

Press Release

Onward Technologies Revenue Grows by 10% & PAT Grows by 482.8% YoY. EPS for the quarter was record highest at INR 1.86/ share

Highlights for the quarter ended December 31, 2018

- **Consolidated Revenues in Q3FY19 were at INR 65.28 Cr, up 10% from INR 59.33 Cr in Q3 FY18 & up by 5.8% to INR 195.67 Cr in YTD Dec FY19 from 184.98 Cr in YTD Dec FY18**
- **Consolidated EBITDA were at INR 6.21 Cr for Q3FY19, up 135% from INR 2.64 Cr in Q3FY18**
- **Profit before Tax (PBT) at INR 4.10 Cr for Q3FY19, up 901.5% from INR 0.41 Cr in Q3FY18**
- **Profit after Tax (PAT) at INR 2.94 Cr for Q3FY19, up 482.8% from INR 0.50 Cr in Q3FY18**
- **Earnings Per Share (EPS) reported at INR 1.86 for Q3FY19, up 464.9% from INR 0.33 in Q3FY18**

Mr. Harish Mehta, Onward Technologies Founder & Executive Chairman, commented on the performance of the Company, saying “We are very pleased to announce that Onward Technologies has shown a consistent growth Year To Date over similar period last year. The medium and long-term growth prospects for Onward Technologies services and solutions in USA, UK, Germany and India remain robust. The company will continue to play a crucial role in supporting the next generation of Mechanical Design and IT Consultancy services and succeed in client digitalization initiatives at its best.”

Other Important highlights for the quarter

Onward Technologies (OTL) has invested in several new growth initiatives for 2019 as we wrapped up 2018 on a strong note.

- Started the **Embedded & Electronics practice** out of all 3 locations in India (Mumbai, Pune & Chennai) with an initial team size of 25 engineers which will be ramped to 100+ over the next few quarters.
- Joined the **SAP partnership program** to expand the SAP HANA solutions to the Indian market. The entire new Sales & Delivery teams will be driven from its Mumbai offices.
- Invested in a large **new Design Centre** at Magarpatta city in Pune, focused on mechanical product design services for our OEM clients. This is the company's 3rd design center in Pune and 5th in India, the other 2 being in Mumbai & Chennai respectively. This investment is important to meet the growth demands of our customers in 2019.
- Selected **SAP S/4 HANA cloud solution** to implement internally in the organization (OTL & subsidiaries). The implementation will GO LIVE within the next 4 months.

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About Onward Technologies Limited

Onward Technologies' service delivery experience of over 27+ years and strength in both mechanical engineering and software development areas puts it in a unique position to provide integrated product development solutions to its fortune 1000 customers. Onward Technologies supports its customers through its offerings in Mechanical Engineering, Embedded Software Development, managed Infrastructure support, mobile & enterprise software development and robotic business process automation segments. Onward Technologies offers various flexible engagement models to suit client specific needs.

It focuses on Automotive, Aerospace, Off-Highway, Industrial Equipment & Machinery, Medical & Laboratory Equipment, Pharmaceutical & Healthcare, and banking and financial segments. Its strategic alliances with large enterprise software OEMs helps in providing comprehensive services.

Onward Technologies leverages the diverse engineering and IT consulting expertise of its 2500+ employees. It has established 13 offices across North America, Europe, United Kingdom and India, each equipped with state of art infrastructure. These locations aim to provide the proximity to client and access to required talent.

Follow Onward Technologies on LinkedIn @ <https://www.linkedin.com/company/onward-technologies/>.. (BSE: 517536 & NSE: [ONWARDTEC](#)).

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Onward Technologies Limited

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STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2018

Sr. No.	Particulars	Quarter ended			Year to date figures for current period till December 31, 2018	Year to date figures for previous year till December 31, 2017	(Rs. in lakhs) Previous year ended March 31, 2018
		December 31, 2018	September 30, 2018	December 31, 2017			
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Revenue from operations	6,245.30	6,840.04	5,800.97	19,302.28	18,242.03	24,446.02
2	Other income	282.38	2.18	132.23	184.38	255.99	475.95
3	Total Income (1+2)	6,527.68	6,842.22	5,933.20	19,556.64	18,498.02	24,921.96
4	Expenses						
a)	Purchase of traded goods	17.25	254.07	26.84	393.57	206.90	372.14
b)	Employee benefits expense	4,810.44	4,727.60	4,669.08	14,062.66	13,843.68	18,582.05
c)	Finance costs	64.41	59.65	84.98	195.95	239.46	302.98
d)	Depreciation and amortisation expense	147.02	147.65	138.54	434.56	416.82	548.57
e)	Other expenses	1,078.67	1,283.29	972.83	3,379.66	3,056.21	4,364.73
	Total Expenses	6,117.79	6,472.26	5,892.27	18,466.40	17,763.07	24,170.42
5	Profit before tax (3-4)	409.89	369.96	40.93	1,100.24	734.95	750.94
6	Tax Expense						
a)	Current Tax	136.62	204.77	9.88	406.25	92.75	723.45
b)	Short/(Excess) provision of taxation for previous periods	-	-	0.01	3.50	(9.15)	(9.15)
c)	Deferred Tax	(20.32)	(23.78)	(19.34)	(2.52)	94.88	(134.98)
	Total tax expense/ (credits)	116.30	180.99	(9.45)	407.23	178.48	79.32
7	Net profit/ (loss) for the period (5-6)	293.59	188.97	50.38	693.01	556.47	673.62
8	Other comprehensive income, net of income tax						
a)	Items that will not be reclassified to profit or loss	(2.55)	(4.27)	5.19	(7.65)	15.58	(3.31)
b)	Income tax relating to items that will not be reclassified to profit or loss	0.59	0.55	(1.72)	1.63	(5.15)	0.77
c)	Items that will be reclassified to profit or loss						
d)	Exchange differences on Foreign operations	71.33	(82.08)	-	(113.46)	-	(4.16)
e)	Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-
	Total other comprehensive income, net of income tax	68.37	(85.80)	3.47	(119.48)	10.43	(6.70)
9	Total comprehensive income for the period (7-8)	224.22	274.77	46.91	573.53	566.90	666.92
10	Net Profit/ (loss) attributable to:						
a)	Owners	293.59	188.97	50.38	693.01	556.47	673.62
b)	Non-controlling interests	-	-	-	-	-	-
11	Total comprehensive income attributable to:						
a)	Owners	224.22	274.77	46.91	573.53	566.90	666.92
b)	Non-controlling interests	-	-	-	-	-	-
12	Paid-up equity share capital : (Face value Rs. 10 each)	1,575.17	1,569.66	1,547.45	1,575.17	1,547.45	1,554.21
13	Earnings/ (loss) per share of (Rs. 10 each) (not annualised)						
Basic: (in Rs.)		1.86	1.20	0.33	4.41	3.62	4.35
Diluted: (in Rs.)		1.79	1.15	0.30	4.22	3.37	4.07

