors' remuneration has variable components.	
Whether any employee is paid remuneration more the highest paid director of the Company:	No	
The ratio of the remuneration of the highest paid director to that of the employees who are not director but receive remuneraion in excess of the highest paid director during the year:	Not applicable	
Affirmation that the remuneration is as per the remuneration policy of the Company:	Yes	

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A. Management analysis

Engineering services sector benefited substantially from the expansion of engineering industry into various international markets over the years. With the globalization of engineering work, firms have gained access to international markets, along with the improved flow of goods, knowledge, and services. As the global demand for engineering services increases, emerging markets, including India, are expected to play a significant role in addressing such needs, by not only offering cost benefits, but also allowing firms to gain competitive edge through specialized capabilities. Global spending on engineering services is projected to witness steady growth in the coming years. At present, high-tech/telecom and automotive sectors account for a major share of the total spending on engineering services, with the remaining share held primarily by aerospace, industrial and defense sectors.

Engineering services outsourcing market is expected to become increasingly competitive in future. Formerly, production and low-end operations comprised the foremost engineering activities to be outsourced to the international markets. The trend changed with firms opting to outsource other engineering functions, including high-value operations, to overseas markets. Now companies across the world exhibit their expertise in handling all types of engineering processes. Asian countries, in particular India and China, are competing fiercely in the global engineering services outsourcing market.

Several innovative technologies are finding use in the product design and development operations as measures to improve collaborative engineering, and for enhancing functionality and performance of the products. Apart from improving product safety and reliability, the incorporation of latest technologies facilitates the lowering of product design costs, and ensures compliance with various regulatory specifications. Companies providing engineering services need to adopt technologies, which facilitate the convenient, faster, and safer transfer of data. In addition, the focus is being shifted to collaborative working technologies that enable global teams to function concurrently.

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 maturing to value enabling engagements focusing towards solving the complex engineering problems. The Company continues 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 reinforced 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

The engineering outsourcing scenario has changed a lot in the recent decades and continues to change at a much faster rate now. With changes in consumer demographics and their demands, technological advancements, and various emerging competition from different regions of the world has changed the face of the engineering domain. Listed below are the major engineering outsourcing trends for 2018 and beyond, guided by industry experts –

- Outsourcing Spends to Increase: Leading global analysts suggest that the spending in engineering services outsourcing market is set to increase manifold in the coming years. There are many new regions providing quality engineering services at reasonable rates and have a large pool of skilled resources. India being the number one outsourcing destination in the world is set to face stiff competition from many other emerging countries.

Management Discussion and Analysis *(Contd.)*

- Cost will not be the Only Factor: Engineering services were earlier primarily outsourced to a third-party service provider to cut costs. In the future, cost will not be the only reason for outsourcing. Outsourcing engineering services to expert vendors ensures creativity and innovation in the project, as these service providers have the required skills and work force to provide quality, security and sustained support at very cost-effective rates, which will become the key outsourcing reason for the clients.
- Expectation of Shorter Project Lifecycle: Consumers today are well informed and knowledgeable when it comes to the new technologies being used in engineering domain. Clients expect to have very short project lifecycles and service providers are pressurized to meet these demands and stay ahead of the competition in the market and grab the market share. More and more enterprises will be leveraging their partnership with their service providers to ensure faster product development lifecycles.
- Collaborations with Startups will Soar: With the aim of developing SMART products, more and more engineering service providers will look to tie with startups including manufacturing companies and other industry ecosystem players. This will help them get access to faster prototyping and better niche skills. These partnerships will further help in developing economical versions of products and compete in different pricing segments in this highly competitive market.
- Market Adjacency to Rise: In the coming year, enterprises will look towards adjacent markets for better growth and partner with engineering service providers. This will help them in delivering completely new product designs as well as bringing in niche skills and make the entire process of product development cost-effective and smoother.
- The Next Industrial Revolution: 2018 and the years after will see a new kind of industrial revolution. This industrial revolution will usher in innovation with the help of new IT solutions. Highly efficient automation systems, which are very important for process improvements, will be soon replacing the legacy automation systems. These new IT solutions and technologies will prove to be the key drivers in the massive increase in the global engineering outsourcing market.

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.

Management Discussion and Analysis *(Contd.)*

The company targets its growth primarily from its International markets – US, Germany & UK. 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.

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

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

Over the year, the company received multiple letters of appreciations from many of the clienteles', which emphasized on the value that Onward has brought to them as a partner. Client focus and client satisfaction remain the primary objective behind all the actions demonstrated by the company and its representatives.

F. Operations Performance – including Subsidiaries

For the FY 17-18, the Company continued to strengthen its position in the Engineering and IT segments.

Consolidated Performance: Operationally, the Company's top line grew by 9.35% to Rs. 244.46 Cr. from Rs. 223.56 Cr. Net Profit Margins also improved by 63.84% to Rs 6.72 Cr. from Rs. 4.1 Cr. in FY 16-17. 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. 3.0 Cr. (consolidated) as capital investments.

Subsidiaries Performance: Each of Onward's subsidiaries has contributed to the performance of the company. 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.

Management Discussion and Analysis *(Contd.)*

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.

Company continued to make investments in strengthening its key Leadership Positions and attracting talent to join the company for some of its key senior level positions. Conducive Orientation and Induction is done to align the human capital to 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 is 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 career 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".

During the year, Company has Implemented SAP success factors for the centralised employee data and performance management that 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 : 11th May, 2018

Harish Mehta
Executive Chairman

CORPORATE GOVERNANCE REPORT

I Company's philosophy on corporate governance:

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

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

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

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

II Board of Directors:

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

A. Composition of the Board and other related information as on 31st March, 2018:

Name of the Director	Designation/ Category	No. of Directorships in other companies in India[1]	No. of other committee memberships/ chairmanship[2]	No. of Board meetings attended	Percentage attendance	Last annual general meeting attended
Mr. Harish Mehta	Executive Chairman	7	--	4	100%	Yes
Mr. Jigar Mehta	Managing Director	1	--	4	100%	Yes
Mrs. Prachi Mehta	Non-Independent/ Non-Executive	4	--	4	100%	Yes
Mr. Pranay Vakil	Independent/ Non-Executive	4	2	3	75%	No
Mr. Nandkumar Pradhan	Independent/ Non-Executive	2	(1)	3	75%	No
Mr. Rahul Rathi[3]	Independent/ Non-Executive	4	--	4	100%	Yes
Mr. Parish Meghani[4]	Independent/ Non-Executive	1	--	4	100%	Yes

[1]Includes private companies and Section 8 companies, excluding Onward Technologies Limited.

Corporate Governance Report *(Contd.)*

[2]*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.*

[3]*Mr. Rahul Rathi was appointed as the Director of the Company w.e.f. 24th April, 2017.*

[4]*Mr. Parish Meghani was appointed as the Director of the Company w.e.f. 10th May, 2017.*

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

B. Independent Directors:

Mr. Pranay Vakil, Mr. Nandkumar Pradhan, Mr. Rahul Rathi and Mr. Parish Meghani were the Independent Directors of the Company as on 31st March, 2018. 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 27th February, 2018, 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 its 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 of such programs conducted during the year and information required for Independent Directors to familiarize themselves with the business and culture of the Company is also available on the website of the Company: www.onwardgroup.com.

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:

- Annual operating plans and capital budgets
- Quarterly and annual financial results
- Recommendation of dividend
- Change in constitution of various committees
- Monitoring and noting business transacted by various committees by taking on record minutes of various committees.
- Proposal for amalgamation, merger, acquisitions etc.
- Floating of subsidiaries in India as well as abroad
- Details of investment in joint ventures or collaboration
- New projects and expansion plans

Corporate Governance Report *(Contd.)*

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

Four Board meetings were held during the year ended 31st March, 2018. These meetings were held on 22nd May, 2017, 21st July, 2017, 16th October, 2017 and 23rd January, 2018, 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 which is also available at the website www.onwardgroup.com. The Code serves as a guide to the Board and Senior Management employees of the Company to make informed and prudent decisions and act on them. Also, annual affirmation of compliance with the Code has been made by the Directors and senior management of the Company. A declaration to this effect signed by the Managing Director of the Company is given along with this report.

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

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 Designated Employee or Director or Promoter of the Company as per the provisions prescribed under said regulations.

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 which is also available on the website www.onwardgroup.com, to support the voice and discontent of its employees against the malpractices and

Corporate Governance Report *(Contd.)*

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 31st March, 2018 are as follows:

Sr. No.	Name of the Directors	Designation/ Category	Number of shares/ Convertible Instruments held
1	Mrs. Prachi Mehta	Non-Independent/Non-Executive	141,502 Equity Shares
2	Mr. Pranay Vakil	Independent/ Non-Executive	--
3	Mr. Nandkumar Pradhan	Independent/ Non-Executive	--
4	Mr. Rahul Rathi	Independent/ Non-Executive	--
5	Mr. Parish Meghani	Independent/ Non-Executive	121,318 Equity Shares

III Committees of the Board of Directors:

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

A. Audit Committee

B. Nomination and Remuneration Committee

C. Stakeholders' Relationship Committee

D. Banking Committee

E. Corporate Social Responsibility Committee

Corporate Governance Report *(Contd.)*

A. Audit committee:

1. Brief description of terms of reference:

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

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

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

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

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

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

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

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

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

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

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

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

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

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.

Corporate Governance Report *(Contd.)*

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

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

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

2. Composition:

The Audit Committee comprised of four Non-Executive Directors with Independent Directors forming the majority. The Chairman of the Committee was an Independent Director. During the year under review, four meetings of the Committee were held on: 22nd May, 2017, 21st July, 2017, 16th October, 2017 and 23rd January, 2018, respectively.

The Directors who were members of the Committee as on 31st March, 2018 and the attendance of each of the members is given below:

Sr. No.	Name of the Directors	Designation	Category	No. of meetings attended
1	Mr. Pranay Vakil	Chairman	Independent and Non-Executive	3
2	Mr. Nandkumar Pradhan	Member	Independent and Non-Executive	3
3	Mr. Rahul Rathi [1]	Member	Independent and Non-Executive	4
4	Mr. Parish Meghani [2]	Member	Independent and Non-Executive	4

[1]Mr. Rahul Rathi was appointed as the member of the Committee from 11th May, 2017.

[2]Mr. Parish Meghani was appointed as the member of the Committee from 11th May, 2017.

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

B. Nomination and Remuneration Committee:

1. Brief description of terms of reference:

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

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

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

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

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

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

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

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

Corporate Governance Report *(Contd.)*

2. Composition:

During the year under review, two meetings of the Nomination and Remuneration Committee were held on 22nd May, 2017 and 16th October, 2017. Further, the Directors who were members of the Committee as on 31st March, 2018 and the attendance of each of the members is given below:

Sr. No.	Name of the Directors	Designation	Category	No. of meetings attended
1	Mr. Nandkumar Pradhan	Chairman	Independent and Non-Executive	2
2	Mrs. Prachi Mehta[1]	Member	Non-Independent and Non-Executive	1
3	Mr. Rahul Rathi[2]	Member	Independent and Non-Executive	1
4	Mr. Parish Meghani[3]	Member	Independent and Non-Executive	1
5	Mr. Pranay Vakil[4]	Member	Independent and Non-Executive	1

[1]Mrs. Prachi Mehta ceased to be member of the Committee with effect from 12th June, 2017.

[2]Mr. Rahul Rathi was appointed as the member of the Committee from 12th June, 2017.

[3]Mr. Parish Meghani was appointed as the member of the Committee from 12th June, 2017.

[4]Mr. Pranay Vakil ceased to be member of the Committee with effect from 12th June, 2017.

3. Non-executive Directors' remuneration details for the financial year ended 31st March, 2018:

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 committees 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.

Sr. No.	Name of the Directors	Sitting fees (Rs.)	Total (Rs.)
1	Mr. Pranay Vakil	385,000	385,000
2	Mr. Nandkumar Pradhan	390,000	390,000
3	Mrs. Prachi Mehta	320,000	320,000
4	Mr. Parish Meghani	530,000	530,000
5	Mr. Rahul Rathi	515,000	515,000

Further, details of remuneration paid to Mr. Harish Mehta, Executive Chairman and Mr. Jigar Mehta, Managing Director of the Company for FY 2017-18 has been disclosed separately herein below.

4. Performance evaluation criteria for Independent Directors:

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

1. Attendance and contribution at Board and Committee meetings
2. His/her stature, appropriate mix of expertise, skills, behavior, experience, leadership qualities, sense of sobriety and understanding of business, strategic direction to align Company's value and standards.

Corporate Governance Report *(Contd.)*

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

5. Remuneration to Executive Directors:

Details of remuneration paid for the financial year ended 31st March, 2018 to Executive Directors:

Sr. No.	Name of the Directors	Salary and perquisites (Rs.)	Incentive (Rs.)	Sitting fees (Rs.)	Total (Rs.)
1	Mr. Harish Mehta - Executive Chairman	16,774,000	Nil	Nil	**16,774,000**
2	Mr. Jigar Mehta - Managing Director	7,785,516	Nil	Nil	**7,785,516**

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: 22nd May, 2017, 21st July, 2017, 16th October, 2017 and 23rd January, 2018 respectively.

Corporate Governance Report *(Contd.)*

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

Sr. No.	Name of the Directors	Designation	Category	No. of meetings attended
1	Mr. Parish Meghani[1]	Chairman	Non-Executive Director	4
2	Mr. Rahul Rathi[2]	Member	Non-Executive Director	1
3	Mr. Jigar Mehta[3]	Member	Executive Director	4
4	Mrs. Prachi Mehta[4]	Member	Non-Executive Director	3

[1]Mr. Parish Meghani became the member/chairman of the committee w.e.f. 10th May, 2017.

[2]Mr. Rahul Rathi became member of the committee w.e.f. 10th May, 2017. He ceased to be member w.e.f. 12th June, 2017.

[3]Mr. Jigar Mehta became member of the committee w.e.f. 10th May, 2017.

[4]Mrs. Prachi Mehta became member of the committee w.e.f. 12th June, 2017.

Status of investors' complaints received during the year ended 31st March, 2018:

Nature of complaints	Received	Resolved	Solved not to the satisfaction of Shareholder	Pending as on 31st March, 2018
Relating to transfer, transmission, etc.	--	--	--	--
Other/miscellaneous	2	2	--	--
Total	**2**	**2**	**--**	**--**

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/Compliance Officer.

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 21st July, 2017, 21st August, 2017, 18th September, 2017, 28th December, 2017, and 7th February, 2018.

The composition of the banking committee is as under:

Sr. No.	Name of the Directors	Designation	Category	No. of meetings attended
1	Mr. Harish Mehta	Chairman	Executive Director	5
2	Mr. Pranay Vakil	Member	Independent Director	5
3	Mr. Jigar Mehta	Member	Executive Director	5

Corporate Governance Report *(Contd.)*

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:

Sr. No.	Name of the Directors	Designation	Category
1	Mr. Pranay Vakil	Chairman	Independent Director
2	Mr. Harish Mehta	Member	Executive Director
3	Mrs. Prachi Mehta	Member	Non-Executive Director

IV General Body Meetings

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

Financial year	Venue	Day & Date	Time	Special resolution passed, If any
2014 - 15	The Victoria Memorial School for the Blind, 73, Tardeo Road, Mumbai – 400 034	Friday, 31st July, 2015	11.00 a.m.	Yes (5)
2015 - 16	The Victoria Memorial School for the Blind, 73, Tardeo Road, Mumbai – 400 034	Monday, 18th July, 2016	03.30 p.m.	Yes (2)
2016 - 17	The Victoria Memorial School for the Blind, 73, Tardeo Road, Mumbai – 400 034	Friday, 21st July, 2017	11.00 a.m.	Yes (4)

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 had declared and paid final dividend during the year under review in the 26th Annual General Meeting of the Company held on Friday, 21st July, 2017. The Company paid dividend of Rs. 15,364,570 (Rupees One Crore Fifty-Three Lakhs Sixty-Four Thousand Five Hundred Seventy only), excluding dividend distribution tax, at the rate of Re. 1 (Rupee One only) per equity share of Face Value Rs. 10 (Rupees Ten only) each.

Also, the Directors have recommended a dividend of Re. 1 (10% per cent) per equity share of face value Rs. 10 each, for the financial year ended 31st March, 2018, 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 Friday, 13th July, 2018, and

(ii) to those whose names appear as beneficial owners, as on Friday, 13th July, 2018, as furnished by the National Securities Depository Limited and Central Depository Services (India) Limited for the purpose.

Corporate Governance Report *(Contd.)*

VI Disclosures:

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

(b) The Company has complied with statutory compliances and no penalty or 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 31st March, 2018, the management has ensured that all Accounting Standards have been properly followed and there has been no deviation from this practice.

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

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

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

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

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

(i) The Company has complied with the requirements of corporate governance as specified under regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the Listing Obligations.

VII Disclosure of Discretionary Requirements:

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

1. Mr. Harish Mehta is the Executive Chairman of the Company. Being an Executive Director of the Company, requirements of having separate office for a non-executive chairman at the expense of the Company shall 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, please refer to the explanation by the Board in the Directors' Report, on the qualification/opinion of auditors on the accounts for financial year 2017-18.
4. In our endeavor of having separate persons as chairman and managing director of the Company, the Board of Directors has already 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 2017-18 reported directly to the Audit Committee of the Company.

VIII Commodity Price Risk:

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

Corporate Governance Report *(Contd.)*

VIII Means of Communication:

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

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

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

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

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

IX General Shareholders' information: CIN: L28920MH1991PLC062542

Annual general meeting:		
Date	:	Friday, 20th July, 2018
Time	:	03.00 PM
Venue	:	The Victoria Memorial School for the Blind, 73, Tardeo Road, Mumbai – 400 034
Financial year	:	1st April, 2017 to 31st March, 2018
Book closure dates	:	14th July, 2018 to 20th July, 2018 (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	:	**BSE Limited,** Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001. **National Stock Exchange of India Ltd.** Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051.
Stock Code	:	BSE: 517536, NSE: ONWARDTEC
Group	:	B1
Demat ISIN no. for CDSL and NSDL	:	INE229A01017
Listing fees	:	The Company has paid annual listing fees to the above Stock Exchanges for the financial year 2017-18 and 2018-19.

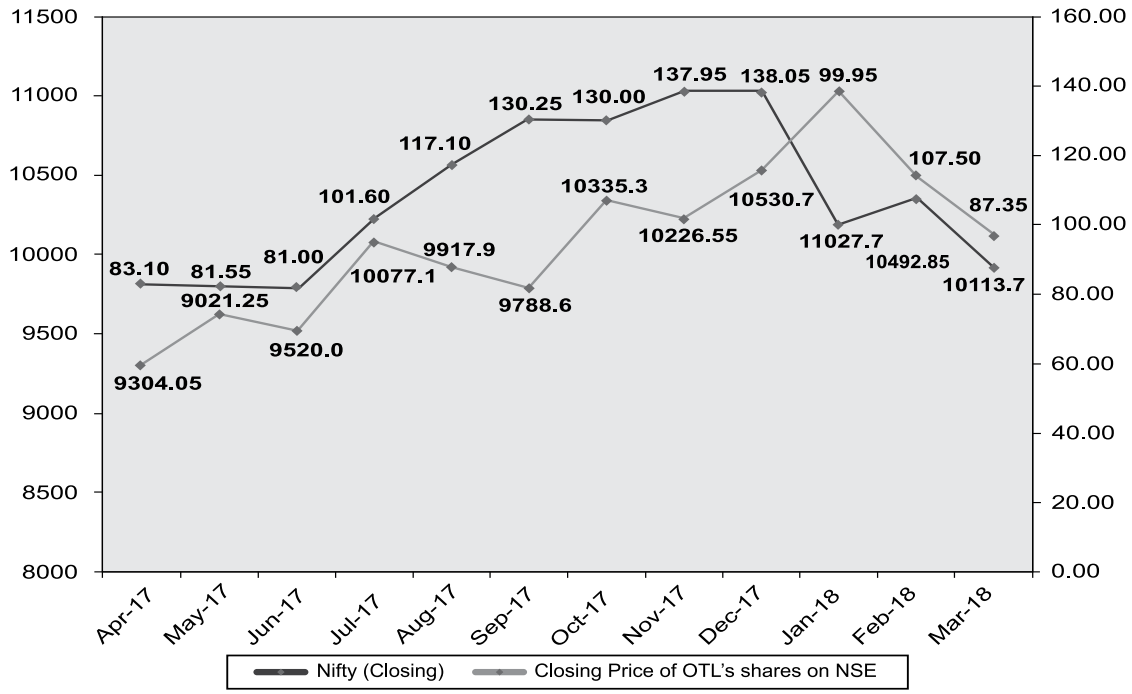
Corporate Governance Report *(Contd.)*

Market price data: Monthly High/Low during each month in the financial year 2017–18 is as follows:

Month	BSE		NSE	
	High	Low	High	Low
April, 2017	99.00	74.35	98.80	74.00
May, 2017	90.00	75.30	90.05	74.00
June, 2017	89.35	79.00	90.00	77.20
July, 2017	108.50	82.15	108.40	81.05
August, 2017	130.65	84.10	130.50	83.30
September, 2017	140.90	109.10	140.40	108.10
October, 2017	169.45	123.10	169.90	122.65
November, 2017	144.00	124.05	143.95	122.30
December, 2017	148.75	129.50	149.00	128.40
January, 2018	139.90	98.00	138.10	98.00
February, 2018	113.90	80.10	114.50	80.00
March, 2018	108.05	86.25	107.80	85.40

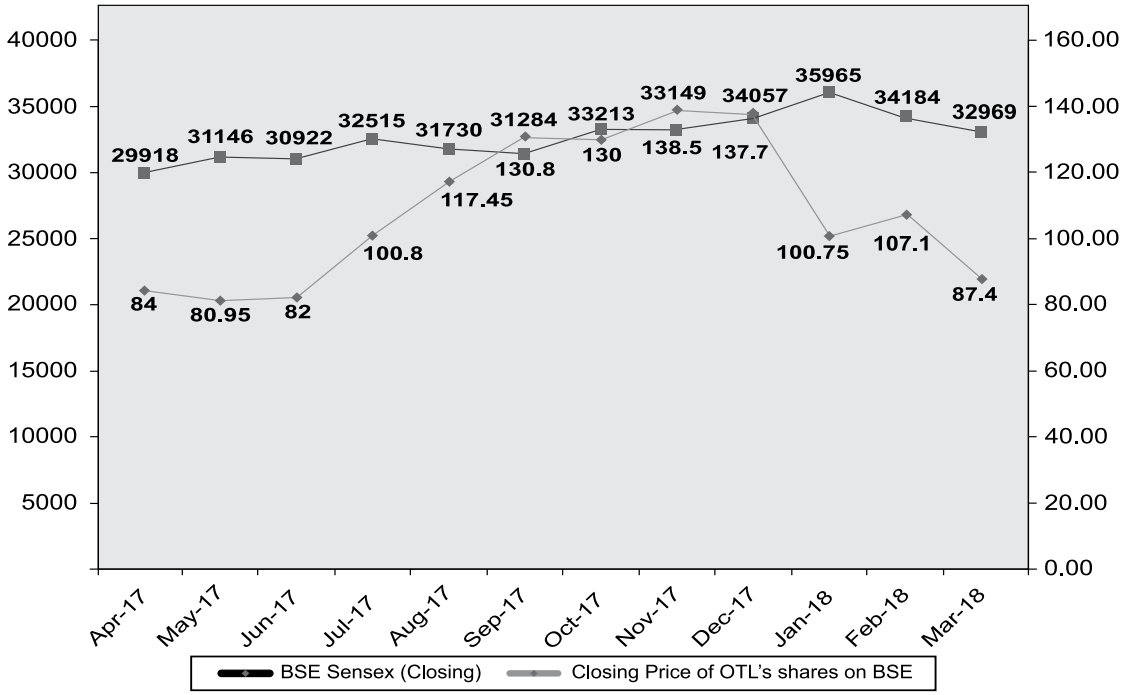
*Source: Website of BSE Ltd. and The National Stock Exchange of India Ltd.

Stock price performance in comparison to the NSE Nifty in the financial year 2017-18: OTL Equity Share Price versus NSE - Nifty



Corporate Governance Report *(Contd.)*

Stock price performance in comparison to the BSE Sensex in the financial year 2017- 18: OTL Equity Share Price versus BSE - Sensex



Note : The securities of the Company were not suspended from trading during the financial year 2017-18.

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

Corporate Governance Report *(Contd.)*

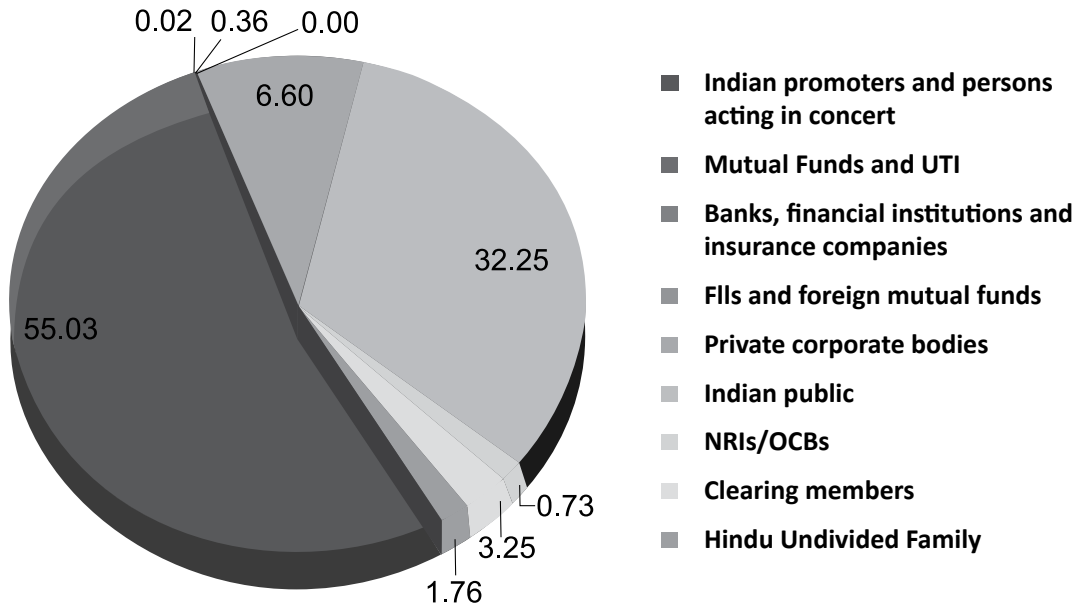
Distribution of shareholding as on 31st March, 2018:

Shareholding of nominal value (Rs.)	No. of share holders	% of share holders	Share Amount (Rs.)	% of shareholding
1 to 5,000	8,056	84.0655	13,041,550	8.39
5,001 to 10,000	694	7.242	5,687,920	3.65
10,001 to 20,000	396	4.1323	6,001,470	3.86
20,001 to 30,000	141	1.4714	3,513,630	2.26
30,001 to 40,000	72	0.7513	2,634,820	1.69
40,001 to 50,000	59	0.6157	2,760,160	1.77
50,001 to 100,000	82	0.8557	5,936,590	3.81
100,001 to 9,999,999,999	83	0.8661	115,844,560	74.53
Total	**9,583**	**100**	**155,420,700**	**100**

Shareholding pattern as on 31st March, 2018:

Categories	No. of shares held	Percentage of shareholding (%)
Indian promoters and persons acting in concert	8,553,055	55.03
Mutual funds and UTI	3,750	0.02
Banks, financial institutions and insurance companies	55,400	0.36
FIIs and foreign mutual funds	--	--
Private corporate bodies	1,026,189	6.60
Indian public	5,012,889	32.25
NRIs/OCBs	112,176	0.73
Clearing members	504,923	3.25
Hindu Undivided Family	273,688	1.76
Total	**15,542,070**	**100**

Shareholding Pattern as on 31st March, 2018:



Corporate Governance Report *(Contd.)*

De-materialization of shares and liquidity	As on 31st March, 2018, 15,327,291 shares representing 98.62% of the paid-up share capital of the Company were in de-materialized form
Outstanding GDR/ADR/Warrants or any convertible instruments, conversion dates and likely impact on equity	Since, the Company has not issued any GDR/ ADR/ Warrants or any convertible instruments this clause is not applicable
Plant location	The Company does not have any manufacturing plant. However, details with regards different office locations of the Company forms part of this Annual Report.
Address for correspondence	Link Intime India Pvt. Ltd. has been entrusted and appointed as registrars and share transfer agents of the Company. All queries pertaining to transfer, transmission, de-materialization and change of address be directed to them at their following address : Link Intime India Pvt. Ltd. C 101, 247 Park, L.B.S. Marg, Vikhroli (West) Mumbai - 400 083 Tel: +91 22 49186270 Fax: +91 22 49186060 Email: rnt.helpdesk@linkintime.co.in Contact person: Ms. Nayna Wakle

For and on behalf of the Board of Directors

Place: Mumbai
Date : 11th May, 2018

Jigar Mehta
Managing Director

CEO & CFO Certification

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

1. We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2018 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.

Jigar Mehta
Managing Director

MVSS Narayanacharyulu
Chief Financial Officer

Place: Mumbai
Date: 11th May, 2018

Declaration

To,
The Members,
Onward Technologies Limited

I, Jigar Mehta, Managing Director of Onward Technologies Limited ("the Company"), hereby declare that all the Members of the Board of Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct, laid down and adopted by the Company, during the year ended 31st March, 2018.