CONSOLIDATED SEGMENT WISE REVENUE, RESULTS, ASSETS AND LIABILITIES FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2018

Sr. No.	Particulars	Quarter ended			Year to date figures for current period till December 31, 2018	Year to date figures for previous year till December 31, 2017	(Rs. in lakhs) Previous year ended March 31, 2018
		December 31, 2018	September 30, 2018	December 31, 2017			
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Segment Revenue (net of inter-segment revenue)						
	Mechanical Engineering Design Services	4,642.40	5,224.27	4,496.99	14,712.94	14,034.75	18,441.00
	Information Technology Services	1,602.90	1,615.77	1,303.98	4,589.32	4,207.28	5,605.02
	Revenue from operations	6,245.30	6,840.04	5,800.97	19,302.28	18,242.03	24,446.02
2	Segment Results						
	Profit before tax and finance cost						
	Mechanical Engineering Design Services	416.77	290.23	116.71	1,033.77	635.29	692.70
	Information Technology Services	57.32	139.30	9.20	262.41	339.12	361.22
	Total profit before tax and finance cost	474.09	429.53	125.91	1,296.18	974.41	1,053.92
	Less: Finance cost	64.41	59.65	84.98	195.95	239.46	302.98
	Less: Tax expense	116.30	180.99	(9.45)	407.23	178.48	79.32
	Total Segment Net Profit for the period	293.59	188.89	50.38	693.01	556.47	673.62

Sr. No.	Particulars	Quarter ended		Previous year ended March 31, 2018
		December 31, 2018	September 30, 2018	
		Unaudited	Unaudited	Audited
3	Segment Assets			
	Mechanical Engineering Design Services	7,411.39	7,570.56	6,942.60
	Information Technology Services	3,585.95	3,470.22	3,132.10
	Total Segment Assets	10,997.34	11,040.78	10,074.70
4	Segment Liabilities			
	Mechanical Engineering Design Services	3,488.32	3,018.19	3,647.19
	Information Technology Services	1,722.22	2,471.47	1,247.40
	Total Segment Liabilities	5,210.54	5,489.66	4,894.59



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Notes:

- 1 The statement has been reviewed by the Audit Committee and approved by the Board of Directors at its meetings held on January 24, 2019.
- 2 This statement has been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") 34 Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.
- 3 During the quarter and nine months ended December 31, 2018, the Company issued 55,100 and 2,09,600 equity shares respectively following the exercise of stock options by certain employees under the ESOP scheme.
- 4 Effective April 1, 2018, the Company has adopted Ind AS 115 "Revenue from Contracts with Customers" using the modified retrospective option which is applied to contracts that were not completed as at April 1, 2018. Accordingly the comparatives have not been retrospectively adjusted. The effect on adoption of Ind AS 115 did not have any material impact to the financial results of the group.
- 5 Previous year / period figures have been regrouped / rearranged wherever considered necessary.
- 6 The consolidated financial results include the results of Onward Technologies Limited and its subsidiaries viz., Onward eServices Limited (India), Onward Technologies Inc. (USA), Onward Technologies GmbH (Germany) and Onward Properties Private Limited (India).
- 7 Export Incentive under Service Exports from India Scheme, 2015 is included in the Other Income (net) for nine months ended December 31, 2017 and December 31, 2018 amounting to INR 77.46 lacs and INR 152.31 lacs respectively.
- 8 The US tax reforms had reduced federal tax rate from 35% to 21% effective January 01, 2018 amongst other measures. During the three months ended December 31, 2017, the US tax reforms has resulted in a positive impact of INR 24 lacs on account of credits pertaining to deferred tax liabilities on subsidiary profit.
- 9 Results of Onward Technologies Limited on a standalone basis are hosted at Company's website www.onwardgroup.com

Standalone Information

Particulars	Quarter ended			Year to date figures for current period till December 31, 2018	Year to date figures for previous year till December 31, 2017	Previous year ended March 31, 2018
	December 31, 2018	September 30, 2018	December 31, 2017			
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Revenue from Operations and other income	3,003.66	3,376.01	3,461.70	9,378.17	8,226.16	11,310.03
Profit before tax	342.53	394.46	17.60	973.76	268.52	334.98
Profit after tax	300.94	266.74	12.02	738.41	196.96	220.19

For and on behalf of the Board of Onward Technologies Limited

[Signature]
Harish Menka
Executive Chairman

Place : Mumbai
Date : January 24, 2019



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