For **Onward Technologies Limited**

Jigar Mehta
Managing Director

Place: Mumbai
Date : 11th May, 2018

Certificate on Corporate Governance

To

The Members,

Onward Technologies Limited

I have examined the compliance of conditions of Corporate Governance by Onward Technologies Limited ("the Company"), for the year ended on 31st March, 2018, as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with stock exchange.

The compliance of the conditions of Corporate Governance is a responsibility of the Management. My 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 my opinion and to the best of my information and according to the explanation given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions as specified in chapter IV Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to Listing Agreement of the said Company with stock exchange.

I further state that 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 Nilesh A. Pradhan & Co.,

Practicing Company Secretary

Nilesh A. Pradhan

Proprietor

C. P. No.: 3659

FCS No.: 5445

Date : 11thMay, 2018

Place: Mumbai

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIALS STATEMENTS

To

The Members

Onward Technologies Limited

Report on the Consolidated Indian Accounting Standards (Ind AS)Financial Statements

1. We have audited the accompanying consolidated Ind AS 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"), (refer Note 1 to the attached consolidated financial statements),comprising of the consolidated Balance Sheet as at 31st March, 2018, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Cash Flow Statement for the year then endedand the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS 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, consolidated cash flows and changes in equity of the Group in accordance with accounting principles generally accepted in India including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. 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 judgements 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 has been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

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

4. We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated Ind AS 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 Ind AS 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 Ind AS financial statements.

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

6. 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 9 of the Other Matters paragraph below,is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS 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 31st March, 2018, and their consolidated total comprehensive income (comprising of consolidated profit and consolidated other comprehensive income), their consolidated cash flows and consolidated changes in equity for the year ended on that date.

Other Matters

8. We did not audit the financial statements of two subsidiaries whose financial statements reflect total assets of Rs. 3,232.62 Lakhs and net assets of Rs. 1,096.83 Lakhs as at 31st March, 2018, total revenue of Rs. 5,605.02 Lakhs, total comprehensive income (comprising of profit/ loss and other comprehensive income) of Rs. 331.82 Lakhs and net cash flows amounting to Rs. 655.35 Lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated Ind AS financial statements in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

   Our opinion on the consolidated Ind AS 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.

9. The comparative financial information of the Group for the year ended 31st March, 2017 and the transition date opening balance sheet as at 1st April, 2016 included in these consolidated Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended 31st March, 2017 and 31st March, 2016 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by the predecessor auditor, who expressed an unmodified opinion vide reports dated May 22, 2017 and May 16, 2016 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Group on transition to the Ind AS have been audited by us.Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

10. As required by Section143 (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 ourknowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.

    b) In our opinion, proper books of account as required by law maintained by the Holding Company and its subsidiaries included in the Group in corporated in India including relevant records relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and records of the Holding Company and the reports of the other auditors.

    c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company and its subsidiaries included in the Group incorporated in India including relevant records relating to the preparation of the consolidated Ind AS financial statements.

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

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

e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2018 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 is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in **Annexure A**.

g) With respect to the other matters to be included in the Auditors' 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 consolidated Ind AS financial statements disclose the impact, if any, of pending litigations as at 31st March, 2018 on the consolidated financial position of the Group– Refer Note 28 to the consolidated Ind AS financial statements.

ii. The Group had long-term contracts including derivative contracts as at 31st March, 2018 for which there were no material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India during the year ended 31st March, 2018.

iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Group for the year ended 31st March, 2018.

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

Neeraj Sharma
Partner
Membership Number 108391

Place: Mumbai
Date : 11th May, 2018

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

Annexure A To Independent Auditors' Report

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

1. In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31st March, 2018, we have audited the internal financial controls over financial reporting of Onward Technologies Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date. Reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls over financial reporting is not applicable to one subsidiary company incorporated in India namely Onward Properties Private Limited, pursuant to MCA notification GSR 583(E) dated 13 June 2017.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

4. Our audit involves performing procedures to obtain audit evidence about the adequacy ofthe internal financial controls system over financial reporting and their operating effectiveness.Our audit of internal financial controls over financial reporting included obtaining anunderstanding 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.

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

Meaning of Internal Financial Controls Over Financial Reporting

6. 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. 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 inconditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis for Qualified Opinion

8. We draw your attention to the following qualification of the opinion on the internal financial controls over financial reporting of Onward eServices Limited, a subsidiary of the Holding Company issued by an independent firm of Chartered Accountants vide its report dated May 09, 2018 and reproduced by us as under:

   "According to the information and explanations given to us and based on our audit, the following material weakness has been identified in the operating effectiveness of the Company's internal financial controls over financial reporting as at 31st March, 2018:

   a) The Company's internal financial controls over employee database maintenance and payroll processing were not operating effectively which could potentially result in the Company incorrectly recognising employee costs.

   A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial controls over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis."

Qualified Opinion

9. In our opinion, the holding Company and its subsidiary which is company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and except for the possible effects of the material weakness described in the Basis for Qualified Opinion paragraph above on the achievement of the objectives of the control criteria, such internal financial controls over financial reporting were operating effectively as of 31st March, 2018, 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.

   Further, we draw your attention to the following remarks with regard to the internal financial controls over financial reporting of Onward eServices Limited, a subsidiary of the Holding Company issued by an independent firm of Chartered Accountants vide its report dated 9th May, 2018 and reproduced by us as under:

   "We have considered the material weakness identified and reported above, in determining the nature, timing, and extent of audit tests applied in our audit of the 31st March, 2018 financial statements of the Company, and the material weakness does not affect our opinion on the financial statements of the Company"

Other Matters

10. 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 in so far as it relates to one subsidiary company, which is a company incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India.

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

Neeraj Sharma
Partner
Membership Number 108391

Place: Mumbai
Date : 11th May, 2018

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

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2018

Particulars	Notes	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
ASSETS				
I. Non-current assets				
Property, plant and equipment	3	**856.24**	1,055.16	596.55
Intangible assets	4	**703.41**	765.76	514.44
Intangible assets under development	4	**10.50**	-	-
Financial assets				
(a) Loans	5 (a)	**227.53**	268.17	173.67
(b) Other financial assets	5 (b)	**4.51**	-	-
Deferred tax assets	12 (a)	**119.39**	14.53	30.36
Income-tax assets (net)	12 (b)	**1,318.70**	961.77	1,562.01
Other non-current assets	10	**5.15**	7.12	19.17
Total non-current assets		**3,245.43**	3,072.51	2,896.20
II. Current assets				
Financial assets				
(a) Trade receivables	6	**4,560.14**	4,853.50	3,836.61
(b) Cash and cash equivalents	7	**755.72**	329.90	235.07
(c) Bank balances other than (b) above	8	**30.76**	27.12	9.51
(d) Unbilled revenue		**876.76**	133.52	502.26
(e) Loans	5 (a)	**41.99**	0.45	4.08
(f) Other financial assets	9	**15.87**	63.86	19.83
Income-tax assets (net)	12 (b)	**142.23**	226.04	299.09
Other current assets	11	**405.80**	326.82	424.12
Total current assets		**6,829.27**	5,961.21	5,330.57
Total Assets		**10,074.70**	9,033.72	8,226.77
EQUITY AND LIABILITIES				
EQUITY				
Equity share capital	13 (a)	**1,554.21**	1,519.63	1,493.38
Other equity	13 (b)	**3,425.90**	2,722.42	2,249.04
Total equity		**4,980.11**	4,242.05	3,742.42
LIABILITIES				
I. Non-Current liabilities				
Financial liabilities				
(a) Borrowings	14	**231.20**	517.19	252.26
Employee benefit obligations	18 (a)	**121.02**	93.44	87.56
Deferred tax liabilities	12 (a)	**33.52**	63.10	34.04
Total non-current liabilities		**385.74**	673.73	373.86

Consolidated Balance Sheet As At 31st March, 2018 *(Contd.)* **(All amounts in Rs. Lakhs, unless otherwise stated)**

Particulars	Notes	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
II. Current liabilities				
Financial liabilities				
(a) Borrowings	15	**1,717.74**	1,456.76	1,658.64
(b) Trade payables	16			
- Total outstanding dues of micro enterprises and small enterprises		**-**	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		**780.16**	330.56	457.01
(c) Other financial liabilities	17	**332.60**	765.22	524.86
Employee benefit obligations	18 (b)	**249.66**	215.85	187.60
Income-tax liabilities (net)	12 (b)	**32.83**	1.94	7.25
Other current liabilities	19	**1,595.86**	1,347.61	1,275.13
Total current liabilities		**4,708.85**	4,117.94	4,110.49
Total liabilities		**5,094.59**	4,791.67	4,484.35
Total equity and liabilities		**10,074.70**	9,033.72	8,226.77

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

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

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

Neeraj Sharma
Partner
Membership No.: 108391

Place : Mumbai
Date : 11th May, 2018

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

Harish Mehta
Executive Chairman

Jigar Mehta
Managing Director

Pranay Vakil
Audit Committee Chairman

MVSS Narayanacharyulu
Chief Financial Officer

Monik Damania
Company Secretary

Place : Mumbai
Date : 11th May, 2018

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

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

Particulars	Notes	Year ended 31st March, 2018	Year ended 31st March, 2017
Revenue from operations	20	**24,446.02**	22,356.35
Other income (net)	21	**475.34**	252.34
Total Income		**24,921.36**	22,608.69
Expenses			
Cost of software products	22	**372.14**	278.50
Employee benefits expense	23	**18,582.05**	16,544.29
Finance costs	24	**302.98**	279.96
Depreciation and amortisation expense	25	**548.52**	432.95
Other expenses	26	**4,364.73**	4,413.58
Total expenses		**24,170.42**	21,949.28
Profit before tax		**750.94**	659.41
Income tax expense			
Current tax	12(b)	**214.30**	195.48
Deferred tax	12(a)	**(134.98)**	54.01
Total tax expense		**79.32**	249.49
Profit for the year		**671.62**	409.92
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of post-employment benefit obligations	13(b)	**3.31**	(29.43)
Income tax relating to these items	12(b)	**(0.77)**	7.36
Items that may be reclassified to profit or loss			
Exchange differences on foreign operations	13(b)	**4.16**	(27.26)
Total other comprehensive income for the year, net of tax		**6.70**	(49.33)
Total comprehensive income for the year		**678.32**	360.59
Earnings per share			
Basic	27	**4.35**	2.72
Diluted	27	**4.07**	2.53

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

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

Neeraj Sharma
Partner
Membership No.: 108391

Place : Mumbai
Date : 11th May, 2018

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

Harish Mehta
Executive Chairman

Jigar Mehta
Managing Director

Pranay Vakil
Audit Committee Chairman

MVSS Narayanacharyulu
Chief Financial Officer

Monik Damania
Company Secretary

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2018

A Equity share capital

	Notes	
As at 1st April, 2016		**1,493.38**
Change in equity share capital	**13 (a)**	26.25
As at 31st March, 2017		**1,519.63**
Change in equity share capital	**13 (a)**	34.58
As at 31st March, 2018		**1,554.21**

B Other Equity

Particulars	Note	Securities premium account	Retained Earnings	Share option outstanding account	Foreign Currency Translation Reserve	Share Application Money pending allotment	Total
As at 1st April, 2016		**1,084.70**	**1,011.79**	**147.32**	**-**	**5.23**	**2249.04**
Profit for the year			409.92	-	-	-	409.92
Other Comprehensive Income			(22.07)	-	(27.26)	-	(49.33)
Total comprehensive income for the year		**1,084.70**	**1,399.64**	**147.32**	**(27.26)**	**5.23**	**360.59**
Additions on employee stock option plan	37	97.97	-	(97.97)	-	-	-
Employee stock option expenses	37	-	-	180.24	-	-	180.24
Employee stock option expenses (for employees of subsidiary)	37	-	-	74.38	-	-	74.38
Transactions with owners in their capacity as owners:							
Dividends paid	13 (b)	-	(149.87)	-	-	-	(149.87)
Shares alloted against the share application money received	13 (b)	-	-	-	-	(5.23)	(5.23)
Shares application money received for allotment of shares	13 (b)	-	-	-	-	13.27	13.27
As at 31st March, 2017		**1,182.67**	**1,249.77**	**303.97**	**(27.26)**	**13.27**	**2722.42**
Profit for the year		-	671.62	-	-	-	671.62
Other Comprehensive Income		-	2.54	-	4.16	-	6.70
Total comprehensive income for the year		**-**	**674.16**	**-**	**4.16**	**-**	**678.32**
Additions on employee stock option plan	37	196.58	-	(196.58)	-	-	-

Consolidated Statement of Profit and Loss for the year ended 31st March, 2018 *(Contd.)*

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

B Other Equity

Particulars	Note	Securities premium account	Retained Earnings	Share option outstanding account	Foreign Currency Translation Reserve	Share Application Money pending allotment	Total
Employee stock option expenses	37	-	-	167.40	-	-	167.40
Employee stock option expenses (for employees of subsidiary)	37	-	-	45.21	-	-	45.21
Transactions with owners in their capacity as owners:							
Dividends paid	13 (b)	-	(153.65)	-	-	-	(153.65)
Dividend Distribution tax on above	13 (b)	-	(31.28)	-	-	-	(31.28)
Shares alloted against the share application money received	13 (b)	-	-	-	-	(13.27)	(13.27)
Shares application money received for allotment of shares	13 (b)	-	-	-	-	10.75	10.75
As at 31st March, 2018		**1,379.25**	**1,739.00**	**320.00**	**(23.10)**	**10.75**	**3,425.90**

The above consolidated statement of changes and equity should be read in conjunction with the accompanying notes.

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

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

Neeraj Sharma
Partner
Membership No.: 108391

Place : Mumbai
Date : 11th May, 2018

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

Harish Mehta
Executive Chairman

Jigar Mehta
Managing Director

Pranay Vakil
Audit Committee Chairman

MVSS Narayanacharyulu
Chief Financial Officer

Monik Damania
Company Secretary

Place : Mumbai
Date : 11th May, 2018

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

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2018

Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
A) Cash flows from operating activities		
Profit before income tax	**750.94**	659.41
Adjustments for		
Depreciation and amortisation expense	**548.52**	432.95
(Profit) / loss on disposal of property, plant and equipment	**(0.10)**	(0.81)
Interest income	**(2.08)**	(2.16)
Unwinding of discount on security deposit	**(11.91)**	(5.81)
Amortisation of prepaid rent on security deposit	**11.86**	5.98
Employee share based payment expenses	**212.61**	254.62
Finance costs	**302.98**	279.96
Allowance for doubtful debts	**21.00**	60.32
Exchange differences	**4.16**	(27.26)
Operating profit before working capital changes	**1,837.98**	1,657.20
Changes in operating assets and liabilities		
(Increase) / Decrease in trade receivables	**272.36**	(1,077.21)
(Increase) / Decrease in other financial assets	**43.48**	(44.03)
(Increase) / Decrease in other assets	**(77.01)**	109.35
(Increase) / Decrease in unbilled revenue	**(743.24)**	368.74
Increase / (Decrease) in trade payables	**449.60**	(126.45)
Increase / (Decrease) in other liabilities	**248.25**	72.48
Increase / (Decrease) in other financial liabilities	**4.01**	-
Increase / (Decrease) in employee benefit obligations	**64.70**	4.70
Cash generated from operations	**2,100.13**	964.78
Income taxes paid (net of refunds received)	**(456.53)**	472.50
Net cash inflow/ (outflow) from operating activities	**1,643.61**	1,437.28
B) Cash flows from investing activities		
Payments for property, plant and equipment	**(329.49)**	(576.68)
Payments for intangible assets	**(169.03)**	(435.21)
Proceeds from sale of property, plant and equipment	**12.79**	3.42
Bank balances not considered as cash and cash equivalents	**(3.64)**	(17.61)
Loans and advances granted during the year	**(0.86)**	(91.04)
Interest income	**2.08**	2.16
Net cash outflows from investing activities	**(488.15)**	(1,114.97)

Consolidated Statement of Cash Flow for the year ended 31st March, 2018 *(Contd.)*

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

Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
C) Cash flows from financing activities		
Interest paid	**(302.98)**	(279.96)
Proceeds from issue of shares	**34.58**	26.25
Proceeds from share application money pending allotment	**(2.52)**	8.04
Proceeds/ (Repayment) from/ (of) borrowings	**(534.77)**	369.93
Payment of Dividend	**(184.93)**	(149.87)
Net cash inflows/ (outflow) from financing activities	**(990.62)**	(25.61)
Net increase / (decrease) in cash and cash equivalents	**164.84**	296.70
Cash and cash equivalents at the beginning of the year	**(1,126.86)**	(1,423.57)
Cash and cash equivalents at the end of the year	**(962.02)**	(1,126.86)

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

Particulars	31st March, 2018	31st March, 2017	1st April, 2016
Cash and cash equivalents (Note 7)	**755.72**	329.90	235.07
Bank overdraft (Note 15)	**(1,717.74)**	(1,456.76)	(1,658.64)
Balances as per statement of cash flows	**(962.02)**	(1,126.86)	(1,423.57)

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

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

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

Neeraj Sharma
Partner
Membership No.: 108391

Place : Mumbai
Date : 11th May, 2018

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

Harish Mehta
Executive Chairman

Jigar Mehta
Managing Director

Pranay Vakil
Audit Committee Chairman

MVSS Narayanacharyulu
Chief Financial Officer

Monik Damania
Company Secretary

Place : Mumbai
Date : 11th May, 2018

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

I. Significant accounting policies:

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

(a) Basis of preparation

(i) Compliance with Ind AS

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

The consolidated financial statements up to year ended 31st March, 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

These financial statements are the first consolidated financial statements of the Group under Ind AS. Refer note 39 for an explanation of how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows.

The Board of Directors have authorized these financial statements for issue on May 11th 2018

(ii) Historical cost convention

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

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

(iii) Amended standards adopted by the Group

The amendment to Ind AS 7 require disclosure of changes in liabilities arising from financing activities, see note 15.

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

(b) Principles of Consolidation

(i) Subsidiaries

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

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

Notes to Consolidated Financial Statements *(Contd.)*

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

(c) Segment Reporting

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

(d) Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

(iii) Group Companies

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

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

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

All resulting exchange differences are recognized in other comprehensive income.

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

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

(e) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates, goods and service tax(GST) and amounts collected on behalf of third parties.

Notes to Consolidated Financial Statements *(Contd.)*

The Group recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Group and specific criteria have been met for each of the Group's activities as described below.

(i) Revenue from software products:

Revenue from sale of software products is recognized on receipt of acknowledgement from customers.

(ii) Revenue from time and material contracts:

In respect of revenue received from contracts dependent on time and material basis, revenues and costs are recognized when related service are rendered.

(iii) Revenue from fixed price contracts:

In case of fixed price contracts, revenue is recognized over the life of contract based on the milestones achieved as agreed upon in the contract on "percentage-of-completion" method. Percentage of completion is determined based on the efforts or costs incurred to date as a percentage of total estimated efforts or costs required to complete the project. The efforts or cost expended are used to measure progress towards completion as there is a direct relationship between input and productivity. If the Group does not have a sufficient basis to measure the progress of completion or to estimate the total contract revenues and costs, revenue is recognized only to the extent of contract cost incurred for which recoverability is probable. When total cost estimates exceed revenues in an arrangement, the estimated losses are recognized in the statement of profit or loss in the period in which such losses become probable based on the current contract estimates.

(iv) Revenue from training, annual maintenance and fixed price maintenance contracts:

Revenue through training, annual maintenance contracts and fixed price maintenance contracts are recognized ratably over the period in which services are rendered/ training is provided.

(v) Revenue from sale of user licenses:

Revenue from the sale of user licenses for software applications is recognized on transfer of the title in the user license.

Revenue on time and material contracts are recognized as unbilled revenue when the related services are rendered from the end of last billing up to the reporting date.

(vi) Other Income

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

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

(f) Government Grant

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

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

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

Notes to Consolidated Financial Statements *(Contd.)*

(g) Income tax

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

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

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

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

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

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

(h) Leases

As a lessee

Leases of property, plant and equipment, where the Group, as lessee has substantially all the risks and rewards of ownership are classified as finance leases. Assets acquired under finance leases are recognized at the lower of the fair value of the leased assets at inception of the lease and the present value of minimum lease payments. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to periods during the lease term at a constant periodic rate of interest on the remaining balance of the liability.

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

(i) Impairment of assets

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

Notes to Consolidated Financial Statements *(Contd.)*

(j) Cash and cash equivalents

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

(k) Trade receivables

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

(l) Borrowing costs

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

(m) Investments and other Financial assets

(i) Classification

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

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

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

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

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

(ii) Measurement

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

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

Debt instruments

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

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

Notes to Consolidated Financial Statements *(Contd.)*

Equity instruments

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

(iii) Impairment of financial assets

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

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

(iv) Derecognition of financial assets

A financial asset is derecognized only when

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

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

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

(n) Derivatives

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

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

(o) Offsetting financial instruments

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

(p) Property, plant and equipment

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

Notes to Consolidated Financial Statements *(Contd.)*

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

Depreciation methods, estimated useful lives and residual value

Depreciation is provided on the straight-line method over the useful lives of assets as prescribed in Schedule II to the Companies Act, 2013 (Act).

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

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

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

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

Transition to Ind AS

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

(q) Intangible assets

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

Asset	Useful life
Software	2 to 6 years

Transition to Ind AS

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

(r) Trade and other payables

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

(s) Borrowings

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

Notes to Consolidated Financial Statements *(Contd.)*

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

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

(t) Provisions and contingent liabilities

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

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

(u) Employee Benefits

(i) Short-term obligations

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

(ii) Other long-term employee benefit obligations

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

(iii) Post-employment obligations

The Group operates the following post-employment schemes:

(a) Definedbenefit plan–gratuity

(b) Defined contribution plans - provident fund, employee state insurance scheme and social security contributions.

Notes to Consolidated Financial Statements *(Contd.)*

(a) Defined benefit plans - Gratuity

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

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

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

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

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

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

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

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

(iv) Share-based payments

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

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

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

(v) Contributed equity

Equity shares are classified as equity.

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

Notes to Consolidated Financial Statements *(Contd.)*

(w) Dividends

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

(x) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing

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

(ii) Diluted earnings per share

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

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

(y) Rounding of amounts:

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

2. Critical judgements and estimates

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

Judgements

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

i. Legal contingencies

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

ii. Segment reporting

Ind-AS 108 Operating Segments requires management to determine the reportable segments for the purpose of disclosure in financial statements based on the internal reporting reviewed by Chief Operating Decision Maker (CODM) to assess performance and allocate resources. The standard also requires management to make judgments with respect to aggregation of certain operating segments into one or more reportable segment.

Notes to Consolidated Financial Statements *(Contd.)*

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

Critical estimates

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

i. Share-based payments

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

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

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

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

iii. Impairment of Trade Receivables

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

iv. Defined benefit obligations

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

Notes to Consolidated Financial Statements *(Contd.)* **(All amounts in Rs. Lakhs, unless otherwise stated)**

3. Property, plant and equipment

Particulars	Leasehold Improvements	Furniture & Fixtures	Vehicles	Office Equipment	Electrical Equipments	Computers	Total
Deemed cost as on 1st April, 2016 [Refer note 39(I)(a)]	**87.81**	**210.67**	**61.13**	**30.73**	**15.43**	**190.78**	**596.55**
Additions	298.51	91.82	87.09	45.42	3.67	183.76	710.28
Disposals	-	(0.41)	(2.12)	(0.44)	(2.18)	(1.03)	(6.19)
Gross carrying amount as on 31st March, 2017	**386.32**	**302.08**	**146.10**	**75.71**	**16.92**	**373.51**	**1,300.64**
Charge for the year	42.01	48.12	18.24	12.48	2.89	125.32	249.06
Disposals	-	(1.92)	(0.51)	(0.41)	(0.21)	(0.53)	(3.58)
Closing accumulated depreciation as at 31st March, 2017	**42.01**	**46.20**	**17.73**	**12.07**	**2.68**	**124.79**	**245.48**
Net carrying amount as on 31st March, 2017	**344.32**	**255.88**	**128.37**	**63.64**	**14.24**	**248.72**	**1,055.16**
Opening gross carrying amount as on 1st April, 2017	**386.32**	**302.08**	**146.10**	**75.71**	**16.92**	**373.51**	**1,300.64**
Additions	3.41	14.04	20.95	19.32	2.38	81.31	141.41
Disposals	-	(20.33)	-	(0.06)	(2.19)	(5.36)	(27.94)
Gross carrying amount as on 31st March, 2018	**389.73**	**295.79**	**167.05**	**94.97**	**17.11**	**449.46**	**1,414.11**
Accumulated depreciation	**42.01**	**46.20**	**17.73**	**12.07**	**2.68**	**124.79**	**245.48**
Charge for the year	97.79	42.56	29.48	20.64	2.92	134.48	327.87
Disposals	-	(9.76)	-	(0.03)	(0.56)	(5.13)	(15.48)
Closing accumulated depreciation as at 31st March, 2018	139.80	79.00	47.21	32.69	5.04	254.14	557.87
Net carrying amount as on 31st March, 2018	**249.94**	**216.79**	**119.84**	**62.29**	**12.07**	**195.32**	**856.24**

Notes:

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

Notes to Consolidated Financial Statements *(Contd.)* **(All amounts in Rs. Lakhs, unless otherwise stated)**

4. Intangible assets

Particulars	Computer Software	Total	Intangible assets under development
Deemed cost as on 1st April, 2016 [Refer note 39 (I)(a)]	**514.44**	**514.44**	**-**
Additions	435.21	435.21	-
Disposals	-	-	-
Gross carrying amount as on 31st March, 2017	**949.65**	**949.65**	**-**
Amortisation charge for the year	183.89	183.89	-
Closing accumulated amortisation as at 31st March, 2017	**183.89**	**183.89**	**-**
Net carrying value as on 31st March, 2017	**765.76**	**765.76**	**-**
Opening gross carrying amount as on 1st April, 2017	**949.65**	**949.65**	**-**
Additions	158.53	158.53	10.50
Disposals	(4.53)	(4.53)	-
Gross carrying amount as on 31st March, 2018	**1,103.65**	**1,103.65**	**10.50**
Accumulated Amortisation			
Balance as at 1st April, 2017	183.89	183.89	-
Amortisation charge for the year	220.65	220.65	-
Disposals	(4.30)	(4.30)	-
Closing accumulated amortisation as at 31st March, 2018	**400.24**	**400.24**	**-**
Net carrying value as on 31st March, 2018	**703.41**	**703.41**	**10.50**

Notes:

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

5. (a) Loans

Non-current	**As at 31st March, 2018**	As at 31st March, 2017	As at 1st April, 2016
Unsecured, considered good			
Security deposits	**227.53**	268.17	173.67
Total	**227.53**	268.17	173.67

Current	**As at 31st March, 2018**	As at 31st March, 2017	As at 1st April, 2016
Unsecured, considered good			
Security deposits	**41.99**	0.45	4.08
Total	**41.99**	0.45	4.08

Notes to Consolidated Financial Statements *(Contd.)* **(All amounts in Rs. Lakhs, unless otherwise stated)**

5. (b) Others financial assets - non-current

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Earmarked balances with banks	**4.51**	-	-
Total	**4.51**	-	-

6. Trade receivable

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Trade Receivables	**4,641.46**	4,913.82	3,836.61
Less: Allowance for doubtful debts	**(81.32)**	(60.32)	-
Total	**4,560.14**	4,853.50	3,836.61

Break-up of security details

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Unsecured, considered good	**4,560.14**	4,853.50	3,836.61
Doubtful	**81.32**	60.32	-
Less: Allowance for doubtful debts	**(81.32)**	(60.32)	-
Total	**4,560.14**	4,853.50	3,836.61

7. Cash and cash equivalents

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Cash in hand	**0.67**	0.62	5.47
Balances with banks			
In current accounts	**755.00**	329.10	229.50
Interest income accrued on bank guarantee margins	**0.05**	0.18	0.09
Total	**755.72**	329.90	235.07

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

	SBNs	Other denominations	Total
Closing cash in hand as on November 8, 2016	0.37	2.91	3.28
(+) Permitted receipts *	0.05	5.36	5.41
(-) Permitted payments	-	6.42	6.42
(-) Amount deposited in Banks	0.42	-	0.42
Closing cash in hand as on December 30, 2016	-	1.85	1.85

The above disclosure is not applicable for the year ended 31st March 2018.

Notes to Consolidated Financial Statements *(Contd.)* **(All amounts in Rs. Lakhs, unless otherwise stated)**

8. Bank balances other than 7 above

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
In earmarked accounts			
Balances held as security against borrowings	**30.76**	27.12	9.51
Total	**30.76**	27.12	9.51

9. Others financial assets - current

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Derivative financial instrument not designated as hedges			
Foreign exchange forward contracts	**15.87**	63.86	19.83
Total	**15.87**	63.86	19.83

10. Other non-current assets

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Prepaid expenses	**5.15**	7.12	19.17
Total	**5.15**	7.12	19.17

11. Other current assets

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Prepaid expenses	**316.14**	177.39	236.93
Interest receivable on income-tax refund	**63.27**	82.87	40.64
Others	**26.39**	66.56	146.55
Total	**405.80**	326.82	424.12

Others include advances paid to suppliers, employees.

12. (a) Deferred tax assets (net)

The balance of deferred tax comprises temporary differences attributable to:

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Tax Credits available			
MAT Entitlement	**-**	10.55	10.55
Tax Losses	**98.91**	-	-
Deferred tax assets			
Defined Benefit Obligation	**62.22**	43.75	37.61
Allowance for Doubtful debts	**33.45**	19.94	-
Disallowance u/s 43B	**41.82**	23.16	25.48

Notes to Consolidated Financial Statements *(Contd.)* **(All amounts in Rs. Lakhs, unless otherwise stated)**

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Others	**12.36**	12.22	12.01
	248.76	109.62	85.65
Deferred tax liability			
Property, plant and equipment and intangible assets	**120.87**	95.09	55.29
Interest on income tax refund	**8.50**	-	-
	129.37	95.09	55.29
Total deferred tax assets (net)	**119.39**	14.53	30.36

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Tax Credits available			
Tax Losses	**1.44**	2.20	2.19
	1.44	2.20	2.19
Deferred tax liability			
Property, plant and equipment and intangible assets	**34.96**	65.30	36.23
	34.96	65.30	36.23
Total deferred tax (liabilities) (net)	**(33.52)**	(63.10)	(34.04)

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

Particulars	Year Ended	
	31st March, 2018	31st March, 2017
MAT Entitlement	**(10.55)**	-
Tax Losses	**98.91**	-
Defined Benefit Obligation	**19.24**	(1.22)
Allowance for Doubtful debts	**13.51**	19.94
Disallowance u/s 43B	**18.66**	(2.32)
Others	**0.14**	0.21
Property, plant and equipment and intangible assets	**(25.78)**	(39.80)
Interest on income tax refund	**(8.50)**	-
- Foreign Subsidary	**0.76)**	0.01
Tax Losses		
Property, plant and equipment and intangible assets	**30.34**	(29.07)
Total	**135.21**	(52.25)

Notes to Consolidated Financial Statements *(Contd.)* **(All amounts in Rs. Lakhs, unless otherwise stated)**

12. (b) Taxation

Income tax liabilities / (Income tax assets)

Particulars	**As at 31st March, 2018**	As at 31st March, 2017	As at 1st April, 2016
Opening Balance			
- Income tax liabilities (Current)	**1.94**	7.25	495.80
- Income tax assets (Non-Current)	**961.77**	1,562.01	1,891.95
- Income tax assets (Current)	**226.04**	299.09	693.29
Add : Current tax payable for the year	**(214.30)**	(195.48)	(370.41)
Add/ (Less) : Refund Received/ (Taxes paid)	**(456.53)**	472.50	(134.82)
Closing balance			
- Income tax liabilities (Current)	**32.83**	1.94	7.25
- Income tax assets (Non-Current)	**1,318.70**	961.77	1,562.01
- Income tax assets (Current)	**142.23**	226.04	299.09

The major components of income tax expense for the year ended 31st March, 2018 and 31st March, 2017

Income Tax Expenses

Profit and Loss section	**Year ended 31st March, 2018**	Year ended 31st March, 2017
Current income tax charge		
Current income tax		
- Current tax on profit for the current year	**223.44**	142.70
- Adjustments for current tax of prior periods	**(9.14)**	52.78
Deferred tax	**(134.98)**	54.01
Income tax expense reported in the consolidated statement of profit or loss	**79.32**	249.49

Other comprehensive income section	**Year ended 31st March, 2018**	Year ended 31st March, 2017
Deferred tax related to items recognised in OCI during the year	(0.77)	7.36
Income tax charged to OCI	**(0.77)**	7.36

Notes to Consolidated Financial Statements *(Contd.)* **(All amounts in Rs. Lakhs, unless otherwise stated)**

Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate for 31st March, 2018 and 31st March, 2017

	Year ended 31st March, 2018	Year ended 31st March, 2017
Accounting profit/ (loss) before tax	**750.94**	659.41
At Statutory income tax rate of 33.06% (31st March, 2017: 33.06%)	**248.26**	218.00
Adjustments in respect of current income tax of previous years	**(9.14)**	52.78
Tax Effects of amounts which are not deductible (taxable) in calculating taxable income	**19.73**	5.96
Current tax expenses not recognized due to accumulated losses of subsidiaries	**(94.96)**	(37.68)
Deferred Tax expenses on previously unrecognized tax losses now recognized	**(141.04)**	(2.95)
Others	**56.47**	13.37
Total	**79.32**	249.49
Income tax expense reported in the statement of profit or loss	**79.32**	249.49

13 (a) Equity share capital

Particulars	**As at 31st March, 2018**	As at 31st March, 2017	As at 1st April, 2016
Authorised share capital:			
18,000,000 (31st March, 2017 : 18,000,000 ; 1st April, 2016 : 18,000,000) Equity shares of Rs. 10 each	**1,800**	1,800	1,800
1,000,000 (31st March, 2017 : 1,000,000 ; 1st April, 2016 : 1,000,000) Preference shares of Rs. 10 each	**100**	100	100
1,000,000 (31st March, 2017 : 1,000,000 ; 1st April, 2016 : 1,000,000) unclassified shares of Rs. 10 each	**100**	100	100
Total	**2,000**	2,000	2,000
Issued, subscribed and paid up :			
15,542,070 (31st March, 2017 : 15,196,270 ; 1st April, 2016 : 14,933,770) Equity Shares of Rs. 10 each	**1,554.21**	1,519.63	1,493.38
Total	**1,554.21**	1,519.63	1,493.38

Notes to Consolidated Financial Statements *(Contd.)* **(All amounts in Rs. Lakhs, unless otherwise stated)**

(i) Reconciliation of number of equity shares issued

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Issued, subscribed and paid up			
Shares outstanding at the beginning of the year (Nos.)	**15,196,270**	14,933,770	14,574,870
Shares issued during the year(Nos.) (Refer Note 37)	**345,800**	262,500	358,900
Shares outstanding at the end of the year	**15,542,070**	15,196,270	14,933,770

(ii) Reconciliation of issued equity share capital

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Issued, subscribed and paid up			
Shares outstanding at the beginning of the year	**1,519.63**	1,493.38	1,457.49
Shares issued during the year	**34.58**	26.25	35.89
Shares outstanding at the end of the year	**1,554.21**	1,519.63	1,493.38

(iii) Terms/ rights attached to equity shares

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

904,000 (31st March, 2017 : 1,248,650, 1st April, 2016 : 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. Refer note 37 for further details of the ESOP scheme.

(iv) Share Application Money

The Company had received share application money in March 2018 towards allotment of 107,500 (31st March, 2017 : 132,700, 1st April, 2016 : 52,250) shares at Rs. 10 per share under ESOP 2009 scheme amounting to Rs. 1,075,000 (31st March, 2017 : 1,327,000, 1st April, 2016 : Rs. 522,500). The shares were subsequently allotted on 4th April, 2018.

(v) Shares held by ultimate holding Company

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Onward Network Technologies Private Limited (Ultimate holding company upto 17th April, 2017)	**7,283,312**	8,633,312	8,461,925

Notes to Consolidated Financial Statements *(Contd.)* **(All amounts in Rs. Lakhs, unless otherwise stated)**

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

Name of the shareholder	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	% holding	No. of shares	% holding	No. of shares	% holding	No. of shares
Onward Network Technologies Private Limited	**46.86%**	**7,283,312**	56.81%	8,633,312	56.66%	8,461,925

13 (b) Other equity

Particulars	As at 31st March, 2018	As at 31st March, 2017
Reserves and Surplus		
Securities premium account		
Opening Balance	**1,182.67**	1,084.70
Add : Additions on account of exercise of options under Employee Stock Option Plan	**196.58**	97.97
Closing Balance	**1,379.25**	1,182.67
Share option outstanding account		
Opening Balance	**303.97**	147.32
Less : Employee stock options exercised	**(196.58)**	(97.97)
Add : Employee stock option expenses	**212.61**	254.62
Closing Balance	**320.00**	303.97
Foreign currency translation reserve		
Opening Balance	**(27.26)**	-
Less : Loss on translation of foreign currency balances	**4.16**	(27.26)
Closing Balance	**(23.10)**	(27.26)
Share Application Money pending allotment		
Opening Balance	**13.27**	5.23
Less: Shares alloted against the share application money received	**(13.27)**	(5.23)
Add : Shares application money received for allotment of shares	**10.75**	13.27
Closing Balance	**10.75**	13.27
Retained earnings		
Opening balance	**1,249.77**	1,011.79
Net profit for the year	**671.62**	409.92
	1,921.39	1,421.71
Less: Dividend paid	**(153.65)**	(149.87)
Less: Dividend distribution tax on above	**(31.28)**	-
Items of other comprehensive income recognised directly in retained earnings		
Re-measurements of post-employment benefit obligations (net of tax)	**2.54**	(22.07)
Closing balance	**1,739.00**	1,249.77
Total	**3,425.90**	2,722.42

Notes to Consolidated Financial Statements *(Contd.)* **(All amounts in Rs. Lakhs, unless otherwise stated)**

Nature and purpose of reserves

Securities premium account

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

Share option outstanding account

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

Foreign currency translation reserve

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

14 Non-current borrowings

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Secured			
Term Loans from banks			
Rupee Loan	**535.89**	965.55	364.40
Foreign currency loan (USD)	**-**	105.11	336.33
Total Non-Current Borrowings	**535.89**	1,070.66	700.73
Less : Current maturities of non-current borrowings (included in Note 17)	**304.69**	553.47	448.47
Total	**231.20**	517.19	252.26

(i) Terms of repayment for borrowings

Particulars	Name of the Company	Maturity Date	Terms of repayment	Coupon/ Interest rate
Secured *Term Loan from Bank* Rupee Loans	Onward Technologies Limited	Various from 2018-2022	Monthly Instalments	6m MCLR +2.60%
Foreign Currency Term Loans (USD)		25th December, 2017	Monthly Instalments	7.77%
Secured *Term Loan from Bank* Rupee Loans	Onward e-Services Limited	March, 2020	Monthly Instalments	10.50%
Secured *Term Loan from Bank* Foreign Currency Term Loans (USD)	Onward Technologies, Inc.	25th July, 2017	Monthly Instalments	3.17%

Notes to Consolidated Financial Statements *(Contd.)* **(All amounts in Rs. Lakhs, unless otherwise stated)**

15 Current borrowings

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Secured			
Cash credit	**1,717.74**	1,456.76	1,658.64
Total	**1,717.74**	1,456.76	1,658.64

(i) Terms of repayment for borrowings

Particulars	Name of the Company	Maturity Date	Terms of repayment	Coupon/ Interest rate
Loans repayable on demand				
Secured				
From Banks				
Cash Credit	Onward Technologies Limited	Payable on Demand	Payable on Demand	6m MCLR +2.60%
Secured				
From Banks				
Cash Credit	Onward e-Services Limited	Payable on Demand	Payable on Demand	10.50%
Secured				
From Banks				
Cash Credit	Onward Technologies, Inc. USA	28th March, 2018	Payable on Demand	Prime rate + 1%

(ii) Security details

- Onward Technologies Limited

  All the term loans including foreign currency term loans and cash credit facility are secured by exclusive charge on all existing and future current assets and movable property, plant and equipment of the Company and personal guarantee of Mr. Harish Mehta and Mr. Jigar Mehta along with corporate guarantee of Onward Network Technologies Private Limited. The loan is 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).

- Onward e-Services Limited

  All the term loans and cash credit facility are secured by exclusive charge on all existing and future current assets and movable property, plant and equipment of the Company and personal guarantee of Mr. Harish Mehta and Mr. Jigar Mehta along with corporate guarantee 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 and E-Space, Nagar Road, Pune (both the properties are owned by Onward Network Technologies Private Limited).

- Onward Technologies, Inc.

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

Net debt reconciliation

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

	31st March, 2018	31st March, 2017
Cash and cash equivalents	**755.72**	329.90
Current and Non-current borrowings	**2,253.63**	2,527.42
Net Debt	**(1,497.91)**	(2,197.52)

	Other assets	**Liabilities from financing activities**
	Cash and Cash Equivalents	**Current borrowings**
Net debt as on 31st March, 2017	**329.90**	**(2,527.42)**
Cash flows	425.82	(29.19)
Interest paid	-	302.98
Net debt as on 31st March, 2018	**755.72**	**(2,253.63)**

16 Trade payables

Particulars	**As at 31st March, 2018**	As at 31st March, 2017	As at 1st April, 2016
Total outstanding dues of micro enterprises and small enterprises	**-**	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises			
(i) Others	**780.16**	330.56	457.01
Total	**780.16**	330.56	457.01

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

Based on the information and records available with the Group, the Group has no payables outstanding to any micro, medium or small enterprises registered under "The Micro, Small and Medium Enterprises Development Act, 2006".

17 Other financial liabilities - current

Particulars	**As at 31st March, 2018**	As at 31st March, 2017	As at 1st April, 2016
Capital creditors	**23.40**	211.25	75.89
Security deposits	**-**	0.50	0.50
Current maturities of non-current borrowings	**304.69**	553.47	448.47
Unpaid Dividend	**4.51**	-	-
Total	**332.60**	765.22	524.86

Notes to Consolidated Financial Statements *(Contd.)* **(All amounts in Rs. Lakhs, unless otherwise stated)**

18 (a) Non-current employee benefit obligations

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Provision for employee benefits			
- Provision for compensated absences	**121.02**	93.44	87.56
Total	**121.02**	93.44	87.56

18 (b) Current employee benefit obligations

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Provision for employee benefits			
- Provision for Gratuity	**219.77**	192.58	161.80
- Provision for compensated absences	**29.89**	23.27	25.80
Total	**249.66**	215.85	187.60

A Defined contribution plan

(i) Provident fund

The Group has certain defined contribution plans. Contributions are made to provident fund for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Group is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is Rs. 451.43 lakhs (31st March, 2017 - Rs. 385.22 lakhs).

B Gratuity

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

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

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

Notes to Consolidated Financial Statements *(Contd.)* **(All amounts in Rs. Lakhs, unless otherwise stated)**

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

Particulars	Present value of obligation	Fair value of plan assets	Net amount
1st April, 2016	**169.21**	**(7.41)**	**161.80**
Current service cost	45.58	-	45.58
Mortality Charges and Taxes	-	4.60	4.60
Interest expense/(income)	11.21	(0.68)	10.53
Total amount recognised in Profit or Loss	**56.79**	**3.92**	**60.71**
Return on plan assets	-	0.04	0.04
(Gain)/loss from experience change	21.48	-	21.48
(Gain)/loss from change in financial assumption	7.91	-	7.91
Total amount recognised in Other Comprehensive Income	**29.39**	**0.04**	**29.43**
Employer contributions		(59.36)	(59.36)
Benefits paid	(57.06)	57.06	-
31st March, 2017	**198.33**	**(5.75)**	**192.58**

Particulars	Present value of obligation	Fair value of plan assets	Net amount
1st April, 2017	**198.33**	**(5.75)**	**192.58**
Current service cost	63.04	-	63.04
Past service cost	3.30	-	3.30
Mortality Charges and Taxes	-	5.92	5.92
Interest expense/(income)	13.73	(1.11)	12.62
Total amount recognised in Profit or Loss	**80.07**	**4.82**	**84.88**
Return on plan assets	-	0.11	0.11
(Gain)/loss from experience change	3.65	-	3.65
(Gain)/loss from change in financial assumption	(7.07)	-	(7.07)
Total amount recognised in Other Comprehensive Income	**(3.42)**	**0.11**	**(3.31)**
Employer contributions	-	(54.38)	(54.38)
Benefits paid	(36.91)	36.91	-
31st March, 2018	**238.07**	**(18.30)**	**219.77**

Fair value of the planned assets represents the balance as contributed by the Group to the fund.

Notes to Consolidated Financial Statements *(Contd.)* **(All amounts in Rs. Lakhs, unless otherwise stated)**

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

Particulars	31st March, 2018	31st March, 2017	1st April, 2016
Present value of funded obligation	**238.07**	198.33	169.21
Fair value of plan assets	**(18.30)**	(5.75)	(7.41)
Deficit	**219.77**	192.58	161.80

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

III Significant estimates

The significant actuarial assumptions were as follows :

Particulars	31st March, 2018	31st March, 2017	1st April, 2016
Discount rate	**7.90%**	7.60%	8.00%
Salary growth rate	**3.00%**	3.00%	3.00%
Expected return on plan assets	**7.60%**	8.00%	7.90%
Withdrawal rate	**2.00%**	2.00%	2.00%
Expected average remaining working lives of employees (in years)			
- for employees of Onward Technologies Limited	**19.61**	19.71	19.77
- for employees of Onward eServices Limited	**21.41**	21.63	21.39

IV Sensitivity of actuarial assumptions

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

Assumption	Impact on defined benefit obligation	
	31st March, 2018	31st March, 2017
Discount rate		
1 % increase	**(23.79)**	(22.38)
1 % decrease	**28.57**	26.59
Salary growth rate		
1 % increase	**26.55**	25.02
1 % decrease	**(22.43)**	(21.42)
Withdrawal Rate		
1 % increase	**16.66**	14.33
1 % decrease	**(18.94)**	(16.68)

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

Notes to Consolidated Financial Statements *(Contd.)* **(All amounts in Rs. Lakhs, unless otherwise stated)**

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

Particulars	31st March, 2018	31st March, 2017
Less than a year	**24.34**	5.00
Between 1 to 5 years	**53.68**	63.84
Between 6 to 10 years	**249.40**	234.18
Total	**327.42**	303.02

The weighted duration of the defined benefit obligation for Onward Technologies Limited is 17.88 years. (31st March, 2017 : 18.29 years)

The weighted duration of the defined benefit obligation for Onward e-Services Limited is 21.73 years. (31st March, 2017 : 22.31 years)

V The major categories of plan assets are as follows:

Particulars	31st March, 2018	31st March, 2017	1st April, 2016
Funds managed by insurer	100%	100%	100%

VI Risk Exposure

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

Asset volatility

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

Changes in bond yields

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

Future salary escalation and inflation risk

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

Asset-Liability mismatch risk

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

C Leave Encashment

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

Particulars	31st March, 2018	31st March, 2017	1st April, 2016
Current leave obligations expected to be settled within the next 12 months	29.89	23.27	25.80

Notes to Consolidated Financial Statements *(Contd.)* **(All amounts in Rs. Lakhs, unless otherwise stated)**

19 Other current liabilities

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Statutory dues payable	**481.34**	357.33	478.40
Advances from customers	**55.23**	14.01	17.25
Employee Benefit Payables	**1,040.45**	939.37	777.69
Deferred Revenue	**18.84**	36.90	1.79
Total	**1,595.86**	1,347.61	1,275.13

20 Revenue from operations

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Sale of services		
- Professional and consultancy services	**23,881.72**	21,900.91
Sale of products		
- Software products	**564.30**	455.44
Revenue from operations	**24,446.02**	22,356.35

21 Other income

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Interest income from financial assets carried at amortised cost		
Interest on bank deposits	**2.08**	2.16
Interest income on security deposits	**11.90**	5.80
Interest on income tax refunds	**104.52**	180.39
Profit on disposal of property, plant and equipment	**0.10**	0.81
Net gains/ losses on foreign currency transactions and translations	**75.72**	15.18
Government grant (Refer Note 1(f))	**194.20**	-
Miscellanous income	**86.82**	48.00
Total	**475.34**	252.34

22 Cost of software products

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Cost of software products	**372.14**	278.50
Total	**372.14**	278.50

Notes to Consolidated Financial Statements *(Contd.)* **(All amounts in Rs. Lakhs, unless otherwise stated)**

23 Employee benefits expense

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Salaries, wages and bonus	**17,423.36**	15,424.61
Contributions to provident and other funds, if any	**547.73**	488.81
Social security and other benefit plans for overseas employees	**309.18**	321.95
Employee share based payment expense (Refer note 37)	**212.61**	254.62
Staff welfare expenses	**89.17**	54.30
Total	**18,582.05**	16,544.29

24 Finance costs

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Interest and finance charges on financial liabilities not at fair values through profit or loss		
Interest on borrowings	**288.19**	255.83
Other borrowing cost	**14.79**	21.92
Exchange differences regarded as an adjustment to borrowing costs	**-**	2.21
Total	**302.98**	279.96

25 Depreciation and amortization expense

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Depreciation on property, plant and equipment	**327.87**	249.06
Amortisation of intangible assets	**220.65**	183.89
Total	**548.52**	432.95

26 Other expenses

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Water, Power and Fuel	**152.26**	126.62
Rent (Refer note 28)	**554.19**	458.94
Leasing and hiring charges	**314.66**	297.15
Director sitting fees (Refer note 29)	**32.75**	34.35
Allowance for doubtful debts (Refer Note 6)	**21.00**	60.32
Bad Debts written off	**66.24**	343.88
Communication	**96.66**	100.31
Rates and taxes	**75.19**	50.55
Insurance	**88.87**	76.51

Notes to Consolidated Financial Statements *(Contd.)* **(All amounts in Rs. Lakhs, unless otherwise stated)**

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Repairs and maintenance		
- Buildings	**88.65**	48.83
- Others	**34.47**	42.16
Travelling and conveyance	**1,108.37**	1,420.29
Legal and professional charges (includes payment to auditors)	**1,359.48**	1,059.27
Advertisement and sales promotion	**102.45**	67.96
Office Expenses	**71.76**	53.22
Marketing Expenses	**23.62**	12.24
Miscellaneous Expenses	**174.11**	160.98
Total	**4,364.73**	4,413.58

27 Earnings per share (EPS)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
(a) Basic earnings per share		
Net Profit attributable to equity shareholders of the company	**671.62**	409.92
Weighted average number of equity shares	**15,424,879**	15,079,464
Basic earnings per share	**4.35**	2.72
(b) Diluted earnings per share		
Net Profit attributable to equity shareholders of the company	**671.62**	409.92
Weighted average number of Equity Shares (including potential shares) - Refer note (c) below	**16,514,765**	16,215,608
Diluted earnings per share	**4.07**	2.53
(c) Weighted Average number of shares used as denominator		
Weighted average number of equity shares used as a denominator in calculating basic earnings per share	**15,424,879**	15,079,464
Adjustments for calculating diluted earnings per share :		
Options	**1,089,886**	1,136,144
Weighted average number of equity shares and potential shares used as a denominator in calculating diluted earnings per share	**16,514,765**	16,215,608

28 Contingencies and commitments

a) Contingent liabilities

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Claims against the Group not acknowledged as debts			
Income-tax matters	**326.73**	326.73	484.83
Total	**326.73**	326.73	484.83

Notes to Consolidated Financial Statements *(Contd.)* **(All amounts in Rs. Lakhs, unless otherwise stated)**

b) Capital commitments

i) Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for is Rs. Nil (31st March, 2017 : Rs 211.25 Lakhs, 1st April, 2016 : Rs. 75.89 Lakhs)

c) Lease commitments

Operating lease: Group as lessee

The Group has taken certain office premises on lease for a term generally ranging from a period of 1 year to 5 years. Future minimum lease rental payables under non-cancellable operating leases are as follows:

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Lease payments recognised during the year	**554.19**	458.94	224.27
Within one year	**299.71**	336.99	200.66
Later than one year but not later than five years	**452.36**	526.73	680.66
More than five years	**-**	294.11	46.52

d) Corporate Guarantee issued to Subsidiaries

The Company has provided Corporate Guarantee for the loans availed by its subsidiaries viz, Onward e-Services Limited and Onward Technologies, Inc. amounting to Rs. 507.54 Lakhs (31st March, 2017 : Rs. 939.16 lakhs and 1st April, 2016 : Rs. 565.07 lakhs).

29 Related party transactions

a. Parent Entity

Sr. No.	Name of the entity	Place of business/ Country of Incorporation	Ownership Interest			Relationship
			31st March, 2018	31st March, 2017	1st April, 2016	
1	Onward Network Technologies Private Limited	India	46.86%	56.81%	56.66%	Ultimate Holding Company

b. Subsidiaries

Sr. No.	Name of the entity	Place of business/ Country of Incorporation	Ownership Interest		
			31st March, 2018	31st March, 2017	1st April, 2016
1	Onward Technologies Inc., USA	USA	100.00%	100.00%	100.00%
2	Onward Technologies GmbH, Germany	Germany	100.00%	100.00%	100.00%
3	Onward e-Services Limited, India	India	100.00%	100.00%	100.00%
4	Onward Properties Private Limited, India	India	100.00%	100.00%	100.00%

c. Fellow Subsidiaries:

1 Desai Finwealth Investments & Securities Private Limited

2 Onward Software Technolgies Private Limited

Notes to Consolidated Financial Statements *(Contd.)* **(All amounts in Rs. Lakhs, unless otherwise stated)**

d. Key management personnel:

1 Mr. Harish Mehta (Executive Chairman)
2 Mr. Jigar Mehta (Managing Director)
3 Mrs. Prachi Mehta (Director)
4 Mr. Pradip Dubhashi (Director) (Upto 5th April, 2017)
5 Mr. Arun Meghani (Director) (Upto 27th April, 2017)
6 Mr. Pranay Vakil (Independent Director)
7 Mr. Nandkumar Pradhan (Independent Director)
8 Mr. Monik Damania (Company Secretary)
9 Mr. Parish Meghani (Independent Director)
10 Mr. Rahul Rathi (Independent Director)

29 Transactions with related parties:

I

Nature of transaction	Holding Company		Fellow subsidiaries		Key management personnel	
	31st March, 2018	31st March, 2017	31st March, 2018	31st March, 2017	31st March, 2018	31st March, 2017
Rent paid	**77.52**	65.79				
Reimbursement of Expenses received	**-**	0.03	**-**	0.05	**-**	-
Reimbursement of Expenses paid	**8.48**	6.38	**-**	-	**-**	-
Deposits Paid	**-**	11.70	**-**	-	**-**	-
Employee benefits (Refer note below)	**-**	-	**-**	-	**250.52**	166.97
Director sitting fees	**-**	-	**-**	-	**21.68**	22.30

Note : Key Managerial Personnel who are under the employment of the Company are entitled to post employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

II Outstanding balances from sale/ purchase of goods and services

	Holding Company			Fellow subsidiaries			Key management personnel		
	31st March, 2018	31st March, 2017	1st April, 2016	31st March, 2018	31st March, 2017	1st April, 2016	31st March, 2018	31st March, 2017	1st April, 2016
Salary and Allowance payable	-	-	-	-	-	-	12.74	9.35	6.63

III Terms and conditions for outstanding balances

All outstanding balances are unsecured and payable in cash.

Notes to Consolidated Financial Statements *(Contd.)* **(All amounts in Rs. Lakhs, unless otherwise stated)**

30 Segment reporting

(a) Description of segments and principal activities

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The Managing Director (MD) of the Company, Mr. Jigar Mehta has been identified as the chief operating decision maker.

The CODM evaluates the performance based on the revenues and operating profit for the two segments, the composition of which is explained below:

Segment	Services Covered
Mechanical Engineering Design Services	Product design, engineering analysis, engineering documentation and maintenance and manufacturing solutions
IT Consulting services	Application development and maintenance, Enterprise services and support, Infrastructure management support and Enterprise mobility solutions

(b) Information about business segments

Particulars	31st March, 2018	31st March, 2017
Segment Revenue (net of inter segment revenue)		
Engineering and designing services	**18,841.00**	17,362.33
Information technology services	**5,605.02**	4,994.02
Net Sales / Income From Operations	**24,446.02**	22,356.35
Segment results		
Engineering and designing services	**692.70**	601.84
Information technology services	**361.22**	337.53
Less: Finance Cost	**(302.98)**	(279.96)
Total Profit before tax	**750.94**	659.41
Segement Assets		
Engineering and designing services	**6,942.60**	6,398.12
Information technology services	**3,132.10**	2,635.60
Total Assets	**10,074.70**	9,033.72
Segement Liablities		
Engineering and designing services	**3,847.19**	3,631.59
Information technology services	**1,247.40**	1,160.08
Total Liabilities	**5,094.59**	4,791.67

(c) Information about geographical segments

Revenue from external customers

Particulars	31st March, 2018	31st March, 2017
India	**11,595.72**	9,698.29
Outside India	**12,850.30**	12,658.06
Total	**24,446.02**	22,356.35

Notes to Consolidated Financial Statements *(Contd.)* **(All amounts in Rs. Lakhs, unless otherwise stated)**

Non-current asset

Particulars	31st March, 2018	31st March, 2017
India	**3,109.03**	2,854.67
Other countries	**136.40**	217.84
Total	**3,245.43**	3,072.51

31 Fair value measurements

Financial instruments by category

Particulars	31st March, 2018		31st March, 2017		1st April, 2016	
	FVPL	Amortised cost	FVPL	Amortised cost	FVPL	Amortised cost
Financial assets						
Loans	-	**269.52**	-	268.62	-	177.75
Trade receivables	-	**4,560.14**	-	4,853.50	-	3,836.61
Cash and cash equivalents	-	**755.72**	-	329.90	-	235.07
Bank balances other than above	-	**30.76**	-	27.12	-	9.51
Derivative financial instrument not designated as hedges						
Foreign exchange forward contracts	**15.87**	-	63.86	-	19.83	-
Unbilled revenue	-	**876.76**	-	133.52	-	502.26
Unclaimed Dividend	-	**4.51**	-	-	-	-
Total financial assets	**15.87**	**6,497.41**	63.86	5,612.66	19.83	4,761.20
Financial liabilities						
Borrowings	-	**2,253.63**	-	2,527.42	-	2,359.37
Trade payables	-	**780.16**	-	330.56	-	457.01
Capital Creditors	-	**23.40**	-	211.26	-	75.89
Security deposits	-	-	-	0.50	-	0.50
Unpaid Dividend	-	**4.51**	-	-	-	-
Total financial liabilities	-	**3,061.70**	-	3,069.74	-	2,892.77

i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements	Level 1	Level 2	Level 3	Total
At 31st March, 2018				
Financial assets				
Derivative financial instrument not designated as hedges				
Foreign exchange forward contracts	-	15.87	-	15.87

Notes to Consolidated Financial Statements *(Contd.)* **(All amounts in Rs. Lakhs, unless otherwise stated)**

Financial assets and liabilities measured at fair value - recurring fair value measurements	Level 1	Level 2	Level 3	Total
At 31st March, 2017				
Financial assets				
Derivative financial instrument not designated as hedges				
Foreign exchange forward contracts	-	63.86	-	63.86

Financial assets and liabilities measured at fair value - recurring fair value measurements	Level 1	Level 2	Level 3	Total
At 1st April, 2016				
Financial assets				
Derivative financial instrument not designated as hedges				
Foreign exchange forward contracts	-	19.83	-	19.83

Level 1 : Level 1 hierarchy includes financial instruments measured using quoted prices. However the group does not have any financial instruments that are measured using Level 1 inputs.

Level 2 : The fair value of derivatives is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3 : If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date

iii) Valuation process

Specific valuation techniques used to value financial instruments include the fair value of foreign exchange forward contracts using forward exchange rates at the balance sheet date.

iv) Fair value of financial assets and liabilities measured at amortised cost

The fair value of all financial instruments carried at amortised cost are not materially different from their carrying amounts, since they are either short-term in nature or the interest rate applicable are equal to the current market rate of interest.

32 Financial risk management

The Group's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

(A) Credit risk

(i) Credit risk management

The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from deposits with banks and other financial instruments.

Notes to Consolidated Financial Statements *(Contd.)* **(All amounts in Rs. Lakhs, unless otherwise stated)**

For banks and other financial institutions, only high rated banks/ financial institutions are accepted. The balances with banks, security deposits are subject to low credit risk and the risk of default is negligible or nil. Hence, no provision has been created for expected credit loss for credit risk arising from these financial assets. The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in the credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information, for eg, external credit rating (to the extent available), actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to borrower's ability to meet its obligaitons.

Trade Receivables

The credit risk from customer receivables is recorded and monitored on an ongoing basis. Responsibilities and duties relating to credit risks are governed by an internal directive. This mainly concerns the stipulation of payment terms, fixing of credit limits, release of deliveries, and receivables monitoring. The credit risk is considered low given the sound credit ratings and past history of timely payments being made by the customers.

Reconciliation of loss allowance provision

Loss allowance on 1st April, 2016	**-**
Changes in loss allowance	60.32
Loss allowance on 31st March, 2017	**60.32**
Changes in loss allowance	21.00
Loss allowance on 31st March, 2018	**81.32**

(B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the dynamic nature of the underlying business, the Group maintains flexibility in funding by maintaining availability under committed credit lines.

(i) Maturities of financial liabilities

The tables below analyse the Group's financial liabilities into relevant maturity group based on their contractual maturities for :

31st March, 2018	**< 1 year**	> 1 year
Borrowings	1,717.74	231.20
Trade Payables	780.16	-
Payable for purchase of Property, Plant and Equipment	23.40	-
Security Deposits	-	-
Unpaid Dividend	4.51	-
Current Maturities of Long-term Debt	304.69	-
Total	**2,830.50**	231.20

31st March, 2017	< 1 year	> 1 year
Borrowings	1,456.76	517.19
Trade Payables	330.56	-
Payable for purchase of Property, Plant and Equipment	211.25	-
Security Deposits	0.50	-
Unpaid Dividend	-	-
Current Maturities of Long-term Debt	553.47	-
Total	**2,552.54**	517.19

1st April, 2016	< 1 year	> 1 year
Borrowings	1,658.64	252.26
Trade Payables	457.01	-
Payable for purchase of Property, Plant and Equipment	75.89	-
Security Deposits	0.50	-
Unpaid Dividend	-	-
Current Maturities of Long-term Debt	448.47	-
Total	**2,640.51**	252.26

(C) Market risk

I) Foreign currency risk

The Group operates internationally and thereby exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD, Euro and GBP. Foreign exchange risk arises from future commercial transactions and recognised assets denominated in a currency that is not the Group's functional currency (INR). The Group uses foreign exchange forward contracts to hedge its exposure in foreign currency risk. The risk is measured through forecast of foreign currency transactions.

i) Foreign currency risk exposure

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

Particulars	31st March, 2018			31st March, 2017			1st April, 2016		
	USD	Euro	GBP	USD	Euro	GBP	USD	Euro	GBP
Financial assets									
Trade receivables	-	235.61	295.55	-	349.35	3.84	-	351.43	9.74
Bank balance in EEFC account	-	-	-	19.58	-	-	-	-	-
Derivative instruments									
- Foreign exchange forward contracts - Sell foreign currency	15.87	-	-	63.86	-	-	19.83	-	-
Net exposure to foreign currency risk (assets)	**15.87**	**235.61**	**295.55**	**83.44**	**349.35**	**3.84**	**19.83**	**351.43**	**9.74**
Financial liabilities									
Trade payables	122.80	41.92	3.66	534.63	102.33	-	759.85	117.11	1.43
Borrowings	-	-	-	105.11	-	-	336.33	-	-
Net exposure to foreign currency risk (liabilities)	**122.80**	**41.92**	**3.66**	**639.74**	**102.33**	**-**	**1,096.18**	**117.11**	**1.43**

Notes to Consolidated Financial Statements *(Contd.)* **(All amounts in Rs. Lakhs, unless otherwise stated)**

ii) Sensitivity

The sensitivity of profit and loss to changes in the exchange rates arises mainly from foreign currency denominated financials instruments:

	Impact on Profit after tax	
	31st March, 2018	31st March, 2017
USD sensitivity		
INR/USD - Increase by 5% (31st March 2017 - 5%)	**(5.35)**	(27.82)
INR/USD - Decrease by 5% (31st March 2017 - 5%)	**5.35**	27.82
EURO sensitivity		
INR/Euro - Increase by 5% (31st March 2017 - 5%)	**9.68**	12.35
INR/Euro - Decrease by 5% (31st March 2017 - 5%)	**(9.68)**	(12.35)
GBP sensitivity		
INR/GBP - Increase by 5% (31st March 2017 - 5%)	**14.59**	0.19
INR/GBP - Decrease by 5% (31st March 2017 - 5%)	**(14.59)**	(0.19)

II) Interest rate risk

(i) The Group's interest rate risk arises from long-term and short-term borrowings. Borrowings obtained at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk.

Management closely tracks the base interest rate movements on regular basis. Based on regular review, Management assesses the need to hedge interest rate risk. Management reviews the future movement in base rate against different factors such as overall micro and macro economic factors, liquidity in the spending cycle. Further, on a regular basis, Management assesses the possibility of entering into new facilities which would reduce the future finance cost which helps the Management to mitigate risk related to interest rate movement.

The exposure of the Company's borrowings to interest rate changes at the end of the reporting period are as follows:

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Variable rate borrowings	**2,253.63**	2,422.31	1,963.45
Fixed rate borrowings	**-**	105.11	395.92
Total borrowings	**2,253.63**	2,527.42	2,359.37

Sensitivity

The Group's policy is to minimize the interest rate cash flow risk exposure on borrowing. The Group has exposure to local currency as well as foreign currency. The local currency loans are linked to bank base rate/ marginal cost of funds based lending (MCLR) while the foreign currency loans are linked to prime lending rate.

The sensitivity of profit or loss to changes in the interest rates is tabulated below:

	Impact on Profit after tax	
	31st March, 2018	31st March, 2017
Interest rate - Increase by 50 basis points (50bps) *	**(11.69)**	(10.96)
Interest rate - Decrease by 50 basis points (50bps) *	**11.69**	10.96

* Holding all other variables constant

33 Capital Management

a) Risk management

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital. For the purpose of the Group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximise the shareholders value. In order to achieve this objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March, 2018 and 31st March, 2017.

34 The list of standards issued but not yet effective:

The Ministry of Corporate Affairs (MCA) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 (the 'Rules') on March 28, 2018. The rules notify the new revenue standard Ind AS 115, Revenue from contracts with customers and also bring in amendments to existing Ind AS. The rules shall be effective from reporting periods beginning on or after 1st April, 2018 and cannot be early adopted.

Introduction of Ind AS 115, 'Revenue from contracts with customers':

Ind AS 115, Revenue from contracts with customers deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a promised good or service and thus has the ability to direct the use and obtain the benefits from the good or service in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. The standard replaces Ind AS 18 Revenue and Ind AS 11 Construction contracts and related appendices. The Group is in the process of evaluating the impact on the financial statements in terms of the amount and timing of revenue recognition under the new standard.

Amendment to Ind AS 21, 'Effect of changes in foreign exchange rates':

The MCA has notified Appendix B to Ind AS 21, Foreign currency transactions and advance consideration. The appendix clarifies how to determine the date of transaction for the exchange rate to be used on initial recognition of a related asset, expense or income where an entity pays or receives consideration in advance for foreign currency-denominated contracts. For a single payment or receipt, the date of the transaction should be the date on which the entity initially recognises the non-monetary asset or liability arising from the advance consideration (the prepayment or deferred income/contract liability). If there are multiple payments or receipts for one item, date of transaction should be determined as above for each payment or receipt. The Group is in the process of evaluating the impact on the financial statements under the new standard.

Amendement to Ind AS 40, 'Investment Property':

The amendments to Ind AS 40 clarify that transfers to, or from, investment property can only be made if there has been a change in use that is supported by evidence. A change in use occurs when the property meets, or ceases to meet, the definition of investment property. A change in intention alone is not sufficient to support a transfer. The list of evidence for a change of use in the standard was re-characterised as a non-exhaustive list of examples and scope of these examples have been expanded to include assets under construction/development and not only transfer of completed properties. The Group does not have any investment property and therefore the amendment is not expected to have any impact on the financial statements.

Notes to Consolidated Financial Statements *(Contd.)* **(All amounts in Rs. Lakhs, unless otherwise stated)**

Amendement to Ind AS 12, 'Income taxes':

The amendments clarify the accounting for deferred taxes where an asset is measured at fair value and that fair value is below the asset's tax base. They also clarify certain other aspects of accounting for deferred tax assets set out below:

- A temporary difference exists whenever the carrying amount of an asset is less than its tax base at the end of the reporting period.
- The estimate of future taxable profit may include the recovery of some of an entity's assets for more than its carrying amount if it is probable that the entity will achieve this. For example, when a fixed-rate debt instrument is measured at fair value, however, the entity expects to hold and collect the contractual cash flows and it is probable that the asset will be recovered for more than its carrying amount.
- Where the tax law restricts the source of taxable profits against which particular types of deferred tax assets can be recovered, the recoverability of the deferred tax assets can only be assessed in combination with other deferred tax assets of the same type.
- Tax deductions resulting from the reversal of deferred tax assets are excluded from the estimated future taxable profit that is used to evaluate the recoverability of those assets. This is to avoid double counting the deductible temporary differences in such assessment.

  The Group is in the process of evaluating the impact on the financial statements under the new standard.

35 Events after reporting period

a) The final dividend recommended by Directors is subject to the approval of shareholders in the ensuing annual general meeting

Dividends

		31st March, 2018	31st March, 2017	1st April, 2016
i)	**Equity shares**			
	Final Dividend for the year ended 31st March, 2018 of Re.1 (31st March, 2017 : Re. 1, 1st April, 2016 : Re 1) per fully paid share	153.65	149.34	-
	Dividend distribution tax thereon	31.28	30.40	-
ii)	**Dividends not recognised at the end of reporting period**	156.52	153.65	149.34
	Dividend distribution tax thereon	31.87	31.28	30.40
	The Directors have recommended the payment of a final dividend of Re. 1, per fully paid equity share (31st March, 2017 Re.1 per equity share, 1st April, 2016 Re. 1 per equity share). This proposed dividend is subject to approval of shareholders in the ensuing annual general meeting.			

Notes to Consolidated Financial Statements *(Contd.)* **(All amounts in Rs. Lakhs, unless otherwise stated)**

36 Interest in Other Entities

(a) Subsidiaries

The group's subsidiaries as on 31st March, 2018 are set below. Unless otherwise stated, they have share capital consisiting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

Name of Entity	Place of business/ country of incorporation	Ownership interests held by the Group			Ownership interests held by the non-controlling interests			Principal Activities
		31st March, 2018	31st March, 2017	1st April, 2016	31st March, 2018	31st March, 2017	1st April, 2016	
		%	%	%	%	%	%	
Onward e-Services Limited	India	100.00	100.00	100.00	-	-	-	IT Consulting services
Onward Technologies, Inc.	USA	100.00	100.00	100.00	-	-	-	Mechanical Engineering Design Services
Onward Technologies, GmbH	Germany	100.00	100.00	100.00	-	-	-	Mechanical Engineering Design Services
Onward Properties Private Limited	India	100.00	100.00	100.00	-	-	-	Mechanical Engineering Design Services

37 Share-based payments

Employee Stock Option Plan

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

Pursuant to scheme, the Company has granted options each to eligible employees at an exercise price of Rs. 10 per equity share of Rs. 10 each. Under the term of scheme, the vesting period shall commence on the expiry of one year from the date of grant of the options to the employees and it will be spread equally over 4 years. 25% of the options will vest in the employees at the end of first year, 25% at the end of second year, 25% at the end of third year and balance 25% at the end of fourth year from the grant date.

The employee stock options granted shall be capable of being exercised within a period of one year from the date of vesting the options, they would be exercisable by the option holder and the shares arising on exercise of such options shall not be subject to any lock-in period. When exercisable, each option is convertible into four equity share of the Company. Further, in the case of termination of employment, all non-vested options would stand cancelled. Options that have vested but have not been exercised can be exercised within the time prescribed as mentioned above, failing which they would stand cancelled.

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

Particulars	31st March 2018	31st March 2017
	No. of Options	No. of Options
Opening Balance	**312,163**	337,838
Granted during the year	**67,900**	95,000
Forfeited/ cancelled during the year	**63,450**	47,713

Notes to Consolidated Financial Statements *(Contd.)* **(All amounts in Rs. Lakhs, unless otherwise stated)**

Particulars	31st March 2018	31st March 2017
	No. of Options	No. of Options
Lapsed during the year	**4,163**	7,337
Exercised during the year	**86,450**	65,625
Outstanding as at the end of the year	**226,000**	312,163
Shares vested and exercisable	**904,000**	1,248,650

The weighted average share price at the date of exercise of options exercised during the year ended 31st March, 2018 was Rs. 143.29 (31st March, 2017 - Rs. 119.01)

Share options outstanding at the end of the year have the following expiry dates and exercise prices

Grant Date	Expiry Date	Expiry Price	Share Options		
			31st March, 2018	31st March, 2017	1st April, 2016
29th June, 2011	29th June, 2016	10	-	-	1,875
21st October, 2011	21st October, 2016	10	-	-	10,038
25th May, 2012	25th May, 2017	10	-	1,863	24,700
27th July, 2012	27th July, 2017	10	-	-	625
23rd October, 2012	23rd October, 2017	10	-	1,050	7,050
22rd July, 2013	22nd July, 2018	10	750	5,000	16,000
3rd March, 2014	3rd March, 2019	10	1,100	2,500	3,600
10th July, 2014	10th July, 2019	10	-	2,500	5,000
1st August, 2014	1st August, 2019	10	14,350	28,275	45,250
1st November, 2014	1st November, 2019	10	10,875	32,725	74,500
27th January, 2015	27th January, 2020	10	2,500	3,750	5,000
22nd January, 2016	22nd January, 2021	10	37,775	63,800	67,300
2nd March, 2016	2nd March, 2021	10	42,075	70,700	71,900
23rd March, 2016	23rd March, 2021	10	3,750	5,000	5,000
6th June, 2016	6th June, 2021	10	7,500	10,000	-
1st July, 2016	1st July, 2021	10	38,625	51,500	-
6th July, 2016	6th July, 2021	10	-	5,000	-
1st September, 2016	1st September, 2021	10	3,750	5,000	-
5th December, 2016	5th December, 2021	10	3,750	5,000	-
24th January, 2017	24th January, 2022	10	8,500	18,500	-
10th May, 2017	10th May, 2022	10	47,700	-	-
11th August, 2017	11th August, 2022	10	3,000	-	-
Weighted average remaining contractual life of options outstanding at the end of the period			**3.32 years**	**3.82 years**	**3.60 years**

Notes to Consolidated Financial Statements *(Contd.)* **(All amounts in Rs. Lakhs, unless otherwise stated)**

Fair value of the options granted

The fair value at the grant date is determined using the Black Scholes Model which takes into account the exercise price, the term of the options, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The model inputs for options granted during the year ended 31st March, 2018 and 31st March, 2017 included :

Particulars	Inputs as on 31st March, 2018	
Exercise Price (Rs)	10	10
Grant Date	May 10, 2017	August 11, 2017
Expiry Date	May 10, 2022	August 11, 2022
Share Price as on Grant Date (Rs)	84.10	86.40
Fair value as on Grant Date (Rs)	76.29	78.58
Expected Volatility (%)	59.00%	57.00%
Expected Dividend yield (%)	0.00%	0.00%
Risk free interest rate (%)	8.00%	8.00%

Particulars	Inputs as on 31st March, 2017					
Exercise Price (Rs)	10	10	10	10	10	10
Grant Date	June 6, 2016	July 1, 2016	July 6, 2016	September 1, 2016	December 5, 2016	January 24, 2017
Expiry Date	June 6, 2021	July 1, 2021	July 6, 2021	September 1, 2021	December 5, 2021	January 24, 2022
Share Price as on Grant Date (Rs)	68.58	70.70	75.80	69.90	60.10	73.80
Fair value as on Grant Date (Rs)	60.79	62.91	68.00	62.12	52.36	66.00
Expected Volatility (%)	59.00%	60.00%	60.00%	60.00%	60.00%	59.00%
Expected Dividend yield (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Risk free interest rate (%)	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%

The expected price volatility is based on the historic volatility (based upon the remaining life of the options), adjusted for any expected changes to the future volatility due to publicly available information.

Expenses arising from share-based payment transactions

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Employee Option Plan	**212.61**	254.62
Total	**212.61**	254.62

Notes to Consolidated Financial Statements *(Contd.)* **(All amounts in Rs. Lakhs, unless otherwise stated)**

38 Additional information required by Schedule III

	Net assets (total assets minus total liabilities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated other comprehensive income	Amount	As a % of consolidated total comprehensive income	Amount
Parent								
Onward Technologies Limited								
31st March, 2018	104.13%	5,185.89	32.78%	220.15	-52.25%	(3.50)	31.94%	216.65
31st March, 2017	115.83%	4,913.66	72.51%	297.25	89.78%	(44.29)	70.15%	252.96
Subsidiaries (group's share)								
Indian								
Onward e-Services Limited								
31st March, 2018	20.04%	997.83	48.28%	324.29	134.48%	9.01	49.14%	333.30
31st March, 2017	15.67%	664.53	56.21%	230.44	5.40%	(2.66)	63.17%	227.78
Onward Properties Private Limited								
31st March, 2018	2.02%	100.48	0.00%	-	0.00%	-	0.00%	-
31st March, 2017	2.37%	100.48	-0.08%	(0.33)	0.00%	-	-0.09%	(0.33)
Foreign								
Onward Technologies Inc.								
31st March, 2018	33.70%	1,678.49	24.78%	166.41	0.00%	-	24.53%	166.41
31st March, 2017	35.60%	1,510.11	-4.44%	(18.18)	0.00%	-	-5.04%	(18.18)
Onward Technologies GmbH								
31st March, 2018	-0.01%	(0.52)	-6.00%	(40.26)	0.00%	-	-5.94%	(40.26)
31st March, 2017	0.86%	36.51	30.02%	123.08	0.00%	-	34.13%	123.08
Consolidation adjustments								
31st March, 2018	-59.88%	(2,982.06)	0.15%	1.03	17.76%	1.19	0.33%	2.22
31st March, 2017	-70.33%	(2,983.24)	-54.24%	(222.34)	4.84%	(2.38)	-62.33%	(224.74)
Total								
31st March, 2018	**100.00%**	**4,980.11**	**100.00%**	**671.62**	**100.00%**	**6.70**	**100.00%**	**678.32**
31st March, 2017	**100.00%**	**4,242.05**	**100.00%**	**409.92**	**100.00%**	**(49.33)**	**100.00%**	**360.57**

39 First-time adoption

Transition to Ind AS

These are the Group's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note 1 have been applied in preparing the financial statements for the year ended 31st March, 2018, the comparative information presented in these financial statements for the year ended 31st March, 2017 and in the preparation of an opening Ind AS balance sheet at 1st April, 2016 (the Group's date of transition to Ind AS). In preparing its opening Ind AS balance sheet, the Group has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows is set out in the following tables and notes.

I Exemptions availed

a) Deemed cost - Property, plant and equipment (PPE), intangible assets

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment and intangible assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets. Accordingly, the Group has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

b) Cumulative translation difference

Ind AS 101 permits cumulative translation gains and losses to be reset to zero at the transition date. This provides relief from determining cumulative translation differences in accordance with Ind AS 21 from the date a subsidiary or equity method investee was formed or acquired.

The group elected to reset all the cumulative translation gains and losses to zero by transferring it to opening retained earnings as its transition date.

c) Share based payments

Ind AS 101 permits a first-time adopter to apply Ind AS 102, Share-based payment, to equity instruments that remain unvested as of the transition date. Accordingly, these options have been measured at fair value as against intrinsic value previously under IGAAP. The excess of stock compensation expenses measured using fair value over cost recognized under IGAAP using intrinsic value has been adjusted in 'Share Option Outstanding account' with corresponding impact taken to the retained earnings as on the transition date.

II Exceptions applied

a) Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at 1st April, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP..

b) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investments in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

Notes to Consolidated Financial Statements *(Contd.)* **(All amounts in Rs. Lakhs, unless otherwise stated)**

Reconciliation of total equity as at 31st March, 2017 and 1st April, 2016

	Description	Notes to first time adoption	As at 31st March, 2017	As at 1st April, 2016
	Total equity as per previous GAAP		**4,273.83**	**3,593.30**
	Ind AS Adjustments [Increase in Equity/ (Decrease in Equity)]			
i	Proposed dividend	4	-	179.74
ii	Fair valuation of derivatives	2	(6.30)	(6.30)
iii	Effect of fair valuing security deposits and amortisation of prepaid rent	3	(1.62)	(1.45)
iv	Others	9	(34.88)	(34.88)
v	Tax impact of Ind AS adjustments	10	11.02	12.01
	Total Ind-AS adjustments		**(31.78)**	**149.12**
	Total Equity as per Ind-AS		**4,242.05**	**3,742.42**

Reconciliation of total comprehensive income for the year ended 31st March, 2017

	Description	Notes to first time adoption	Year ended 31st March, 2017
	Net profit after tax under previous GAAP		**531.14**
	Ind AS adjustments [Increase in profits / (decrease in profits)]		
i	Effect of employees stock option measurement and amortisation based on fair value of options under graded method	1	(142.14)
ii	Effect of fair valuing security deposits and amortisation of prepaid rent	3	(0.17)
iii	Remeasurment of post-employment benefit obligations recognised in other comprehensive income	6	29.43
iv	Tax impact of Ind AS adjustments	9	(8.34)
	Total of adjustments		**(121.22)**
	Net Profit after tax as per Ind-AS		**409.92**
	Other Comprehensive Income		
i.	Remeasurements of defined benefit obligations	6	(29.43)
ii	Tax impact of above adjustment	9	7.36
iii	Exchange difference on foreign operations	5	(27.26)
	Total Other comprehensive income		**(49.33)**
	Total Comprehensive Income as per Ind-AS		**360.59**

Notes to Consolidated Financial Statements *(Contd.)* **(All amounts in Rs. Lakhs, unless otherwise stated)**

Impact of Ind AS adoption on the statements of cash flows for the year ended 31st March, 2017

	Notes to first time adoption	Previous GAAP	Adjustments	Ind AS
Net cash flows from operating activities		1,283.45	153.83	1,437.28
Net cash outflows from investing activities		(960.34)	(154.63)	(1,114.97)
Net cash flows from financing activities		(183.41)	157.80	(25.61)
Net increase/(decrease) in cash and cash equivalents	7	**139.70**	**157.00**	**296.70**
Cash and cash equivalents as at 1st April, 2016		244.58	(1,668.15)	(1,423.57)
Effects of exchange rate changes on cash and cash equivalents		(27.26)	27.26	-
Cash and cash equivalents as at 31st March, 2017		**357.02**	**(1,483.89)**	**(1,126.87)**

Note : Under the previous GAAP, the "Balance held as security against bank guarantees" was disclosed as a part of Cash and bank balances. However, under Division II to Schedule III, the same is to be disclosed as Bank balances other than cash and cash equivalent and accordingly the Cash and Cash equivalents have reduced by Rs. 27.12 as on 31st March, 2017 and by Rs. 9.51 as on 1st April, 2016.

Notes to first-time adoption

1 Employee Stock Option expenses

Under the previous GAAP, the cost of equity-settled employee share based plan were recognized using the intrinsic value method. Under Ind AS, the cost of equity settled share-based payment plan is recognized based on the fair value of the options as at the grant date. Consequently, the profit for the year ended 31st March, 2017 reduced by Rs. 142.14 lakhs. There is no impact on total equity as on 1st April, 2016.

2 Derivative Financial Instruments - Forward contracts

Under Ind AS, the derivative financial instrument i.e. the foreign currency forward exchange contracts have been fair valued through profit or loss as per Ind AS109. The total equity decreased by Rs. 6.30 lakhs (1st April 2016 : Rs. 6.30 lakhs).

3 Security Deposits

Under the previous GAAP, interest free security deposits (that are refundable in cash on the completion of the lease term) are recorded at their transaction value. Under Ind AS, all the financial assets are required to be initially recognized at fair value. Accordingly, the Group has fair valued these security deposits under Ind AS. Difference between fair value and transaction value of security deposits has been recognized as prepaid rent. Consequent to this change, total equity decreased by 1.62 lakhs as at 31st March, 2017 (1st April 2016 : Rs. 1.45 lakhs). The profit for the year ended 31st March, 2017 reduced by 0.17 lakhs due to amortisation of prepaid rent which is partially offset by notional interest income recognized on security deposit.

4 Proposed dividend

Under the previous GAAP (upto 31st March, 2016), dividends proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by shareholders in the general meeting. Accordingly, the liability for proposed dividend (including tax thereon) of Rs. 179.74 lakhs as at 1st April, 2016 inluded under short term provisions has been reversed with corresponding adjustment to retained earnings. Consequently, the total equity increased by an equivalent amount.

Notes to Consolidated Financial Statements *(Contd.)* **(All amounts in Rs. Lakhs, unless otherwise stated)**

5 Foreign Currency Translation Reserve

The group has elected to reset the balance appearing in the foreign currency translation reserve to zero as on 1st April, 2016. Accordingly, translation reserve balance under previous GAAP of Rs. 541.88 lakhs has been transferred to retained earnings. There is no impact on total equity as a result of this adjustment.

6 Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. As a result of this change, the profit for the year ended 31st March 2017 increased by Rs. 29.43 lakhs. There is no impact on the total equity as at 31st March 2017.

7 Bank overdraft

Under Ind AS, bank overdrafts repayable on demand which form an integral part of the cash management process are included in cash and cash equivalents for the purpose of presentation of statement of cash flows. Under previous GAAP, bank overdrafts were considered as part of borrowings and movements in bank overdrafts were shown as part of financing activities. Consequently, cash and cash equivalents have reduced by Rs. lakhs as at 1,456.76 31st March 2017 (1st April 2016: Rs. 1,658.64 lakhs) and cash flows from financing activities for the year ended 31st March 2017 have also increased by Rs. 184.26 lakhs to the effect of the movements in bank overdrafts.

8 Other Comprehensive Income

Under Ind AS, all items of income and expenses recognized in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expenses that are not recognized in profit or loss but are shown in statement of profit or loss as 'Other Comprehensive Income' includes remeasurements of defined benefit plans and effective portion of gains and losses on cash flow hedging instruments. The concept of other comprehensive income did not exist under previous GAAP.

9 Deferred tax

Deferred tax have been recognised on the adjustments made on transition to Ind AS.

10 Retained Earnings

Retained earnings as at 1st April, 2016 has been adjusted consequent to the above Ind AS transition adjustments.

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

Neeraj Sharma
Partner
Membership No.: 108391

Place : Mumbai
Date : 11th May, 2018

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

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

MVSS Narayanacharyulu
Chief Financial Officer

Monik Damania
Company Secretary

Place : Mumbai
Date : 11th May, 2018

INDEPENDENT AUDITORS' REPORT

To the members of Onward Technologies Limited

Report on the Standalone Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying standalone financial statements of Onward Technologies Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internalfinancial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

4. We have taken into account the provisions of the Actand the Rules made thereunder including the accounting and auditing standards andmatters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

5. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10)of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform theaudit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS 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 Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

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

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a

Independent Auditors' Report *(Contd.)*

true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its total comprehensive income (comprising of profit and other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

9. The comparative financial information of the Company for the year ended 31st March, 2017 and the transition date opening balance sheet as at 1st April, 2016 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended 31st March, 2017 and 31st March, 2016 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by the predecessor auditor who expressed an unmodified opinion vide reports dated 22nd May, 2017 and 16th May, 2016 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us.

Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the **Annexure B** a statement on the matters specified in paragraphs 3 and 4 of the Order.

11. 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 a sit appears from our examination of those books.

    (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

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

    (e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

    (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure A**.

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

        i. The Company has disclosed the impact, if any, of pending litigations as at 31st March, 2018 on its financial position in its standalone Ind AS financial statements – Refer Note 28;

        ii. The Company has long-term contracts including derivative contracts as at 31st March, 2018 for which there were no material foreseeable losses.

        iii. There were no amounts which were required to betransferred to the Investor Education and Protection Fund by the Company during the year ended 31st March, 2018.

Independent Auditors' Report *(Contd.)*

iv. The reporting on disclosure relating to Specified Bank Notes is not applicable to the Company for the year ended 31st March, 2018.

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

Neeraj Sharma
Partner
Membership Number 108391

Place: Mumbai
Date: 11th May, 2018

Annexure A to Independent Auditors' Report

Referred to in paragraph 11(f) of the Independent Auditor's Report of even date to the members of Onward Technologies Limited on the Standalone Financial Statements of the year ended 31st March 2018.

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

1. We have audited the internal financial controls over financial reporting of Onward Technologies Limited ("the Company") as of 31st March, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

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

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of 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

Independent Auditors' Report *(Contd.)*

internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to providea basis for our audit opinion on the Company's internal financial controls system overfinancial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

6. 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management over ride 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 in adequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Neeraj Sharma
Partner
Membership Number 108391

Place: Mumbai
Date: 11th May, 2018

Independent Auditors' Report *(Contd.)*

Referred to in paragraph 11(f) of the Independent Auditor's Report of even date to the members of Onward Technologies Limited on the Standalone Financial Statements of the year ended 31st March 2018.

Annexure B to Independent Auditors' Report

i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

(b) The fixed assets of the Company have been physically verified by the Management during the year. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of account. In our opinion, the frequency of verification is reasonable.

(c) The Company does not own any immovable properties as disclosed in Note 3 on fixed assets to the financial statements. Therefore, the provisions of Clause 3(i)(c) of the said Order are not applicable to the Company.

ii. The Company is in the business of rendering services, and consequently, does not hold any inventory. Therefore, the provisions of Clause 3(ii) of the said Order are not applicable to the Company.

iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.

iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.

v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of income tax and service tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, sales tax, duty of customs, duty of excise, value added tax, cess, goods and service tax with effect from July 1, 2017 and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of sales-tax, service-tax,duty of customs, duty of excise, value added tax which have not been deposited on account of any dispute. The particulars of dues of income tax as at 31st March, 2018 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. In Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	116.90	FY 2006-07	ITAT, Mumbai
Income Tax Act, 1961	Income Tax	326.73	FY 2007-08	ITAT, Mumbai
Income Tax Act, 1961	Income Tax	606.31	FY 2008-09	ITAT, Mumbai
Income Tax Act, 1961	Income Tax	3.77	FY 2010-11	CIT (A), Mumbai

Independent Auditors' Report *(Contd.)*

viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.

ix. In our opinion, and according to the information and explanations given to us, the moneys raised by way of initial public offer or further public offer (including debt instruments) and term loans have been applied for the purposes for which they were obtained.

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

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

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

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

Neeraj Sharma
Partner
Membership Number 108391

Place: Mumbai
Date: 11th May, 2018

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

BALANCE SHEET AS AT 31ST MARCH, 2018

Particulars	Notes	31st March, 2018	31st March, 2017	1st April, 2016
ASSETS				
I. Non-current assets				
Property, plant and equipment	3	**574.08**	693.62	500.44
Intangible assets	4	**692.88**	748.04	500.24
Intangible assets under development	4	**10.50**	-	-
Financial assets				
(a) Investments	5	**3,942.17**	3,904.10	2,873.92
(b) Loans	6 (a)	**129.73**	144.19	1,120.80
(c) Other financial assets	6 (b)	**4.51**	-	-
Deferred tax assets	12 (a)	**-**	-	30.36
Income-tax assets (net)	12 (b)	**1,001.53**	782.84	1,367.88
Other non-current assets	7	**5.15**	2.69	19.17
Total non-current assets		**6,360.55**	6,275.48	6,412.81
II. Current assets				
Financial assets				
(a) Trade receivables	8	**1,902.65**	1,666.59	1,280.21
(b) Cash and cash equivalents	9 (a)	**180.32**	205.37	117.62
(c) Bank balances other than (b) above	9 (b)	**10.29**	9.47	9.51
(d) Unbilled revenue		**257.46**	102.95	363.26
(e) Loans	6 (a)	**13.20**	0.45	4.08
(f) Other financial assets	10	**118.82**	92.07	19.83
Other current assets	11	**312.93**	223.12	174.24
Total current assets		**2,795.67**	2,300.02	1,968.75
Total assets		**9,156.22**	8,575.50	8,381.56
EQUITY AND LIABILITIES				
EQUITY				
Equity share capital	13 (a)	**1,554.21**	1,519.63	1,493.38
Other equity	13 (b)	**3,631.68**	3,394.03	3,001.02
Total equity		**5,185.89**	4,913.66	4,494.40
LIABILITIES				
I. Non-Current liabilities				
Financial liabilities				
(a) Borrowings	14	**129.69**	376.43	252.26
Employee benefit obligations	18 (a)	**76.01**	57.51	61.92
Deferred tax liabilities	12 (a)	**28.54**	11.98	-
Total non-current liabilities		**234.24**	445.92	314.18

Standalone Balance Sheet as at 31st March, 2018 *(Contd.)*

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

Particulars	Notes	31st March, 2018	31st March, 2017	1st April, 2016
II. Current liabilities				
Financial liabilities				
(a) Borrowings	15	**1,451.17**	848.75	1,238.90
(b) Trade payables	16			
- Total outstanding dues of micro enterprises and small enterprises		**-**	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		**647.46**	820.80	1,079.28
(c) Other financial liabilities	17	**289.78**	660.24	465.23
Employee benefit obligations	18 (b)	**169.90**	148.36	128.88
Other current liabilities	19	**1,177.78**	737.77	660.69
Total current liabilities		**3,736.09**	3,215.92	3,572.98
Total liabilities		**3,970.33**	3,661.84	3,887.16
Total equity and liabilities		**9,156.22**	8,575.50	8,381.56

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

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

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

Neeraj Sharma
Partner
Membership No.: 108391

Place : Mumbai
Date : 11th May, 2018

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

Harish Mehta
Executive Chairman

Jigar Mehta
Managing Director

Pranay Vakil
Audit Committee Chairman

MVSS Narayanacharyulu
Chief Financial Officer

Monik Damania
Company Secretary

Place : Mumbai
Date : 11th May, 2018

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

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

Particulars	Notes	Year ended 31st March, 2018	Year ended 31st March, 2017
Revenue from operations	20	**10,658.07**	9,301.76
Other income (net)	21	**651.96**	655.29
Total Income		**11,310.03**	9,957.05
Expenses			
Cost of software products	22	**329.93**	220.22
Employee benefits expense	23	**7,633.48**	6,345.88
Finance costs	24	**218.08**	204.48
Depreciation and amortisation expense	25	**455.94**	378.35
Other expenses	26	**2,337.62**	2,273.02
Total expenses		**10,975.05**	9,421.95
Profit before tax		**334.98**	535.10
Income tax expense			
Current tax	12(b)	**94.47**	186.97
Deferred tax	12(a)	**20.36**	50.88
Total tax expense		**114.83**	237.85
Profit for the year		**220.15**	297.25
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of post-employment benefit obligations	13(b)	**(11.45)**	(25.58)
Income tax relating to these items	12(b)	**3.79**	8.55
Total other comprehensive income for the year, net of tax		**(7.66)**	(17.03)
Total comprehensive income for the year		**212.49**	280.22
Earnings per share			
Basic	27	**1.43**	1.97
Diluted	27	**1.33**	1.83

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

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

Neeraj Sharma
Partner
Membership No.: 108391

Place : Mumbai
Date : 11th May, 2018

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

Harish Mehta
Executive Chairman

Jigar Mehta
Managing Director

Pranay Vakil
Audit Committee Chairman

MVSS Narayanacharyulu
Chief Financial Officer

Monik Damania
Company Secretary

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

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2018

A Equity share capital

	Notes	
As at 1st April, 2016		**1,493.38**
Change in equity share capital	**13**	26.25
As at 31st March, 2017		**1,519.63**
Change in equity share capital	**13**	34.58
As at 3st March, 2018		**1,554.21**

B Other Equity

Particulars	Note	Securities premium account	Retained Earnings	Share option outstanding account	Share application money pending allotment	Total
As at 1st April, 2016		**1,084.70**	**1,763.77**	**147.32**	**5.23**	**3,001.02**
Profit for the year			297.25	-	-	297.25
Other Comprehensive Income			(17.03)	-	-	(17.03)
Total comprehensive income for the year		**1,084.70**	**2,043.99**	**147.32**	**5.23**	**280.22**
Additions on employee stock option plan	36	97.97	-	(97.97)	-	-
Employee stock option expenses	36	-	-	180.24	-	180.24
Employee stock option expenses (for employees of subsidiary)	36	-	-	74.38	-	74.38
Transactions with owners in their capacity as owners:						
Dividends paid	13 (b)	-	(149.87)	-	-	(149.87)
Shares alloted against the share application money received	13 (b)	-	-	-	(5.23)	(5.23)
Shares application money received for allotment of shares	13 (b)	-	-	-	13.27	13.27
As at 31st March, 2017		**1,182.67**	**1,894.12**	**303.97**	**13.27**	**3,394.03**
Profit for the year		-	220.15	-	-	220.15
Other Comprehensive Income		-	(7.66)	-	-	(7.66)
Total comprehensive income for the year		**-**	**212.49**	**-**		**212.49**
Additions on employee stock option plan	36	196.58	-	(196.58)	-	-
Employee stock option expenses	36	-	-	167.40	-	167.40

Statement of changes in equity for the year ended 31st March, 2018 *(Contd.)*

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

B Other Equity

Particulars	Note	Securities premium account	Retained Earnings	Share option outstanding account	Share application money pending allotment	Total
Employee stock option expenses (for employees of subsidiary)	36	-	-	45.21	-	45.21
Transactions with owners in their capacity as owners:						
Dividends paid	13 (b)	-	(153.65)	-	-	(153.65)
Dividend Distribution tax on above	13 (b)	-	(31.28)	-	-	(31.28)
Shares alloted against the share application money received	13 (b)	-	-	-	(13.27)	(13.27)
Shares application money received for allotment of shares	13 (b)	-	-	-	10.75	10.75
As at 31st March, 2018		**1,182.67**	**1,921.68**	**516.58**	**10.75**	**3,631.68**

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

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

Neeraj Sharma
Partner
Membership No.: 108391

Place : Mumbai
Date : 11th May, 2018

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

Harish Mehta
Executive Chairman

Jigar Mehta
Managing Director

Pranay Vakil
Audit Committee Chairman

MVSS Narayanacharyulu
Chief Financial Officer

Monik Damania
Company Secretary

Place : Mumbai
11th May, 2018

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

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2018

Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
A) Cash flows from operating activities		
Profit before income tax	**334.98**	535.10
Adjustments for		
Depreciation and amortisation expense	**455.94**	378.35
(Profit) / loss on disposal of property, plant and equipment	**(0.10)**	(0.81)
Changes in fair value of investments at fair value through profit or loss	**(38.07)**	(55.80)
Dividend and interest income classified as investing cash flow	**(0.73)**	(229.53)
Unwinding of discount on security deposit	**(7.05)**	(5.19)
Amortisation of prepaid rent on security deposits	**6.87**	5.30
Corporate guarantee commission Income	**(29.53)**	(28.21)
Employee share based payment expenses	**167.40**	180.24
Finance costs	**218.08**	204.48
Allowance for doubtful debts	**-**	60.32
Operating profit before working capital changes	**1,107.79**	1,044.25
Changes in operating assets and liabilities		
(Increase) / Decrease in trade receivables	**(236.07)**	(446.69)
(Increase) / Decrease in other financial assets	**43.48**	(44.03)
(Increase) / Decrease in other assets	**(92.27)**	(32.40)
(Increase) / Decrease in unbilled revenue	**(154.51)**	260.31
Increase / (Decrease) in trade payables	**(173.34)**	(258.48)
Increase / (Decrease) in other liabilities	**440.01**	77.08
Increase / (Decrease) in other financial liabilities	**4.01**	0.07
Increase / (Decrease) in employee benefit obligations	**28.59**	(10.51)
Cash generated from operations	**967.69**	589.60
Income taxes paid (net of refunds received)	**(313.16)**	398.07
Net cash inflow/ (outflow) from operating activities	**654.53**	987.67
B) Cash flows from Investing activities		
Payments for property, plant and equipment	**(305.50)**	(283.91)
Payments for intangible assets	**(163.56)**	(418.89)
Payments for purchase of investment	**-**	(900.00)
Proceeds from sale of property, plant and equipment	**1.78**	4.75
Bank balances not considered as cash and cash equivalents	**(0.82)**	(0.04)
Interest received	**0.73**	62.02
Dividend received	**-**	167.51
Proceeds from loan and advances granted	**1.89**	(52.41)
Proceeds from loan given to related parties	**-**	1,032.54
Net cash outflows from investing activities	**(465.48)**	(388.43)

Statement of Cash Flow for the year ended 31st March, 2018 *(Contd.)*

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

Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
C) Cash flows from financing activities		
Intercorporate deposits repaid during the year	**-**	(0.50)
Interest paid	**(218.08)**	(204.48)
Proceeds from issue of shares	**34.58**	26.25
Proceeds from share application money pending allotment	**(2.52)**	8.04
Proceeds/ (Repayment) from/ (of) borrowings	**(445.57)**	198.72
Payment of Dividend	**(184.93)**	(149.87)
Net cash outflow from financing activities	**(816.52)**	(121.84)
Net increase / (decrease) in cash and cash equivalents	**(627.47)**	477.40
Cash and cash equivalents at the beginning of the year	**(543.04)**	(1,020.44)
Cash and cash equivalents at the end of the year	**(1,170.51)**	(543.04)

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

Particulars	Notes	31st March, 2018	31st March, 2017	1st April, 2016
Cash and cash equivalents	**9**	**180.32**	205.37	117.62
Bank overdraft	**15**	**(1,350.83)**	(748.41)	(1,138.06)
Balances as per statement of cash flows		**(1,170.51)**	(543.04)	(1,020.44)

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

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

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

Neeraj Sharma
Partner
Membership No.: 108391

Place : Mumbai
Date : 11th May, 2018

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

Harish Mehta
Executive Chairman

Jigar Mehta
Managing Director

Pranay Vakil
Audit Committee Chairman

MVSS Narayanacharyulu
Chief Financial Officer

Monik Damania
Company Secretary

Place : Mumbai
Date : 11th May, 2018

NOTES TO SEPARATE FINANCIAL STATEMENTS

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

I. Significant Accounting Policies:

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

(a) Basis of preparation

(i) Compliance with Ind AS

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

The separate financial statements up to year ended 31st March, 2017were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

These financial statements are the first separate financial statements of the Company under Ind AS. Refer note 37 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

The Board of Directors have authorized these financial statements for issue on 11th May, 2018.

(ii) Historical cost convention

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

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

(iii) Amended standards adopted by the company

The amendment to Ind AS 7 require disclosure of changes in liabilities arising from financing activities, see note 15.

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

(b) Segment Reporting

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

(c) Foreign currency translation

(i) Functional and presentation currency

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

Notes to Separate Financial Statements *(Contd.)*

(ii) Transactions and balances

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

(d) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates, goods and service tax (GST) and amounts collected on behalf of third parties.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities as described below.

(i) Revenue from software products:

Revenue from sale of third party software products is recognized on receipt of acknowledgement from customers.

(ii) Revenue from time and material contracts:

In respect of revenue received from contracts dependent on time and material basis, revenues and costs are recognized when related service are rendered.

(iii) Revenue from fixed price contracts:

In case of fixed price contracts, revenue is recognized over the life of contract based on the milestones achieved as agreed upon in the contract on "percentage-of-completion" method. Percentage of completion is determined based on the efforts or costs incurred to date as a percentage of total estimated efforts or costs required to complete the project. The efforts or cost expended are used to measure progress towards completion as there is a direct relationship between input and productivity. If the Company does not have a sufficient basis to measure the progress of completion or to estimate the total contract revenues and costs, revenue is recognized only to the extent of contract cost incurred for which recoverability is probable. When total cost estimates exceed revenues in an arrangement, the estimated losses are recognized in the statement of profit or loss in the period in which such losses become probable based on the current contract estimates.

(iv) Revenue from training, annual maintenance and fixed price maintenance contracts:

Revenue through training, annual maintenance contracts and fixed price maintenance contracts are recognized ratably over the period in which services are rendered/ training is provided.

(v) Revenue from sale of user licenses:

Revenue from the sale of user licenses for software applications is recognized on transfer of the title in the user license.

Revenue on time and material contracts are recognized as unbilled revenue when the related services are rendered from the end of last billing up to the reporting date.

(vi) Other Income

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

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

Notes to Separate Financial Statements *(Contd.)*

(e) Government Grant

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

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

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

(f) Income tax

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

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

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

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

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

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

(g) Leases

As a lessee

Leases of property, plant and equipment, where the Company, as lessee has substantially all the risks and rewards of ownership are classified as finance leases. Assets acquired under finance leases are recognized at the lower of the fair value of the leased assets at inception of the lease and the present value of minimum lease payments. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to periods during the lease term at a constant periodic rate of interest on the remaining balance of the liability.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease, unless the

payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

(h) Impairment of assets

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

(i) Cash and cash equivalents

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

(j) Trade receivables

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

(k) Borrowing costs

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

(l) Investments and other Financial assets

(i) Classification

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

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

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

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

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

(ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the

Notes to Separate Financial Statements *(Contd.)*

acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss statement.

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

Debt instruments

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

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

Equity instruments

The Company subsequently measures equity investmentat fair value. The Company'sManagement elects to present fair value gains and losses on equity investments in other comprehensive income on an instrument by instrument basis.

(iii) Impairment of financial assets

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

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

(iv) Derecognition of financial assets

A financial asset is derecognised only when

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

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(m) Derivatives

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

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

Notes to Separate Financial Statements *(Contd.)*

(n) Offsetting financial instruments

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

(o) Property, plant and equipment

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

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

Depreciation methods, estimated useful lives and residual value

Depreciation is provided on the straight-line methodover the useful lives of assets as prescribed in Schedule II to the Companies Act, 2013 (Act).

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

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

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

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

Transition to Ind AS

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

(p) Intangible assets

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

Asset	Useful life
Software	2 to 6 years

Transition to Ind AS

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

Notes to Separate Financial Statements *(Contd.)*

(q) Trade and other payables

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

(r) Borrowings

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

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

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

(s) Provisions and contingent liabilities

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

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

(t) Employee Benefits

(i) Short-term obligations

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

Notes to Separate Financial Statements *(Contd.)*

(ii) Other long-term employee benefit obligations

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

(iii) Post-employment obligations

The Company operates the following post-employment schemes:

(a) Definedbenefit plans–gratuity

(b) Defined contribution plans - Provident fund, employee state insurance scheme and social security contributions.

(a) Defined benefit plans - Gratuity

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

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

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

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

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

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

(b) Defined contribution plans – Provident fund, Employee state insurance scheme and social security contributions

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

Notes to Separate Financial Statements *(Contd.)*

(iv) Share-based payments

Share-based compensation benefits are provided to employees via the Onward ESOP Scheme 2009.

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

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

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

(u) Contributed equity

Equity shares are classified as equity.

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

(v) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing

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

(ii) Diluted earnings per share

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

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

(w) Rounding of amounts:

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

2. Critical judgements and estimates

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

Notes to Separate Financial Statements *(Contd.)*

Judgements

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

i. Legal contingencies

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

ii. Segment Reporting

Ind-AS 108 Operating Segments requires management to determine the reportable segments for the purpose of disclosure in financial statements based on the internal reporting reviewed by Chief Operating Decision Maker (CODM) to assess performance and allocate resources. The standard also requires management to make judgments with respect to aggregation of certain operating segments into one or more reportable segment.

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

Critical estimates

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

i. Share-based payments

The Company initially measures the cost of equity-settled transactions with employees using the Black-Scholes model to determine the fair value of the options. Estimating the fair value of the share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating the fair value for share-based payments are disclosed in Note 36.

ii. Fair value measurement of unquoted financial instrument

When the fair values of the financial assets and financial liabilities recorded in the balance sheet cannot be measured based on the quoted prices in active markets, their fair value is measured using the valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Estimates include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair values of financial instruments. Refer note 31 for further disclosures.

Notes to Separate Financial Statements *(Contd.)*

iii. Useful lives of Property, plant and equipment and intangible assets

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

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

iv. Impairment of Trade Receivables

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

v. Defined benefit obligations

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

Notes to Separate Financial Statements *(Contd.)* **(All amounts in Rs. Lakhs, unless otherwise stated)**

3 Property, plant and equipment

Particulars	Leasehold Improvements	Furniture & Fixtures	Vehicles	Office Equipment	Electrical Equipments	Computers	Total
Deemed cost as on 1st April, 2016 [Refer note 37 (I)(a)]	**87.68**	**139.20**	**61.13**	**26.76**	**15.43**	**170.24**	**500.44**
Additions	74.29	51.70	87.09	36.31	3.67	151.32	404.38
Disposals	-	-	(2.12)	-	(2.18)	(0.49)	(4.79)
Gross carrying amount as on 31st March, 2017	**161.97**	**190.90**	**146.10**	**63.07**	**16.92**	**321.07**	**900.03**
Charge for the year	33.65	32.29	18.24	9.69	2.89	110.50	207.26
Disposals	-	-	(0.51)	-	(0.21)	(0.13)	(0.85)
Closing accumulated depreciation as at 31st March, 2017	**33.65**	**32.29**	**17.73**	**9.69**	**2.68**	**110.37**	**206.41**
Net carrying amount as on 31st March, 2017	**128.32**	**158.61**	**128.37**	**53.38**	**14.24**	**210.70**	**693.62**

Particulars	Leasehold Improvements	Furniture & Fixtures	Vehicles	Office Equipment	Electrical Equipments	Computers	Total
Opening gross carrying amount as on 1st April, 2017	**161.97**	**190.90**	**146.10**	**63.07**	**16.92**	**321.07**	**900.03**
Additions	3.41	11.43	20.95	16.51	2.38	75.18	129.86
Disposals	-	(0.71)	-	-	(2.19)	(0.45)	(3.35)
Gross carrying amount as on 31st March, 2018	**165.38**	**201.62**	**167.04**	**79.58**	**17.12**	**395.80**	**1,026.54**
Accumulated depreciation	**33.65**	**32.29**	**17.73**	**9.69**	**2.68**	**110.37**	**206.41**
Charge for the year	58.86	23.84	29.48	17.23	2.92	115.43	247.76
Disposals	-	(0.71)	-	-	(0.56)	(0.44)	(1.71)
Closing accumulated depreciation as at 31st March, 2018	**92.51**	**55.42**	**47.21**	**26.92**	**5.04**	**225.36**	**452.46**
Net carrying amount as on 31st March, 2018	**72.88**	**146.20**	**119.84**	**52.66**	**12.08**	**170.44**	**574.08**

Notes:

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

4 Intangible assets

Particulars	Computer Software	Total	Intangible assets under development
Deemed cost as on 1st April, 2016 [Refer note 37 (I)(a)]	**500.24**	**500.24**	**-**
Additions	418.89	418.89	-
Gross carrying amount as on 31st March, 2017	**919.13**	**919.13**	**-**
Amortisation charge for the year	171.09	171.09	-
Closing accumulated amortisation as at 31st March, 2017	**171.09**	**171.09**	**-**
Net carrying amount as on 31st March, 2017	**748.04**	**748.04**	**-**

Notes to Separate Financial Statements *(Contd.)* **(All amounts in Rs. Lakhs, unless otherwise stated)**

Particulars	Computer Software	Total	Intangible assets under development
Opening gross carrying amount as on 1st April, 2017	**919.13**	**919.13**	**-**
Additions	153.07	153.07	10.50
Disposals	(2.33)	(2.33)	-
Gross carrying amount as on 31st March, 2018	**1,069.87**	**1,069.87**	**10.50**
Accumulated Amortisation			
Balance as at 1st April, 2017	171.09	171.09	-
Amortisation charge for the year	208.18	208.18	-
Disposals	(2.29)	(2.29)	-
Closing accumulated amortisation as at 31st March, 2018	**376.98**	**376.98**	**-**
Net carrying value as on 31st March, 2018	**692.88**	**692.88**	**10.50**

Notes:

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

5 Investment

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Investment in equity instruments of subsidiaries			
Unquoted			
Investment in Onward e-Services Limited			
15,620,000 (31st March, 2017 : 15,620,000, 1st April, 2016 : 15,620,000) equity shares of Rs. 10 per share	**1,562.00**	1,562.00	1,562.00
Equity Contribution in the nature of employee stock option issued to the employees of subsidiary	**11.16**	11.16	4.51
	1,573.16	1,573.16	1,566.51
Investment in Onward Technologies, Inc.			
114,000 (31st March, 2017 : 114,000, 1st April, 2016 : 114,000) equity shares of US$ 20 per share	**951.70**	951.70	951.70
Equity Contribution in the nature of employee stock option issued to the employees of subsidiary	**96.83**	96.83	31.30
	1,048.53	1,048.53	983.00
Investment in Onward Technologies, GmbH			
Investment in Onward Technologies, GmbH	**215.99**	215.99	215.99
Equity Contribution in the nature of employee stock option issued to the employees of subsidiary	**3.69**	3.69	1.49
	219.68	219.68	217.48
Investment in Onward Properties Private Limited			
5,000 (31st March, 2017 : 5,000, 1st April, 2016 : 5,000) equity shares of Rs. 100 per share	**106.93**	106.93	106.93
	106.93	106.93	106.93
Total (equity instruments)	**2,948.30**	**2,948.30**	**2,873.92**

Notes to Separate Financial Statements *(Contd.)* **(All amounts in Rs. Lakhs, unless otherwise stated)**

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Investment in Preference Shares			
Unquoted			
Investment in Onward e-Services Limited			
900,000 (31st March, 2017 : 900,000 , 1st April, 2016 : NIL) optionally convertible redeemable preference shares of Rs. 100 per share	**993.87**	955.80	-
Total (preference shares)	**993.87**	955.80	-
Total non-current investments	**3,942.17**	3,904.10	2,873.92
Aggregate amount of quoted investments	**-**	-	-
Aggregate amount of unquoted investments	**3,942.17**	3,904.10	2,873.92
Aggregate amount of impairment in the value of investments	**-**	-	-

6 (a) Loans

Non-current	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Unsecured, considered good			
Loan to related parties (Refer Note 29)	**-**	-	1,032.54
Security deposits	**129.73**	144.19	88.26
Total	**129.73**	144.19	1,120.80

Current	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Unsecured, considered good			
Security deposits	**13.20**	0.45	4.08
Total	**13.20**	0.45	4.08

6 (b) Others financial assets - non-current

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Earmarked balances with banks	**4.51**	-	-
Total	**4.51**	-	-

7 Other non-current assets

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Prepaid expenses	**5.15**	2.69	19.17
Total	**5.15**	2.69	19.17

Notes to Separate Financial Statements *(Contd.)* **(All amounts in Rs. Lakhs, unless otherwise stated)**

8 Trade receivable

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Trade Receivables	**1,727.35**	1,365.55	930.70
Receivables from related parties (Refer Note 29)	**235.62**	361.36	349.51
Less: Allowance for doubtful debts	**(60.32)**	(60.32)	-
Total	**1,902.65**	1,666.59	1,280.21

Break-up of security details

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Unsecured, considered good	**1,902.65**	1,666.59	1,280.21
Doubtful	**60.32**	60.32	-
Less: Allowance for doubtful debts	**(60.32)**	(60.32)	-
Total	**1,902.65**	1,666.59	1,280.21

9 Cash and cash equivalents

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Cash in hand	**0.38**	0.43	2.46
Balances with banks			
In current accounts	**179.89**	204.92	115.07
Interest income accrued on bank guarantee margins	**0.05**	0.02	0.09
Total	**180.32**	205.37	117.62

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:

	SBNs	Other denominations	Total
Closing cash in hand as on November 8, 2016	**0.37**	2.44	2.81
(+) Permitted receipts *	**0.05**	2.03	2.08
(-) Permitted payments	**-**	3.12	3.12
(-) Amount deposited in Banks	**0.42**	-	0.42
Closing cash in hand as on December 30, 2016	**-**	1.35	1.35

The above disclosure is not applicable for the year ended 31st March, 2018

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

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
In earmarked accounts			
Balances held as security against bank guarantees	**10.29**	9.47	9.51
Total	**10.29**	9.47	9.51

Notes to Separate Financial Statements *(Contd.)* **(All amounts in Rs. Lakhs, unless otherwise stated)**

10 Others financial assets - current

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Derivative financial instrument not designated as hedges			
- Foreign exchange forward contracts	**15.87**	63.86	19.83
Receivable from related party for employee stock options provided (Refer note 29)	**45.21**	-	-
Receivable from related party for Corporate Guarantee provided (Refer note 29)	**57.74**	28.21	-
Total	**118.82**	92.07	19.83

11 Other current assets

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Prepaid expenses	**225.69**	99.89	129.70
Interest receivable on income-tax refund	**63.27**	82.87	40.64
Advance to Subsidiary (Refer note 29)	**1.36**	-	-
Others	**22.61**	40.36	3.90
Total	**312.93**	223.12	174.24

Others include advances paid to suppliers and employees.

12 (a) Deferred tax assets (net)

The balance of deferred tax comprises temporary differences attributable to:

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Tax Credits available			
MAT Entitlement	**-**	10.55	10.55
	-	10.55	10.55
Deferred tax assets			
Defined Benefit Obligation	**50.58**	44.92	37.61
Allowance for Doubtful debts	**19.94**	19.94	-
Disallowance u/s 43B	**30.74**	23.16	25.48
Others	**12.22**	12.22	12.01
	113.48	100.24	75.10
Deferred tax liability			
Property, plant and equipment and intangible assets	**102.48**	95.08	55.29
Corporate Guarantee Commission	**-**	9.23	-
Interest on income tax refund	**8.50**	-	-
Fair value gain on Preference Shares	**31.04**	18.45	-
	142.02	122.76	55.29
Total deferred tax assets/ (liabilities) (net)	**(28.54)**	(11.98)	30.36

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

Notes to Separate Financial Statements *(Contd.)* **(All amounts in Rs. Lakhs, unless otherwise stated)**

Particulars	Year Ended	
	31st March, 2018	31st March, 2017
Defined Benefit Obligation	**1.87**	(1.24)
Allowance for Doubtful debts	**-**	19.94
Disallowance u/s 43B	**7.58**	(2.32)
Property, plant and equipment and intangible assets	**(7.40)**	(39.79)
Fair value gain on Preference Shares	**(12.59)**	(18.45)
Corporate Guarantee Commission	**9.23**	(9.23)
Interest on income-tax refund	**(8.50)**	-
Write-off of MAT entitlement	**(10.55)**	
Others	**-**	0.21
Total	**(20.36)**	(50.88)

12 (b) Taxation

Income tax liabilities / (Income tax assets)

Particulars	**As at 31st March, 2018**	As at 31st March, 2017	As at 1st April, 2016
Opening Balance			
- Income tax assets	**782.84**	1,367.88	1,547.26
Less : Current tax payable for the year	**(94.47)**	(186.97)	(346.41)
Add/ (Less) : Refund Received/ (Taxes paid)	**313.16**	(398.07)	167.04
Closing balance			
- Income tax assets	**1,001.53**	782.84	1,367.88

The major components of income tax expense for the year ended 31st March, 2018 and 31st March, 2017

Income Tax Expenses

Profit and Loss section	**Year ended 31st March, 2018**	Year ended 31st March, 2017
Current income tax charge		
Current income tax		
-Current tax on profit for the current year	103.61	134.19
-Adjustments for current tax of prior periods	(9.14)	52.78
Deferred tax	20.36	50.88
Income tax expense reported in the statement of profit or loss	**114.83**	237.85

Other comprehensive income section	**Year ended 31st March, 2018**	Year ended 31st March, 2017
Deferred tax related to items recognised in OCI during the year	3.79	8.55
Income tax charged to OCI	**3.79**	8.55

Notes to Separate Financial Statements *(Contd.)* **(All amounts in Rs. Lakhs, unless otherwise stated)**

Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate for 31st March, 2018 and 31st March, 2017

Profit and Loss section	Year ended 31st March, 2018	Year ended 31st March, 2017
Accounting profit/ (loss) before tax	334.98	535.10
At Statutory income tax rate of 33.06% (31st March, 2017: 33.06%)	110.74	176.90
Adjustments in respect of current income tax of previous years	(9.14)	52.78
Tax Effects of amounts which are not deductible (taxable) in calculating taxable income	9.43	5.96
Others	3.80	2.21
Total	**114.83**	237.85
Income tax expense reported in the statement of profit or loss	**114.83**	237.85

13 (a) Equity share capital

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Authorised share capital:			
18,000,000 (31st March, 2017 : 18,000,000 ; 1st April, 2016 : 18,000,000) Equity shares of Rs. 10 each	**1,800**	1,800	1,800
1,000,000 (31st March, 2017 : 1,000,000 ; 1st April, 2016 : 1,000,000) Preference shares of Rs. 10 each	**100**	100	100
1,000,000 (31st March, 2017 : 1,000,000 ; 1st April, 2016 : 1,000,000) unclassified shares of Rs. 10 each	**100**	100	100
Total	**2,000.00**	2,000.00	2,000.00
Issued, subscribed and paid up:			
15,542,070 (31st March, 2017 : 15,196,270 ; 1st April, 2016 : 14,933,770) Equity Shares of Rs. 10 each	**1,554.21**	1,519.63	1,493.38
Total	**1,554.21**	1,519.63	1,493.38

(i) Reconciliation of number of equity shares issued

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Issued, subscribed and paid up			
Shares outstanding at the beginning of the year (Nos.)	**15,196,270**	14,933,770	14,574,870
Shares issued during the year(Nos.) (Refer Note 36)	**345,800**	262,500	358,900
Shares outstanding at the end of the year	**15,542,070**	15,196,270	14,933,770

Notes to Separate Financial Statements *(Contd.)* **(All amounts in Rs. Lakhs, unless otherwise stated)**

(ii) Reconciliation of issued equity share capital

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Issued, subscribed and paid up			
Shares outstanding at the beginning of the year	**1,519.63**	1,493.38	1,457.49
Shares issued during the year	**34.58**	26.25	35.89
Shares outstanding at the end of the year	**1,554.21**	1,519.63	1,493.38

(iii) Terms/ rights attached to equity shares

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

904,000 (31st March, 2017 : 1,248,650, 1st April, 2016 : 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. Refer note 36 for further details of the ESOP scheme.

(iv) Share Application Money

The Company had received share application money in March 2018 towards allotment of 107,500 (31st March, 2017 : 132,700, 1st April, 2016 : 52,250) shares at Rs. 10 per share under ESOP 2009 scheme amounting to Rs. 1,075,000 (31st March, 2017 : 1,327,000, 1st April, 2016 : Rs. 522,500). The shares were subsequently allotted on April 4, 2018.

(v) Shares held by ultimate holding Company

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Onward Network Technologies Private Limited (Ultimate holding company upto 17th April, 2017)	**7,283,312**	8,633,312	8,461,925

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

Name of the shareholder	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	% holding	No. of shares	% holding	No. of shares	% holding	No. of shares
Onward Network Technologies Private Limited	**46.86%**	**7,283,312**	56.81%	8,633,312	56.66%	8,461,925

Notes to Separate Financial Statements *(Contd.)* **(All amounts in Rs. Lakhs, unless otherwise stated)**

13 (b) Other Equity

Particulars	As at 31st March, 2018	As at 31st March, 2017
Reserves and Surplus		
Securities premium account		
Opening Balance	**1,182.66**	1,084.70
Add : Additions on account of exercise of options under Employee Stock Option Plan	**196.58**	97.96
Closing Balance	**1,379.24**	1,182.66
Share option outstanding account		
Opening Balance	**303.98**	147.32
Less : Employee stock options exercised	**(196.58)**	(97.96)
Add : Employee stock option expenses	**212.61**	254.62
Closing Balance	**320.01**	303.98
Share Application Money pending allotment		
Opening Balance	**13.27**	5.23
Less : Shares alloted against the share application money received	**(13.27)**	(5.23)
Add : Shares application money received for allotment of shares	**10.75**	13.27
Closing Balance	**10.75**	13.27
Retained earnings		
Opening balance	**1,894.12**	1,763.77
Net profit for the year	**220.15**	297.25
	2,114.27	2,061.02
Less: Dividend paid	**(153.65)**	(149.87)
Less: Dividend distribution tax on above	**(31.28)**	-
Items of other comprehensive income recognised directly in retained earnings		
Re-measurements of post-employment benefit obligations (net of tax)	**(7.66)**	(17.03)
Closing Balance	**1,921.68**	1,894.12
Total	**3,631.68**	3,394.03

Nature and purpose of reserves

Securities premium account

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

Share option outstanding account

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

Notes to Separate Financial Statements *(Contd.)* **(All amounts in Rs. Lakhs, unless otherwise stated)**

14 Non-Current borrowings

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Secured			
Term Loans from banks			
Rupee Loan	**394.29**	734.75	304.81
Foreign currency loan (USD)	**-**	105.11	336.33
Total Non-Current Borrowings	**394.29**	839.86	641.14
Less : Current maturities of non-current borrowings (included in Note 17)	**264.60**	463.43	388.88
Total	**129.69**	376.43	252.26

(i) Terms of repayment for non-current borrowings

Particulars	Maturity Date	Terms of repayment	Coupon/ Interest rate
Secured			
Term Loan from Bank			
Rupee Loans	**Various from 2018-2022**	Monthly Instalments	6m MCLR +2.60%
Foreign currency term loans (USD)	**December 25, 2017**	Monthly Instalments	7.77%

15 Current borrowings

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Secured			
Cash credit	**1,350.83**	748.41	1,138.06
Unsecured			
Inter corporate deposits from related parties (Refer Note 29)	**100.34**	100.34	100.84
Total	**1,451.17**	848.76	1,238.90

(i) Terms of repayment for current borrowings

Particulars	Terms of repayment	Coupon/ Interest rate
Loans repayable on demand		
Secured		
From Banks		
Cash Credit	Payable on Demand	6m MCLR +2.60%
Unsecured		
From Related Parties		
Intercorporate Deposits from Related Parties	Payable on Demand	Nil

Notes to Separate Financial Statements *(Contd.)* **(All amounts in Rs. Lakhs, unless otherwise stated)**

Security details for current and non-current borrowings

All the term loans including foreign currency term loans and cash credit facility are secured by exclusive charge on all existing and future current assets and movable property, plant and equipment 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).

Net debt reconciliation

An analysis of net debt and the movements in net debt for 31st March, 2018

Particulars	31st March, 2018	31st March, 2017
Cash and cash equivalents	**180.32**	205.37
Current and Non-current borrowings	**1,845.46**	1,688.62
Net Debt	**(1,665.14)**	(1,483.24)

Particulars	Other assets	Liabilities from financing activities
	Cash and Cash Equivalents	Borrowings
Net debt as on 31st March, 2017	**205.37**	(1,688.61)
Cash flows	**(25.05)**	(374.93)
Interest paid	**-**	218.08
Net debt as on 31st March, 2018	**180.32**	(1,845.46)

16 Trade payables

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Total outstanding dues of micro enterprises and small enterprises			
Total outstanding dues of creditors other than micro enterprises and small enterprises			
(i) Related Parties (Refer Note 29)	**291.49**	634.74	825.28
(ii) Others	**355.97**	186.06	254.00
Total	**647.46**	820.80	1,079.28

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

Based on the information and records available with the Company, the Company has no payables outstanding to any micro, medium or small enterprises registered under "The Micro, Small and Medium Enterprises Development Act, 2006".

Notes to Separate Financial Statements *(Contd.)* **(All amounts in Rs. Lakhs, unless otherwise stated)**

17 Other financial liabilities - current

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Capital creditors	**20.67**	196.31	75.84
Security deposits	**-**	0.50	0.50
Current maturities of non-current borrowings	**264.60**	463.43	388.89
Unpaid Dividend	**4.51**	-	-
Total	**289.78**	660.24	465.23

18 (a) Non-current employee benefit obligations

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Provision for employee benefits			
- Provision for compensated absences	**76.01**	57.51	61.92
Total	**76.01**	57.51	61.92

18 (b) Current employee benefit obligations

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Provision for employee benefits			
- Provision for Gratuity	**152.95**	135.85	113.75
- Provision for compensated absences	**16.95**	12.51	15.13
Total	**169.90**	148.36	128.88

A Defined contribution plan

(i) Provident fund

The Company has certain defined contribution plans. Contributions are made to provident fund for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is Rs. 238.91 Lakhs (31st March 2017 - Rs. 207.56 Lakhs).

B Gratuity

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

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

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

Notes to Separate Financial Statements *(Contd.)* **(All amounts in Rs. Lakhs, unless otherwise stated)**

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

Particulars	Present value of obligation	Fair value of plan assets	Net amount
1st April, 2016	**117.13**	(3.38)	113.75
Current service cost	**25.90**	-	25.90
Mortality Charges and Taxes	**-**	2.58	2.58
Interest expense/(income)	**7.89**	(0.37)	7.52
Total amount recognised in Profit or Loss	**33.79**	2.21	36.00
Return on plan assets	**-**	(0.05)	(0.05)
(Gain)/loss from experience change	**19.28**	-	19.28
(Gain)/loss from change in financial assumption	**6.35**	-	6.35
Total amount recognised in Other Comprehensive Income	**25.63**	(0.05)	25.58
Employer contributions	**-**	(39.49)	(39.49)
Benefits paid	**(36.93)**	36.93	-
31st March, 2017	**139.63**	(3.78)	135.85

Particulars	Present value of obligation	Fair value of plan assets	Net amount
1st April, 2017	**139.63**	(3.78)	135.85
Current service cost	**35.38**	-	35.38
Past service cost	**3.30**	-	3.30
Mortality Charges and Taxes	**-**	3.20	3.20
Interest expense/(income)	**9.50**	(0.88)	8.62
Total amount recognised in Profit or Loss	**48.17**	2.32	50.49
Return on plan assets	**-**	0.04	0.04
(Gain)/loss from experience change	**16.64**	-	16.64
(Gain)/loss from change in financial assumption	**(5.23)**	-	(5.23)
Total amount recognised in Other Comprehensive Income	**11.41**	0.04	11.45
Employer contributions	**-**	(44.84)	(44.84)
Benefits paid	**(29.32)**	29.32	-
31st March, 2018	**169.89**	(16.94)	152.95

Fair value of the planned assets represents the balance as contributed by the Company to the fund.

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

	31st March, 2018	31st March, 2017	1st April, 2016
Present value of funded obligation	**169.89**	139.63	117.13
Fair value of plan assets	**(16.94)**	(3.78)	(3.38)
Deficit	**152.95**	135.85	113.75

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

Notes to Separate Financial Statements *(Contd.)* **(All amounts in Rs. Lakhs, unless otherwise stated)**

III Significant estimates

The significant actuarial assumptions were as follows :

	31st March, 2018	31st March, 2017	1st April, 2016
Discount rate	**7.90%**	7.60%	8.00%
Salary growth rate	**3.00%**	3.00%	3.00%
Expected return on plan assets	**7.60%**	8.00%	7.90%
Withdrawal rate	**2.00%**	2.00%	2.00%
Expected average remaining working lives of employees (in years)	**19.61**	19.71	19.77

IV Sensitivity of actuarial assumptions

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

Assumption	**Impact on defined benefit obligation**	
	31st March, 2018	31st March, 2017
Discount rate		
1 % increase	**(15.63)**	(15.24)
1 % decrease	**18.53**	17.79
Salary growth rate		
1 % increase	**16.84**	16.53
1 % decrease	**(14.44)**	(14.42)
Withdrawal rate		
1 % increase	**10.03**	8.87
1 % decrease	**(11.33)**	(10.42)

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

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

	31st March, 2018	31st March, 2017
Less than a year	**23.22**	4.10
Between 2 to 5 years	**53.68**	47.69
Between 6 to 10 years	**147.70**	135.90
Total	**224.60**	187.69

The weighted duration of the defined benefit obligation is 17.88 years. (31st March, 2017 : 18.29 years)

V The major categories of plan assets are as follows:

	31st March, 2018	31st March, 2017	1st April, 2016
Funds managed by insurer	**100%**	100%	100%

VI Risk Exposure

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

Asset volatility

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

Changes in bond yields

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

Future salary escalation and inflation risk

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

Asset-Liability mismatch risk

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

C Leave Encashment

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

	31st March, 2018	31st March, 2017	1st April, 2016
Current leave obligations expected to be settled within the next 12 months	**16.95**	12.51	15.13

19 Other current liabilities

Particulars	**As at 31st March, 2018**	As at 31st March, 2017	As at 1st April, 2016
Statutory dues payable	**375.73**	211.09	209.86
Advance from related party (Refer note 29)	**163.92**	-	16.92
Advances from customers	**55.23**	14.01	17.25
Employee benefit payables	**572.03**	512.67	416.66
Deferred Revenue	**10.87**	-	-
Total	**1,177.78**	737.77	660.69

Notes to Separate Financial Statements *(Contd.)* **(All amounts in Rs. Lakhs, unless otherwise stated)**

20 Revenue from operations

	Year ended 31st March, 2018	Year ended 31st March, 2017
Sale of services		
- Professional and consultancy services	**10,124.04**	8,878.67
Sale of products		
- Software products	**534.03**	423.09
Revenue from Operations	**10,658.07**	9,301.76

21 Other income

	Year ended 31st March, 2018	Year ended 31st March, 2017
Interest income from financial assets carried at amortised cost		
Interest on bank deposits and loan to related parties	**0.73**	62.02
Interest income on security deposits	**7.05**	5.19
Interest on income tax refunds	**69.85**	155.60
Dividend income	**-**	167.51
Profit on disposal of property, plant and equipment	**0.10**	0.81
Net gains/ losses on foreign currency transactions and translations	**75.70**	15.18
Government grant (Refer Note 1(e))	**194.20**	-
Commission income on corporate guarantee	**29.53**	28.21
Net gain on investment in Preference Shares measured at FVTPL	**38.07**	55.80
Management fees from related parties (Refer note 29)	**214.35**	139.74
Miscellaneous income	**22.38**	25.23
Total	**651.96**	655.29

22 Cost of software products

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Cost of software products	**329.93**	220.22
Total	**329.93**	220.22

23 Employee benefits expense

	Year ended 31st March, 2018	Year ended 31st March, 2017
Salaries, wages and bonus	**7,094.24**	5,856.51
Contributions to provident and other funds, if any	**246.80**	210.30
Social security and other benefit plans for overseas employees	**87.83**	74.72
Employee share based payment expense (Refer note 36)	**167.40**	180.24
Staff welfare expenses	**37.21**	24.11
Total	**7,633.48**	6,345.88

Notes to Separate Financial Statements *(Contd.)* **(All amounts in Rs. Lakhs, unless otherwise stated)**

24 Finance costs

	Year ended 31st March, 2018	Year ended 31st March, 2017
Interest and finance charges on financial liabilities not at fair values through profit or loss		
Interest on borrowings	**206.69**	192.30
Other borrowing cost	**11.39**	9.98
Exchange differences regarded as an adjustment to borrowing costs	**-**	2.20
Total	**218.08**	204.48

25 Depreciation and amortization expense

	Year ended 31st March, 2018	Year ended 31st March, 2017
Depreciation on property, plant and equipment	**247.76**	207.26
Amortisation of intangible assets	**208.18**	171.09
Total	**455.94**	378.35

26 Other expenses

	Year ended 31st March, 2018	Year ended 31st March, 2017
Water power and fuel	**122.67**	113.49
Rent (Refer note 28)	**290.14**	213.46
Leasing and hiring charges	**309.85**	294.40
Director sitting fees (Refer note 29)	**21.40**	22.30
Allowance for doubtful debts (Refer Note 8)	**-**	60.32
Bad debts written off	**9.20**	148.13
Communication	**50.30**	48.42
Rates and taxes	**70.18**	43.06
Insurance	**32.16**	16.64
Repairs and maintenance		
- Buildings	**65.67**	48.83
- Others	**25.50**	32.80
Travelling and conveyance	**586.73**	532.39
Legal and professional charges	**344.85**	248.10
Advertisement and sales promotion	**29.44**	31.18
Payment to auditors (Refer note 26(a))	**23.45**	7.52
Office Expenses	**43.00**	30.68
Marketing Expenses	**248.94**	331.93
Miscellaneous Expenses	**64.14**	49.37
Total	**2,337.62**	2,273.02

Notes to Separate Financial Statements *(Contd.)* **(All amounts in Rs. Lakhs, unless otherwise stated)**

26 (a) Payment to auditors

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
As auditor		
Statutory Audit	**11.00**	3.00
Limited reviews	**6.00**	1.00
Tax audit fee	**0.50**	1.75
In other capacities		
Fees for other services	**5.50**	1.50
Reimbursement of out of pocket expenses	**0.45**	0.27
Total	**23.45**	7.52

27 Earnings per share (EPS)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
(a) Basic earnings per share		
Net Profit attributable to equity shareholders of the company	**220.15**	297.25
Weighted average number of Equity Shares	**15,424,879**	15,079,464
Basic Earnings per share	**1.43**	1.97
(b) Diluted earnings per share		
Net Profit attributable to equity shareholders of the company	**220.15**	297.25
Weighted average number of Equity Shares (including potential shares) - Refer note (c) below	**16,514,765**	16,215,608
Diluted Earnings per share	**1.33**	1.83

(c) Weighted Average number of shares used as denominator

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Weighted average number of equity shares used as a denominator in calculating basic earnings per share	**15,424,879**	15,079,464
Adjustments for calculating diluted earnings per share : Options	**1,089,886**	1,136,144
Weighted average number of equity shares and potential shares used as a denominator in calculating diluted earnings per share	**16,514,765**	16,215,608

28 Contingencies and commitments

a) Contingent liabilities

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Claims against the Company not acknowledged as debts			
Income-tax matters	**326.73**	326.73	484.83
Total	**326.73**	326.73	484.83

b) Capital commitments

i) Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for is Rs. Nil (31st March, 2017 : Rs 196.31 Lakhs, 1st April, 2016 : Rs. 75.82 Lakhs)

c) Lease commitments

Operating lease: Company as lessee

The Company has taken certain office premises on lease for a term generally ranging from a period of 1 year to 5 years.

Future minimum lease rental payables under non-cancellable operating leases are as follows:

	31st March, 2018	31st March, 2017	1st April, 2016
Lease payments recognised during the year	**290.14**	213.46	192.71
Within one year	**230.69**	269.23	159.08
Later than one year but not later than five years	**227.26**	457.95	680.66
More than five years	**-**	-	46.52

d) Corporate Guarantee issued to Subsidiaries

The Company has provided Corporate Guarantee for the loans availed by its subsidiaries viz, Onward e-Services Limited and Onward Technologies, Inc. amounting to Rs. 507.54 Lakhs (31st March, 2017 : Rs. 939.16 lakhs and 1st April, 2016 : Rs. 565.07 lakhs).

29 Related party transactions

a. Holding Company

Sr. No.	**Name of the entity**	**Place of business/ Country of**	**Ownership Interest**			**Relationship**
			31st March, 2018	**31st March, 2017**	**1st April 2016**	
1	Onward Network Technologies Private Limited	India	**46.86%**	56.81%	56.66%	Ultimate Holding Company

b. Subsidiaries

Sr. No.	**Name of the entity**	**Place of business/ Country of Incorporation**	**Ownership Interest**		
			31st March, 2018	**31st March, 2017**	**1st April 2016**
1	Onward Technologies Inc., USA	**USA**	**100.00%**	100.00%	100.00%
2	Onward Technologies GmbH, Germany	**Germany**	**100.00%**	100.00%	100.00%
3	Onward e-Services Limited, India	**India**	**100.00%**	100.00%	100.00%
4	Onward Properties Private Limited, India	**India**	**100.00%**	100.00%	100.00%

c. Fellow Subsidiaries:

1 Desai Finwealth Investments & Securities Private Limited

2 Onward Software Technolgies Private Limited

Notes to Separate Financial Statements *(Contd.)* **(All amounts in Rs. Lakhs, unless otherwise stated)**

d. Key Management Personnel:

1 Mr. Harish Mehta (Executive Chairman)
2 Mr. Jigar Mehta (Managing Director)
3 Mrs. Prachi Mehta (Director)
4 Mr. Pradip Dubhashi (Director) (Upto April 5, 2017)
5 Mr. Arun Meghani (Director) (Upto April 27, 2017)
6 Mr. Pranay Vakil (Independent Director)
7 Mr. Nandkumar Pradhan (Independent Director)
8 Mr. Monik Damania (Company Secretary)
9 Mr. Parish Meghani (Independent Director)
10 Mr. Rahul Rathi (Independent Director)

29 Transactions with related parties:

I

Nature of transaction	Holding Company		Subsidiaries		Fellow Subsidiaries		Key management personnel	
	31st March, 2018	31st March, 2017	31st March, 2018	31st March, 2017	31st March, 2018	31st March, 2017	31st March, 2018	31st March, 2017
Rent paid	**77.52**	65.79	**-**	-	**-**	-	**-**	-
Reimbursement of expenses received	**-**	0.03	**14.04**	26.61	**-**	0.05	**-**	-
Reimbursement of expenses paid	**8.48**	6.38	**110.84**	111.52	**-**	-	**-**	-
Deposits paid	**-**	11.70	**-**	-	**-**	-	**-**	-
Offshore services income	**-**	-	**3,036.68**	3,064.50	**-**	-	**-**	-
Income from management fees	**-**	-	**214.35**	139.74	**-**	-	**-**	-
Corporate Guarantee Commission income	**-**	-	**29.53**	28.21	**-**	-	**-**	-
Dividend on shares	**-**	-	**-**	167.51	**-**	-	**-**	-
Marketing fees	**-**	-	**248.94**	331.93	**-**	-	**-**	-
Investment in Preference Shares	**-**	-	**-**	900.00	**-**	-	**-**	-
ESOP expenses for employees of subsidiary	**-**	-	**45.21**	74.38	**-**	-	**-**	-
Unsecured loans taken	**-**	-	**175.00**	-	**-**	-	**-**	-
Interest income on loans granted	**-**	-	**-**	60.98	**-**	-	**-**	-
Interest charged on loans taken	**-**	-	**9.22**	-	**-**	-	**-**	-
Repayment of unsecured loans	**-**	-	**175.00**	1,032.54	**-**	-	**-**	-
Repayment of Inter corporate deposits	**-**	-	**-**	0.50	**-**	-	**-**	-
Employee benefits (refer note below)	**-**	-	**-**	-	**-**	-	**250.52**	166.97
Director sitting fees	**-**	-	**-**	-	**-**	-	**21.40**	22.30

Note : Key Managerial Personnel who are under the employment of the Company are entitled to post employment benefits and other long term employee benefits recognised asper Ind AS 19 - 'Employee Benefits' in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

Notes to Separate Financial Statements *(Contd.)* **(All amounts in Rs. Lakhs, unless otherwise stated)**

II Outstanding Balances from sale/purchase of goods and services

Nature of transaction	Holding Company			Subsidiaries			Fellow Subsidiaries			Key management personnel		
	31st March, 2018	31st March, 2017	1st April, 2016	31st March, 2018	31st March, 2017	1st April, 2016	31st March, 2018	31st March, 2017	1st April, 2016	31st March, 2018	31st March, 2017	1st April, 2016
Trade Receivables	-	-	-	**235.62**	361.36	349.51	-	-	-	-	-	-
Trade Payables	-	-	-	**291.49**	634.74	825.28	-	-	-	-	-	-
Corporate Guarantee commission receivable	-	-	-	**57.74**	28.21	-	-	-	-	-	-	-
Unsecured Loans availed	-	-	-	**100.34**	100.34	100.34	-	-	-	-	-	-
Advance from customers	-	-	-	**163.92**	-	16.92	-	-	-	-	-	-
Advance to Supplier	-	-	-	**1.36**	-	-	-	-	-	-	-	-
Unsecured Loans granted	-	-	-	-	-	1,032.54	-	-	-	-	-	-
Receivable for employee stock options provided	-	-	-	**45.21**	-	-	-	-	-	-	-	-
Salary and Allowance payable	-	-	-	-	-	-	-	-	-	**12.74**	9.35	6.63

III Terms and conditions for outstanding balances

All outstanding balances are unsecured and payable in cash.

30 Segment reporting

As per Ind AS 108 Operating Sements, when a financial report contains both consolidated financial statements and separate financial statements for the parent, segment information needs to be presented only in case of consolidated financial statements. Accordingly, segment information has been provided only in the consolidated financial statements.

Notes to Separate Financial Statements *(Contd.)* **(All amounts in Rs. Lakhs, unless otherwise stated)**

31 Fair value measurements

Financial instruments by category

Nature of transaction	31st March, 2018		31st March, 2017		1st April, 2016	
	FVPL	Amortised cost	FVPL	Amortised cost	FVPL	Amortised cost
Financial assets						
Loans	-	142.93	-	144.64	-	1,124.88
Trade receivables	-	1,902.65	-	1,666.59	-	1,280.21
Cash and cash equivalents	-	180.32	-	205.37	-	117.62
Other bank balances	-	10.29	-	9.47	-	9.51
Derivative financial instrument not designated as hedges						
Foreign exchange forward contracts	**15.87**	-	**63.86**	-	**19.83**	-
Unbilled revenue	-	257.46	-	102.95	-	363.26
Unclaimed Dividend	-	4.51	-	-	-	-
Other financial assets	-	102.95	-	28.21	-	-
Investments in preference shares (Refer note)	**993.87**	-	**955.80**	-	-	-
Total financial assets	**1,009.74**	2,601.11	**1,019.66**	2,157.23	**19.83**	2,895.48
Financial liabilities						
Borrowings	-	1,845.46	-	1,688.61	-	1,880.04
Trade payables	-	647.46	-	820.80	-	1,079.28
Payable for purchase of property, plant and equipment	-	20.67	-	196.31	-	75.84
Unpaid Dividend	-	4.51	-	-	-	-
Security deposits	-	-	-	0.50	-	0.50
Total financial liabilities	-	**2,518.10**	-	**2,706.22**	-	**3,035.66**

Note : Excludes investments in subsidiaries accounted as per cost model as prescribed under paragraph 10 of Ind AS 27 'Separate Financial Statements'.

i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements	Level 1	Level 2	Level 3	Total
At 31st March, 2018				
Financial assets				
Derivative financial instrument not designated as hedges				
Foreign exchange forward contracts	-	15.87	-	15.87
Investments in preference shares	-	-	993.87	993.87

Notes to Separate Financial Statements *(Contd.)* **(All amounts in Rs. Lakhs, unless otherwise stated)**

Financial assets and liabilities measured at fair value - recurring fair value measurements	Level 1	Level 2	Level 3	Total
At 31st March, 2017				
Financial assets				
Derivative financial instrument not designated as hedges				
Foreign exchange forward contracts	-	63.86	-	63.86
Investments in preference shares	-	-	955.80	955.80

Financial assets and liabilities measured at fair value - recurring fair value measurements	Level 1	Level 2	Level 3	Total
At 1st April, 2016				
Financial assets				
Derivative financial instrument not designated as hedges				
Foreign exchange forward contracts	-	19.83	-	19.83

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. However the Company does not have any financial instruments that are measured using Level 1 inputs.

Level 2: The fair value of derivatives is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.
This is the case for unlisted preference shares included in Level 3.

ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date

All of the resulting fair value estimates are included in Level 2 except for unlisted preference shares where the fair values have been determined based on present values and the discount rates used were adjusted for counter party or own credit risk.

iii) Fair value measurement using significant unobservable inputs (Level 3)

The following table presents the changes in level 3 items for the periods ended 31st March, 2018 and 31st March, 2017 :

Particulars	Amount
Unlisted Preference Shares	
As at 1st April, 2016	-
Acquisitions	900.00
Gain/(losses) recognized in Statement of Profit or loss	55.80
As at 31st March, 2017	**955.80**
Acquisitions	-
Gain/(losses) recognized in Statement of Profit or loss	38.07
As at 31st March, 2018	**993.87**

Notes to Separate Financial Statements *(Contd.)* **(All amounts in Rs. Lakhs, unless otherwise stated)**

iv) Valuation Inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

	Impact on profit or loss	
	31st March, 2018	31st March, 2017
Unquoted Preference Shares		
Significant Unobservable Input - volatility - 58% (31st March, 2017 : 62%)		
Increase by 5%	**106.13**	20.20
Decrease by 5%	**78.13**	(6.80)
Significant Unobservable Input - WACC - 15.50% (31st March, 2017 : Nil)		
Increase by 1%	**58.13**	-
Decrease by 1%	**135.13**	-

v) Valuation process

Specific valuation techniques used to value financial instruments include the fair value of foreign exchange forward contracts using forward exchange rates at the balance sheet date.

The main level 3 inputs for unlisted preference shares used by the Company are derived and evaluated as under :

- Risk free rate of return is calculated based on the yield on 10 year Government Securities yield as at the valuation date.
- Share price volatility is determined on the basis of historical prices of shares of the peer companies as adjusted for any expected changes to the future volatility due to publicly available information.

vi) Fair value of financial assets and liabilities measured at amortised cost

The fair value of all financial instruments carried at amortised cost are not materially different from their carrying amounts, since they are either short-term in nature or the interest rate applicable are equal to the current market rate of interest.

32 Financial risk management

The Company's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

(A) Credit risk

(i) Credit risk management

The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from deposits with banks and other financial instruments. For banks and other financial institutions, only high rated banks/ financial institutions are accepted. The balances with banks, security deposits are subject to low credit risk and the risk of default is negligible or nil. Hence, no provision has been created for expected credit loss for credit risk arising from these financial assets. The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in the credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information, for eg, external credit rating (to the extent available), actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to borrower's ability to meet its obligaitons.

Trade Receivables

The credit risk from customer receivables is recorded and monitored on an ongoing basis. Responsibilities and duties relating to credit risks are governed by an internal directive. This mainly concerns the stipulation of payment terms, fixing of credit limits, release of deliveries, and receivables monitoring. The credit risk is considered low given the sound credit ratings and past history of timely payments being made by the customers.

Reconciliation of loss allowance provision

Loss allowance on 1st April, 2016	-
Changes in loss allowance	60.32
Loss allowance on 31st March, 2017	**60.32**
Changes in loss allowance	**-**
Loss allowance on 31st March, 2018	**60.32**

(B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the dynamic nature of the underlying business, the Company maintains flexibility in funding by maintaining availability under committed credit lines.

(i) Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity group based on their contractual maturities for :

31st March, 2018	**< 1 year**	> 1 year
Borrowings	**1,451.17**	129.69
Unpaid Dividend	**4.51**	-
Trade Payables	**647.46**	-
Payable for purchase of Property, Plant and Equipment	**20.67**	-
Security Deposits	**-**	-
Current Maturities of Long-term Debt	**264.60**	-
Total	**2,388.41**	129.69

31st March, 2017	**< 1 year**	> 1 year
Borrowings	**848.75**	376.43
Unpaid Dividend	**-**	-
Trade Payables	**820.80**	-
Payable for purchase of Property, Plant and Equipment	**196.31**	-
Security Deposits	**0.50**	-
Current Maturities of Long-term Debt	**463.43**	-
Total	**2,329.79**	376.43

Notes to Separate Financial Statements *(Contd.)* **(All amounts in Rs. Lakhs, unless otherwise stated)**

1st April, 2016	< 1 year	> 1 year
Borrowings	**1,238.90**	252.26
Unpaid Dividend	**-**	-
Trade Payables	**1,079.28**	-
Payable for purchase of Property, Plant and Equipment	**75.84**	-
Security Deposits	**0.50**	-
Current Maturities of Long-term Debt	**388.89**	-
Total	**2,783.41**	252.26

(C) Market risk

I) Foreign currency risk

The company operates internationally and thereby exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD, Euro and GBP. Foreign exchange risk arises from future commercial transactions and recognised assets denominated in a currency that is not the company's functional currency (INR). The company uses foreign exchange forward contracts to hedge its exposure in foreign currency risk. The risk is measured through forecast of foreign currency transactions.

i) Foreign currency risk exposure

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows :-

Particulars	31st March, 2018			31st March, 2017			1st April, 2016		
	USD	Euro	GBP	USD	Euro	GBP	USD	Euro	GBP
Financial assets									
Trade receivables	-	235.61	295.55	-	349.35	3.84	-	351.43	9.74
Bank balance in EEFC account	-	-	-	19.58	-	-	-	-	-
Derivative instruments									
- Foreign exchange forward contracts - Sell foreign currency	15.87	-	-	63.86	-	-	19.83	-	-
Net exposure to foreign currency risk (assets)	**15.87**	**235.61**	**295.55**	**83.44**	**349.35**	**3.84**	**19.83**	**351.43**	**9.74**
Financial liabilities									
Trade payables	122.80	41.92	3.66	534.63	102.33	-	759.85	117.11	1.43
Borrowings	-	-	-	105.11	-	-	336.33	-	-
Net exposure to foreign currency risk (liabilities)	**122.80**	**41.92**	**3.66**	**639.74**	**102.33**	**-**	**1,096.18**	**117.11**	**1.43**

ii) Sensitivity

The sensitivity of profit and loss to changes in the exchange rates arises mainly from foreign currency denominated financials instruments:

Particulars	Impact on Profit after tax	
	31st March, 2018	31st March, 2017
USD sensitivity		
INR/USD - Increase by 5% (31 March 2017 - 5%)	**(5.35)**	(27.82)
INR/USD - Decrease by 5% (31 March 2017 - 5%)	**5.35**	27.82
EURO sensitivity		
INR/Euro - Increase by 5% (31 March 2017 - 5%)	**9.68**	12.35
INR/Euro - Decrease by 5% (31 March 2017 - 5%)	**(9.68)**	(12.35)
GBP sensitivity		
INR/GBP - Increase by 5% (31 March 2017 - 5%)	**14.59**	0.19
INR/GBP - Decrease by 5% (31 March 2017 - 5%)	**(14.59)**	(0.19)

II) Interest rate risk

(i) The Company's interest rate risk arises from long-term and short-term borrowings. Borrowings obtained at variable rates expose the Company to cash flow interest rate risk. Borrowings issued at fixed rates expose the Company to fair value interest rate risk.

Management closely tracks the base interest rate movements on regular basis. Based on regular review, Management assesses the need to hedge interest rate risk. Management reviews the future movement in base rate against different factors such as overall micro and macro economic factors, liquidity in the spending cycle. Further, on a regular basis, Management assesses the possibility of entering into new facilities which would reduce the future finance cost which helps the Management to mitigate risk related to interest rate movement.

The exposure of the Company's borrowings to interest rate changes at the end of the reporting period are as follows:

	31st March, 2018	31st March, 2017	1st April, 2016
Variable rate borrowings	**1,745.12**	1,483.17	1,442.87
Fixed rate borrowings	**-**	105.11	336.33
Nil rate borrowings	**100.34**	100.34	100.84
Total borrowings	**1,845.46**	1,688.61	1,880.04

Sensitivity

The Company's policy is to minimize the interest rate cash flow risk exposure on borrowing. The Company has exposure to local currency only. The local currency loans are linked to bank base rate/ marginal cost of funds based lending (MCLR).

The sensitivity of profit or loss to changes in the interest rates is tabulated below:

	Impact on Profit after tax	
	31st March, 2018	31st March, 2017
Interest rate - Increase by 50 basis points (50bps) *	**(8.07)**	(7.32)
Interest rate - Decrease by 50 basis points (50bps) *	**8.07**	7.32

* Holding all other variables constant

Notes to Separate Financial Statements *(Contd.)* **(All amounts in Rs. Lakhs, unless otherwise stated)**

33 Capital Management

a) Risk management

The Company's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital. For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholders value. In order to achieve this objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March, 2018 and 31st March, 2017.

34 The list of standards issued but not yet effective:

The Ministry of Corporate Affairs (MCA) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 (the 'Rules') on March 28, 2018. The rules notify the new revenue standard Ind AS 115, Revenue from contracts with customers and also bring in amendments to existing Ind AS. The rules shall be effective from reporting periods beginning on or after 1st April, 2018 and cannot be early adopted.

Introduction of Ind AS 115, 'Revenue from contracts with customers':

Ind AS 115, Revenue from contracts with customers deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a promised good or service and thus has the ability to direct the use and obtain the benefits from the good or service in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. The standard replaces Ind AS 18 Revenue and Ind AS 11 Construction contracts and related appendices. The Company is in the process of evaluating the impact on the financial statements in terms of the amount and timing of revenue recognition under the new standard.

Amendment to Ind AS 21, 'Effect of changes in foreign exchange rates':

The MCA has notified Appendix B to Ind AS 21, Foreign currency transactions and advance consideration. The appendix clarifies how to determine the date of transaction for the exchange rate to be used on initial recognition of a related asset, expense or income where an entity pays or receives consideration in advance for foreign currency-denominated contracts. For a single payment or receipt, the date of the transaction should be the date on which the entity initially recognises the non-monetary asset or liability arising from the advance consideration (the prepayment or deferred income/contract liability). If there are multiple payments or receipts for one item, date of transaction should be determined as above for each payment or receipt. The Company is in the process of evaluating the impact on the financial statements under the new standard.

Amendement to Ind AS 40, 'Investment Property':

The amendments to Ind AS 40 clarify that transfers to, or from, investment property can only be made if there has been a change in use that is supported by evidence. A change in use occurs when the property meets, or ceases to meet, the definition of investment property. A change in intention alone is not sufficient to support a transfer. The list of evidence for a change of use in the standard was re-characterised as a non-exhaustive list of examples and scope of these examples have been expanded to include assets under construction/development and not only transfer of completed properties. The company does not have any investment property and therefore the amendment is not expected to have any impact on the financial statements.

Amendement to Ind AS 12, 'Income taxes':

The amendments clarify the accounting for deferred taxes where an asset is measured at fair value and that fair value is below the asset's tax base. They also clarify certain other aspects of accounting for deferred tax assets set out below:

- A temporary difference exists whenever the carrying amount of an asset is less than its tax base at the end of the reporting period.
- The estimate of future taxable profit may include the recovery of some of an entity's assets for more than its carrying amount if it is probable that the entity will achieve this. For example, when a fixed-rate debt instrument is measured at fair value, however, the entity expects to hold and collect the contractual cash flows and it is probable that the asset will be recovered for more than its carrying amount.
- Where the tax law restricts the source of taxable profits against which particular types of deferred tax assets can be recovered, the recoverability of the deferred tax assets can only be assessed in combination with other deferred tax assets of the same type.
- Tax deductions resulting from the reversal of deferred tax assets are excluded from the estimated future taxable profit that is used to evaluate the recoverability of those assets. This is to avoid double counting the deductible temporary differences in such assessment.

  The Company is in the process of evaluating the impact on the financial statements under the new standard.

35 Events after reporting period

a) The final dividend recommended by Directors is subject to the approval of shareholders in the ensuing annual general meeting

Dividends

	31st March, 2018	31st March, 2017	1st April, 2016
i) Equity shares			
Final Dividend for the year ended 31st March, 2018 of Re.1 (31st March, 2017 : Re. 1, 1st April, 2016 : Re 1) per fully paid share	153.65	149.34	-
Dividend distribution tax thereon	31.28	30.40	-
i) Dividends not recognised at the end of reporting period	156.52	153.65	149.34
Dividend distribution tax thereon	31.87	31.28	30.40
The Directors have recommended the payment of a final dividend of Re. 1 per fully paid equity share (31st March, 2017 Re.1 per equity share, 1st April, 2016 Re. 1 per equity share). This proposed dividend is subject to approval of shareholders in the ensuing annual general meeting.			

36 Share-based payments

Employee Stock Option Plan

The Company instituted the 2009 plan for all eligible employees in pursuance of a special resolution approved by the shareholders at the extraordinary general meeting held on 31st August, 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

Notes to Separate Financial Statements *(Contd.)* **(All amounts in Rs. Lakhs, unless otherwise stated)**

of first year, 25% at the end of second year, 25% at the end of third year and balance 25% at the end of fourth year from the grant date. The employee stock options granted shall be capable of being exercised within a period of one year from the date of vesting the options, they would be exercisable by the option holder and the shares arising on exercise of such options shall not be subject to any lock-in period. When exercisable, each option is convertible into four equity share of the Company. Further, in the case of termination of employment, all non-vested options would stand cancelled. Options that have vested but have not been exercised can be exercised within the time prescribed as mentioned above, failing which they would stand cancelled.

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

Particulars	31st March 2018	31st March 2017
	No. of Options	No. of Options
Opening Balance	**312,163**	337,838
Granted during the year	**67,900**	95,000
Forfeited/ cancelled during the year	**63,450**	47,713
Lapsed during the year	**4,163**	7,337
Exercised during the year	**86,450**	65,625
Outstanding as at the end of the year	**226,000**	312,163
Shares vested and exercisable	**904,000**	1,248,650

The weighted average share price at the date of exercise of options exercised during the year ended 31st March, 2018 was Rs. 143.29 (31st March, 2017 - Rs. 119.01)

Share options outstanding at the end of the year have the following expiry dates and exercise prices

Grant Date	Expiry Date	Expiry Price	Share Options		
			31st March, 2018	31st March, 2017	1st April, 2016
June 29, 2011	June 29, 2016	10	-	-	1,875
October 21, 2011	October 21, 2016	10	-	-	10,038
May 25, 2012	May 25, 2017	10	-	1,863	24,700
July 27, 2012	July 27, 2017	10	-	-	625
October 23, 2012	October 23, 2017	10	-	1,050	7,050
July 22, 2013	July 22, 2018	10	750	5,000	16,000
March 3, 2014	March 3, 2019	10	1,100	2,500	3,600
July 10, 2014	July 10, 2019	10	-	2,500	5,000
August 1, 2014	August 1, 2019	10	14,350	28,275	45,250
November 1, 2014	November 1, 2019	10	10,875	32,725	74,500
January 27, 2015	January 27, 2020	10	2,500	3,750	5,000
January 22, 2016	January 22, 2021	10	37,775	63,800	67,300
March 2, 2016	March 2, 2021	10	42,075	70,700	71,900
March 23, 2016	March 23, 2021	10	3,750	5,000	5,000
June 6, 2016	June 6, 2021	10	7,500	10,000	-
July 1, 2016	July 1, 2021	10	38,625	51,500	-
July 6, 2016	July 6, 2021	10	-	5,000	-
September 1, 2016	September 1, 2021	10	3,750	5,000	-

Notes to Separate Financial Statements *(Contd.)* **(All amounts in Rs. Lakhs, unless otherwise stated)**

Grant Date	Expiry Date	Expiry Price	Share Options		
			31st March, 2018	31st March, 2017	1st April, 2016
December 5, 2016	December 5, 2021	10	3,750	5,000	-
January 24, 2017	January 24, 2022	10	8,500	18,500	-
May 10, 2017	May 10, 2022	10	47,700	-	-
August 11, 2017	August 11, 2022	10	3,000	-	-
Weighted average remaining contractual life of options outstanding at the end of the period			**3.32 years**	**3.82 years**	**3.60 years**

Fair value of the options granted

The fair value at the grant date is determined using the Black Scholes Model which takes into account the exercise price, the term of the options, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The model inputs for options granted during the year ended 31st March, 2018 and 31st March, 2017 included :

Particulars	Inputs as on 31st March, 2018	
Exercise Price (Rs.)	10	10
Grant Date	May 10, 2017	August 11, 2017
Expiry Date	May 10, 2022	August 11, 2022
Share Price as on Grant Date (Rs.)	84.10	86.40
Fair Value as on Grant Date (Rs.)	76.29	78.58
Expected Volatility (%)	59.00%	57.00%
Expected Dividend yield (%)	0.00%	0.00%
Risk free interest rate (%)	8.00%	8.00%

Particulars	Inputs as on 31st March, 2017					
Exercise Price (Rs)	10	10	10	10	10	10
Grant Date	June 6, 2016	July 1, 2016	July 6, 2016	September 1, 2016	December 5, 2016	January 24, 2017
Expiry Date	June 6, 2021	July 1, 2021	July 6, 2021	September 1, 2021	December 5, 2021	January 24, 2022
Share Price as on Grant Date (Rs)	68.58	70.70	75.80	69.90	60.10	73.80
Fair value as on Grant Date (Rs)	60.79	62.91	68.00	62.12	52.36	66.00
Expected Volatility (%)	59.00%	60.00%	60.00%	60.00%	60.00%	59.00%
Expected Dividend yield (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Risk free interest rate (%)	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%

The expected price volatility is based on the historic volatility (based upon the remaining life of the options), adjusted for any expected changes to the future volatility due to publicly available information.

Notes to Separate Financial Statements *(Contd.)* **(All amounts in Rs. Lakhs, unless otherwise stated)**

Expenses arising from share-based payment transactions

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Employee Option Plan	167.40	180.24
Total	**167.40**	**180.24**

Expenses arising from share-based payment transactions relating to employees of subsidiaries

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Employee Option Plan	-	74.38
Total	**-**	**74.38**

Note : The said expenses have been classified as "Investments" and have been disclosed accordingly. Refer Note 5 for further details.

37 First-time adoption

Transition to Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note 1 have been applied in preparing the financial statements for the year ended 31st March, 2018, the comparative information presented in these financial statements for the year ended 31st March, 2017 and in the preparation of an opening Ind AS balance sheet at 1st April, 2016 (the Company's date of transition to Ind AS). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

I Exemptions availed

a) Deemed cost - Property, plant and equipment (PPE), intangible assets

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment and intangible assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets. Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

b) Investment in subsidiary

Ind AS 101 permits a first-time adopter to measure an investment in subsidiary either at cost determined as per Ind AS 27 or deemed cost being the fair value as at the date of transition or the previous GAAP carrying amount as at that date. Accordingly, the Company has elected to measure its investment in subsidiary at the previous GAAP carrying value.

c) Share based payments

Ind AS 101 permits a first-time adopter to apply Ind AS 102, Share-based payment, to equity instruments that remain unvested as of the transition date. Accordingly, these options have been measured at fair value as against intrinsic value previously under IGAAP. The excess of stock

compensation expenses measured using fair value over cost recognized under IGAAP using intrinsic value has been adjusted in 'Share Option Outstanding account' with corresponding impact taken to the retained earnings as on the transition date.

II Exceptions applied

a) Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at 1st April, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP.

b) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investments in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

Reconciliation of total equity as at 31st March, 2017 and 1st April, 2016

	Description	Notes to first time adoption	As at 31st March, 2017	As at 1st April, 2016
	Total equity as per previous GAAP		**4,776.19**	**4,307.98**
	Ind AS Adjustments [Increase in Equity/ (Decrease in Equity)]			
i	Effect of employees stock option measurement and amortisation based on fair value of options under graded method	1	111.68	37.30
ii	Effect of measuring investment in preference share at fair value	2	55.80	-
iii	Fair valuation of derivatives	3	(6.30)	(6.30)
iv	Commission on bank guarantee given on behalf of subsidiaries	4	28.21	-
v	Effect of fair valuing security deposits and amortisation of prepaid rent	5	(1.56)	(1.45)
vi	Proposed dividend	8	-	179.74
vii	Others		(34.88)	(34.88)
viii	Tax impact of Ind AS adjustments	10	(15.48)	12.01
	Total Ind-AS adjustments		**137.47**	**186.42**
	Total Equity as per Ind-AS		**4,913.66**	**4,494.40**

Notes to Separate Financial Statements *(Contd.)* **(All amounts in Rs. Lakhs, unless otherwise stated)**

Reconciliation of total comprehensive income for the year ended 31st March, 2017

	Description	Notes to first time adoption	Year ended 31st March, 2017
	Net profit after tax under previous GAAP		**291.55**
	Ind AS adjustments [Increase in profits / (decrease in profits)]		
i	Effect of employees stock option measurement and amortisation based on fair value of options under graded method	1	(67.76)
ii	Effect of measuring investment in preference share at fair value	2	55.80
iii	Commission on bank guarantee given on behalf of subsidiaries	4	28.21
iv	Effect of fair valuing security deposits and amortisation of prepaid rent	5	(0.11)
vi	Remeasurment of post-employment benefit obligations recognised in other comprehensive income	6	25.58
vii	Tax impact of Ind AS adjustments	10	(36.02)
	Total of adjustments		**5.70**
	Net Profit after tax as per Ind-AS		**297.25**
	Other Comprehensive Income		
i.	Remeasurements of defined benefit obligations	6	(25.58)
ii	Tax impact of above adjustment	9	8.55
	Total Other comprehensive income		**(17.03)**
	Total Comprehensive Income as per Ind-AS		**280.22**

Impact of Ind AS adoption on the statements of cash flows for the year ended 31st March, 2017

Particulars	Notes to first time adoption	Previous GAAP	Adjustments	Ind AS
Net cash flows from operating activities	7	2,010.84	(1,023.17)	987.67
Net cash flows from investing activities		(1,501.72)	1,113.29	(388.43)
Net cash flows from financing activities		(421.32)	299.48	(121.84)
Net increase/(decrease) in cash and cash equivalents		**87.80**	**389.60**	**477.40**
Cash and cash equivalents as at 1st April, 2016		127.03	(1,147.47)	(1,020.44)
Cash and cash equivalents as at 31st March, 2017		**214.83**	**(757.87)**	**(543.04)**

Note : Under the previous GAAP, the "Balance held as security against bank guarantees" was disclosed as a part of Cash and bank balances. However, under Division II to Schedule III, the same is to be disclosed as Bank balances other than cash and cash equivalents and accordingly the Cash and Cash equivalents have reduced by Rs. 9.47 as on 31st March, 2017 and by Rs. 9.51 as on 1st April, 2016.

Notes to first-time adoption

1 Employee Stock Option expenses

Under the previous GAAP, the cost of equity-settled employee share based plan were recognized using the intrinsic value method. Under Ind AS, the cost of equity settled share-based payment plan is recognized based on the fair value of the options as at the grant date. Consequently, the profit for the year ended 31st March, 2017 reduced by Rs. 67.76 Lakhs. Further, the Company has also alloted options under the ESOP scheme to the employees of the Subsidiary Companies. The fair value charge on account of the same are recognized as Investment in Subsidiaries. The total equity increased by Rs. 111.68 Lakhs (1st April 2016 : Rs. 37.30 Lakhs).

Notes to Separate Financial Statements *(Contd.)* **(All amounts in Rs. Lakhs, unless otherwise stated)**

2 Fair valuation of Investment in Preference Shares

Under the previous GAAP, investments in preference shares were classified as long-term investments or current investments based upon the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investment. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value change of these investments purchased during the year have been recognized in statement of profit or loss. This increased the profit for the year ended 31st March, 2017 by Rs. 55.80 Lakhs.

3 Derivative Financial Instruments - Forward contracts

Under Ind AS, the derivative financial instrument i.e. the foreign currency forward exchange contracts have been fair valued through profit or loss as per Ind AS109. The total equity decreased by Rs.6.30 Lakhs (1st April 2016 : Rs. 6.30 Lakhs).

4 Corporate Guarantee

The Company has provided Corporate Guarantee for the loans availed by its subsidiaries viz, Onward e-Services Limited and Onward Technologies, Inc during the year 2016-17. Under Ind AS, the Company has recognized notional commission income on the corporate guarantees so provided at the interest generally charged by an independent third party for the guarantee. Accordingly, the Company has recognized income of Rs. 28.21 Lakhs for the year ended 31st March, 2017.

5 Security Deposits

Under the previous GAAP, interest free security deposits (that are refundable in cash on the completion of the lease term) are recorded at their transaction value. Under Ind AS, all the financial assets are required to be initially recognized at fair value. Accordingly, the Company has fair valued these security deposits under Ind AS. Difference between fair value and transaction value of security deposits has been recognized as prepaid rent. Consequent to this change, total equity decreased by 1.56 Lakhs as at 31st March, 2017 (1st April, 2016 : Rs. 1.45 Lakhs). The profit for the year ended 31st March, 2017 reduced by 0.11 Lakhs due to amortisation of prepaid rent which is partially offset by notional interest income recognized on security deposit.

6 Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. As a result of this change, the profit for the year ended 31st March, 2017 increased by Rs. 25.58 Lakhs. There is no impact on the total equity as at 31st March, 2017.

7 Bank overdraft

Under Ind AS, bank overdrafts repayable on demand which form an integral part of the cash management process are included in cash and cash equivalents for the purpose of presentation of statement of cash flows. Under previous GAAP, bank overdrafts were considered as part of borrowings and movements in bank overdrafts were shown as part of financing activities. Consequently, cash and cash equivalents have reduced by Rs. 748.42 Lakhs as at 31st March, 2017 (1st April, 2016 : Rs. 1,138.06 Lakhs) and cash flows from financing activities for the year ended 31st March, 2017 have also increased by Rs. 389.59 Lakhs to the effect of the movements in bank overdrafts.

8 Proposed dividend

Under the previous GAAP (Upto 31st March, 2016), dividends proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for propose d dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by shareholders in the general meeting. Accordingly, the liability for proposed dividend

(including tax thereon) of Rs. 179.74 Lakhs as at 1st April, 2016 inluded under short term provisions has been reversed with corresponding adjustment to retained earnings. Consequently, the total equity increased by an equivalent amount.

9 Other Comprehensive Income

Under Ind AS, all items of income and expenses recognized in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expenses that are not recognized in profit or loss but are shown in statement of profit or loss as 'Other Comprehensive Income' includes remeasurements of defined benefit plans and effective portion of gains and losses on cash flow hedging instruments. The concept of other comprehensive income did not exist under previous GAAP.

10 Deferred tax

Deferred tax have been recognised on the adjustments made on transition to Ind AS.

11 Retained Earnings

Retained earnings as at 1st April, 2016 has been adjusted consequent to the above Ind AS transition adjustments

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

Neeraj Sharma
Partner
Membership No.: 108391

Place : Mumbai
Date : 11th May, 2018

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

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

MVSS Narayanacharyulu
Chief Financial Officer

Monik Damania
Company Secretary

Place : Mumbai
Date : 11th May, 2018

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Twenty Seventh Annual General Meeting of Onward Technologies Limited (the 'Company') will be held on Friday, 20th July, 2018 at The Victoria Memorial School for the Blind, 73, Tardeo Road, Mumbai 400 034 at 03.00 P.M. to transact the following business:

ORDINARY BUSINESS

1. **To consider and adopt:**

   a. The audited financial statements of the Company for the financial year ended 31st March, 2018 and the reports of the Board of Directors and Auditors thereon, and

   b. The audited consolidated financial statements of the Company for the financial year ended 31st March, 2018 and the report of the Auditors thereon.

2. **Declaration of Dividend:**

   To declare dividend of Re. 1 per equity share for the financial year 2017-18.

3. **Appointment of Director in place of those retiring:**

   To appoint a Director in place of Mrs. Prachi Mehta (DIN: 06811085), who retires by rotation and being eligible, offers herself for re-appointment.

By the order of the Board of Directors

Place: Mumbai
Date: 11th May, 2018

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 ANNUAL GENERAL MEETING ('AGM' OR 'THE MEETING') IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. Proxies to be effective, the instrument appointing the proxy (Form MGT-11) should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
3. Members/Proxies should fill the Attendance Slip for attending the Meeting and bring their Attendance Slips along with their copy of the Annual Report to the Meeting.
4. In case of Joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. Brief profile and other required information about the Directors proposed to be appointed/re-appointed, as required under Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India as approved by the Central Government, also forms part of this Notice.
6. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the board resolution authorizing their representative to attend and vote on their behalf at the Meeting.

Notice *(Contd.)*

7. The register of members and share transfer books of the Company will remain closed from Saturday, 14th July, 2018 to Friday, 20th July, 2018 (both days inclusive).

8. Dividend on equity shares as recommended by the Board of Directors for the year ended 31st March, 2018, if approved at the Meeting, will be payable to those Members who hold shares:

   i. In dematerialized mode, based on the beneficial ownership details to be received from National Securities Depository Limited and Central Depository Services (India) Limited as at the close of business hours on Friday, 13th July, 2018.

   ii. In physical mode, if their names appear in the Company's Register of Members after giving effect to all valid transfers in physical form lodged with the Company and / or its registrar and transfer agents on or before Friday, 13th July, 2018.

9. In order to receive the dividend without loss of time, all the eligible members holding shares in demat mode are requested to update with their respective Depository Participant(s) before Friday, 13th July, 2018, their correct Bank Account Number, including 9 Digit MICR Code and 11 digit IFSC Code, E-Mail ID and Mobile No(s). Members holding shares in physical form may communicate these details to the Registrar and Share Transfer Agents viz. Link Intime India Pvt. Ltd. at C 101, 247 Park, L B S Marg, Vikhroli (West), Mumbai 400 083, before Friday, 13th July, 2018 by quoting the reference folio number and attaching a photocopy of the Cheque leaf of their active Bank account and a self-attested copy of their PAN card. This will facilitate the remittance of the dividend amount as directed by SEBI in the Bank Account electronically. Updation of E-mail IDs and Mobile No(s) will enable sending communication relating to credit of dividend, un-encashed dividend, etc.

10. Members who may wish to claim unclaimed dividends are requested to correspond with the Company, at the Company's registered office or the Registrar and Share Transfer Agents, Link Intime India Pvt. Ltd. Members are requested to note that dividends which not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per the provisions of Section 124, Section 125 of the Companies Act, 2013 and rules made thereunder, be transferred to the Investor Education and Protection Fund.

    The Bank has uploaded the details of unpaid and unclaimed dividend amounts lying with the Company as on 21st July, 2017 (date of last Annual General Meeting) on the website of the Company (www.onwardgroup.com) and also on the website of the Ministry of Corporate Affairs.

11. Members can avail the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Companies Act, 2013. Members desiring to avail this facility may send their nomination in the prescribed Form No. SH- 13 duly filled, to Link Intime India Pvt. Ltd., Registrar and Transfer Agent of the Company. Members holding shares in electronic form may contact their respective depository participants for availing this facility.

12. Members are requested to address all correspondence pertaining to their securities mentioning either the Folio Number/Client ID or DP ID numbers, as applicable, including any change of address, if any, to the Registrar and Transfer Agent of the Company viz.:

    Link Intime India Pvt. Ltd.
    C 101, 247 Park, L B S Marg, Vikhroli (West),
    Mumbai 400 083.

13. Members seeking any information relating to accounts are requested to write to the Company at an early date to enable the management to keep the required information ready.

14. The certificate from the statutory auditors of the Company certifying that the Company's Employees Stock Option Scheme is being implemented in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and in accordance with the resolutions passed by the members in general meeting shall be available for inspection by the Members at the Meeting.

Notice *(Contd.)*

15. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Companies (Management and Administration) Rules, 2014, which allows the companies to send documents including annual reports and other intimation by an email. Therefore, members are requested to register their email IDs with the Registrar and Transfer Agent of the Company. The Company is already having email ID of the members holding their shares in Demat through their respective depository participants. The said email ID shall be considered as registered email ID for the said members unless informed otherwise to the company or Registrar and Transfer Agent.

16. The notice of the Meeting and annual report of the Company circulated to the members of the Company by physical or electronic mode will also be made available on the website of the Company at www.onwardgroup.com. Relevant documents referred to in the accompanying notice are open for inspection by the members at the registered office of the Company on all working days between 10.00 A.M. and 12.00 Noon upto the date of the Meeting.

17. Members are requested to register their email IDs with the Company and encourage paper free communications. The Company would send its annual reports and other communications to the members on their registered email IDs. The shareholders may register their email IDs with the Registrar and Transfer Agent – M/s. Link Intime India Private Limited.

18. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in physical form can submit their PAN to the Company / Link Intime India Private Limited.

19. The route map of the venue of the Meeting is also forming part of the Notice. The prominent landmark for the venue is, it is “Near to Tardeo AC Market”.

Remote E-Voting:

20. In terms of the provisions of Section 108 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 as amended from time to time and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is providing to the members facility of voting by electronic means in respect of businesses to be transacted at the Meeting which includes remote e-voting (i.e. voting electronically from a place other than the venue of the Meeting). The Company also proposes to provide the option of voting by means of ballot paper at the venue of Meeting in addition to the remote electronic voting mentioned above. The Company has engaged the services of National Securities Depository Limited (NSDL) for facilitating voting by electronic means.

21. Mr. Nilesh A. Pradhan, 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:

    The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

    Step 1: Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/

    Step 2: Cast your vote electronically on NSDL e-Voting system.

    Details on Step 1 is mentioned below:

    1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

    2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.

    3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Notice *(Contd.)*

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Our User ID details are given below:

   Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical Your User ID is:

   a) For Members who hold shares in demat account with NSDL. 8 Character DP ID followed by 8 Digit Client ID. For example, if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.

   b) For Members who hold shares in demat account with CDSL. 16 Digit Beneficiary ID. For example, if your Beneficiary ID is 12********** then your user ID is 12**********.

   c) For Members holding shares in Physical Form. EVEN Number followed by Folio Number registered with the company. For example, if folio number is 001*** and EVEN is 101456 then user ID is 101456001***.

5. Your password details are given below:

   a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. '.pdf file'. Open the '.pdf file'. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

      (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

   a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.

2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.

Notice *(Contd.)*

3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

22. Other details:

i. Persons who have acquired shares and became members of the Company after the dispatch of the notice of the Meeting but before the cut-off date of Friday, 13th July, 2018, 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.

ii. The e-voting period commences on Monday, 16th July, 2018 [9:00 a.m.] and ends on Thursday, 19th July, 2018 [5:00 p.m.]. During this period members of the Company, holding shares either in physical form or in dematerialized form, may cast their vote electronically. The e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

iii. In case of any queries, you may refer to the "Frequently Asked Questions (FAQs)" for shareholders and e-voting user manual for shareholders available at the "downloads" section of NSDL website at www.evoting.nsdl.com.

iv. The voting rights of the members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date. In case of joint holders, only such joint holder in the order of names will be entitled to vote.

v. A member shall be allowed to vote only by one method. Where a member has casted his vote by more than one method, the vote casted by remote e-voting shall be considered. Where a member has not casted vote through remote e-voting, he may cast his vote by ballot paper which shall be provided at the venue of the Meeting. The members who have cast their vote by remote e-voting prior to the Meeting may also attend the Meeting but shall not be entitled to cast their vote again.

vi. The results of the voting will be declared not later than 48 hours from the conclusion of the Meeting. The declared results along with the scrutinizer's report will be available on the Company's website at www.onwardgroup.com and on the website of NSDL at www.evoting.nsdl.com and will also be forwarded to the stock exchanges where the Company's shares are listed. Subject to receipt of requisite number of votes, the resolutions set out in the Notice shall be deemed to be passed on the date of the Meeting.

By the order of the Board of Directors

Place: Mumbai
Date: 11th May, 2018

Harish Mehta
Executive Chairman

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

Notice *(Contd.)*

ADDITIONAL INFORMATION ON DIRECTORS BEING APPOINTED / RE-APPOINTED AS REQUIRED UNDER REGULATION 36 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARD ON GENERAL MEETINGS ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA:

Particulars	**Mrs. Prachi Mehta**
Director Identification Number	06811085
Date of Birth	3rd October, 1978
Date of Appointment on Board	27th March, 2015
Brief Resume including experience and qualification	She is a Master in Advertising and Marketing from the Leeds Business School in U.K. along with a Diploma in the functionality in Internet Technologies. She has a rich and varied experience of over 15 years as dedicated employee and a budding entrepreneur.
Expertise in Specific Functional Area	General Management
Directorships held in other Companies	1. Desai Finwealth Investments and Securities Pvt. Ltd.
	2. Onward Network Technologies Private Limited
	3. Onward Software Technologies Private Limited
	4. Onward Properties Private Limited
Memberships/Chairmanships of Committees in other Companies	None
Shareholding in Company as on 11th May, 2018	141,502 equity shares
Number of Board meetings attended during the year	4/4 Details of her attendance in the Board/Committee meetings are provided in the Corporate Governance Report forming part of Annual Report for FY 2017-18
Terms and conditions of appointment or re-appointment	Non-Executive Non-Independent Director liable to retire by rotation
Remuneration last drawn	Sitting fees as disclosed in report on corporate governance forming part of Annual Report for FY 2017-18

Note : Mrs. Prachi Mehta is daughter of Mr. Harish Mehta, Executive Chairman of the Company and sister of Mr. Jigar Mehta, Managing Director of the Company.

** Membership/Chairmanship in audit and stakeholders' relationship committee is considered.*

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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 27TH ANNUAL GENERAL MEETING of ONWARD TECHNOLOGIES LIMITED held on **Friday, 20th July, 2018 at 03:00 P. M.** at The Victoria Memorial School for the Blind, 73, Tardeo Road, Mumbai 400034.

_____
Signature of Member/Proxy

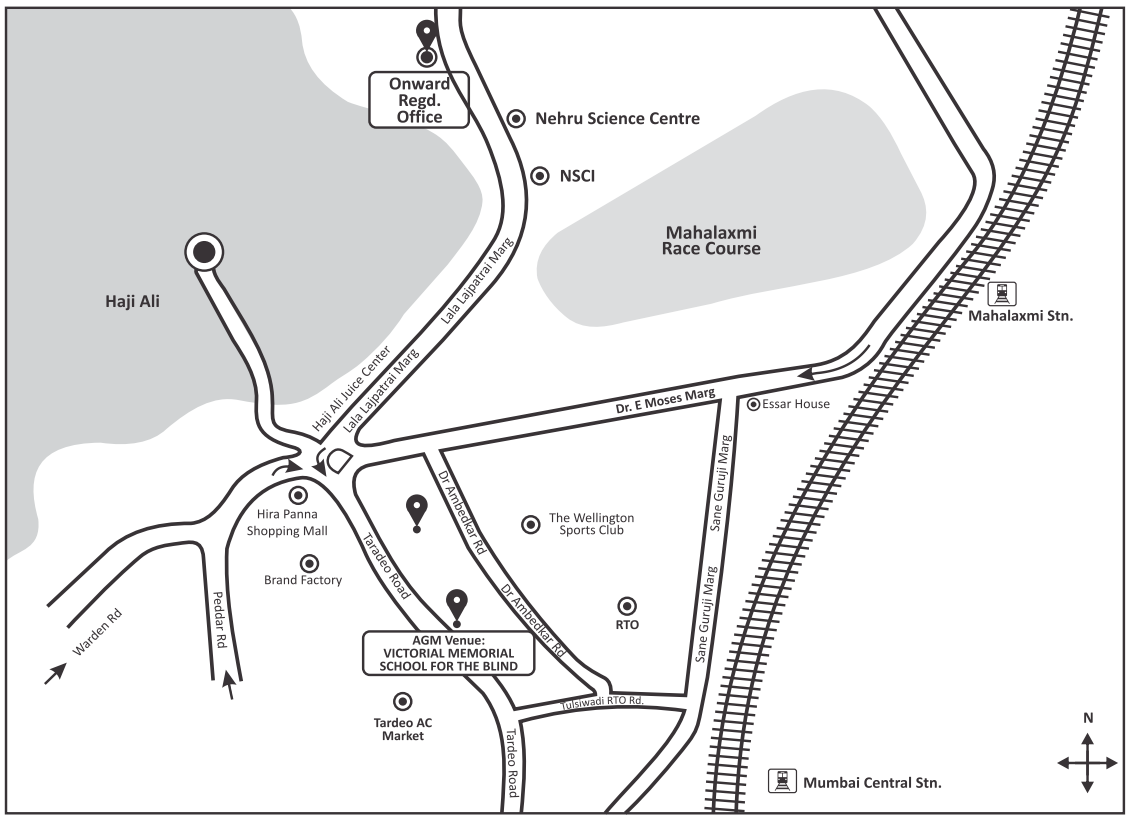
Notes:

(1) Members/Proxy-holders are requested to produce the attendance slip duly signed for admission to the Meeting hall.

(2) Members are requested to bring their copy of Annual Report for reference at the Meeting.

ROUTE MAP OF THE VENUE OF ANNUAL GENERAL MEETING*

Venue: The Victoria Memorial School for the Blind, 73, Tardeo Road, Mumbai 400034
Time: 03.00 P.M. Date: Friday, 20th July, 2018



**Sites, places and Locations described in the above route map are just indicative and for reference purpose of the viewers. The same does not claim be actual geographical indications situated thereat.*

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 ..... or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 27th Annual General Meeting of the Company, to be held on Friday, 20th July, 2018 at 03.00 P. M., at The Victoria Memorial School for the Blind, 73, Tardeo Road, Mumbai 400034, and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution no.	Matter of Resolution	No. of Shares	For	Against
1	Adoption of Audited Financial Statements (including consolidated financial statements) of the Company for the financial year ended 31st March, 2018			
2	Declaration of Dividend			
3	Appointment of Director in place of those retiring			

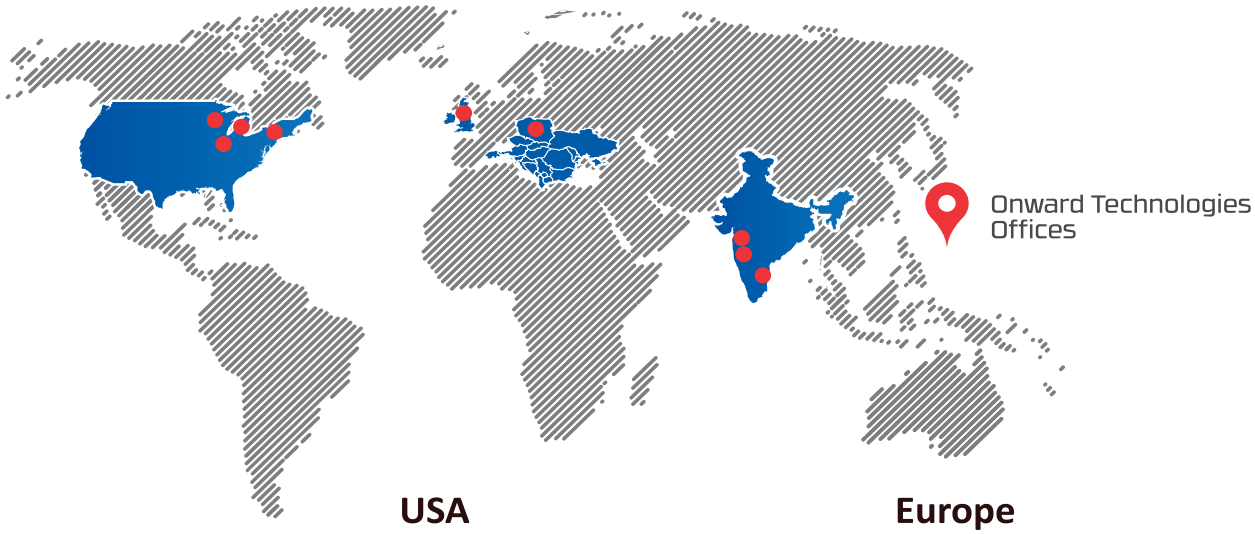
Signed this _____ day of _____, 2018

Affix Revenue Stamp

_____ Signature of the Shareholder(s)

_____ Signature of Proxy holder(s)

Note : *This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting. It is optional to put a (√) in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate*



India

Mumbai (Registered Office)
Onward Technologies Ltd.
2nd floor, Sterling Centre,
Dr A.B. Road, Worli,
Mumbai - 400018. India

Mumbai
Onward Technologies Ltd.
No.152, SDF V, 1st Floor,
SEEPZ, Andheri (East),
Mumbai - 400096

Pune
Onward Technologies Ltd.
World Trade Centre (WTC) Tower II,
Office No 201 & 202, Kharadi,
Pune - 411 014

Pune
Onward Technologies Ltd.
Almonte IT Park,
5th Floor, Kharadi,
Pune - 411014

Pune
Onward Technologies Ltd.
E-Space IT Park,
Building # A3, 3rd Floor,
Pune Nagar Road,
Pune - 411014

Chennai
Onward eServices Ltd.
Rayala Techno Park, 5th floor,
144/7 Rajiv Gandhi Salai (OMR),
Kottivakkam, Chennai - 600 041

USA

Illinois
Onward Technologies Inc.
5600 N River Road,
Suite # 425,
Rosemont, IL 60018

Michigan
Onward Technologies Inc.
2800 Livernois Road,
E Building, Suite # 165,
Troy, MI 48083

Wisconsin
Onward Technologies Inc.
333, Bishops Way,
STE 102 Brookfield,
WI 53005

Ohio
Onward Technologies Inc.
837 Crocker Road, Westlake
OH 44145

Europe

United Kingdom
Onward Technologies Ltd.
Vancouver House
Suite # 3.3, 111 Hagley Road,
Edgbaston, Birmingham,
B16 8LB, United Kingdom

Germany
Onward Technologies GmbH.
Kirchnerstrasse 4,
60311 Frankfurt am Main,
Germany

onward®
TECHNOLOGIES LIMITED

Core Values

Trust | Integrity | Accountability | Confidentiality