

Date: July 06, 2022

To

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

**Sub: Submission of Annual Report of Onward Technologies Limited (“the Company”) for the financial year ended March 31, 2022.**

Dear Sir/Madam,

Pursuant to the provisions of Regulation 34(1) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, read with amendments thereto, please find enclosed herewith the copy of revised Annual Report of the Company for the financial year ended March 31, 2022 with following change:

- Addition of non-statutory sections from Page No. 02 to Page No. 24.

The copy revised Annual Report for the financial year ended March 31, 2022 is available on the website of the Company at [www.onwardgroup.com](http://www.onwardgroup.com), Stock Exchanges i.e. BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE”) at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com), respectively. and National Securities Depository Limited (“NSDL”) at [www.evoting.nsdl.com](http://www.evoting.nsdl.com)

This is for your information and records.

Thanking You,

Yours faithfully,

**For Onward Technologies Limited**

Dimple Chauhan  
Company Secretary

Encl: As above.

2021-22  
ANNUAL REPORT



# YOUR TRUSTED Outsourcing Partner

for Digital and ER&D services



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### Forward-looking statements

The report contains statements that relate to the Company's future operations and performance. These statements can be identified by the usage of words such as 'believes', 'estimates', 'anticipates', 'expects', 'intends', 'may', 'will', 'plans', 'outlook' and other words of similar meaning in connection with a discussion of future operating or financial performance. These forward-looking statements are dependent on assumptions, data or methods that may be inaccurate or imprecise and hence are not guarantees of future operating, financial and other results. They constitute our current expectations based on reasonable assumptions. The Company's actual results could materially differ from those projected in any forward-looking statements due to various future events, risks, and uncertainties some of which are beyond our control. The Company does not assume any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.



For more details,  
please visit:  
[www.onwardgroup.com](http://www.onwardgroup.com)

# Corporate Information

## Board of Directors

**Harish Mehta**  
Founder & Executive Chairman

**Jigar Mehta**  
Managing Director

**Prachi Mehta**  
Director

**Rahul Rathi**  
Director

**Parish Meghani**  
Director

**Subrata Kumar Mitra**  
Director

**Jay Sonawala**  
Director

**Harsha Raghavan**  
Director

## Statutory Auditors

Price Waterhouse Chartered Accountants LLP

## Internal Auditors

Ahuja Valecha & Associates LLP

## Secretarial Auditors

Nilesh A. Pradhan and Co., LLP

## Registered Office

Sterling Centre, 2<sup>nd</sup> Floor  
Dr. A.B. Road, Worli,  
Mumbai - 400018  
Tel: 022- 24926570

## Corporate Identity Number

L28920MH1991PLC062542

## Website

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

## Investor Relations

[investors@onwardgroup.com](mailto:investors@onwardgroup.com)  
+91 22 2492 6570

## Registrar and Transfer Agents

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

## Bankers

ICICI Bank  
HSBC  
PNC Bank



# YOUR TRUSTED Outsourcing Partner

**Demand for software outsourcing for ER&D and digital services grew exponentially through FY2022 as the global manufacturing industry emerged from pandemic-induced disruption. Your Company continued to engage Global 2000 OEMs — leading digital and R&D spenders — with a concerted business development effort. Our objective: the pursuit of an enhanced margin profile coupled with a goal to rationalize the client base. With our objective clear, your Company is happy to report robust growth from large clients in FY2022. Your Company has now embarked on a multi-year journey to increase wallet share from its top clients in North America and Europe.**

The year also saw segments of the global economy coming to terms with new ways of going about every day work. In this new normal, where digital transformation is rapidly becoming a prerequisite for consistent outperformance, your Company unlocked several opportunities to partner with OEMs in their mission to put software at the heart of their business.

Over the 30-year period, your Company has seen multiple shifts in the software outsourcing industry. We recognize our clients are in the middle of a similar shift today. We are consequently helping OEMs:

- Digitalize, automate workflows across product lifecycle/enterprise functions
- Adopt common platform approaches that maximize returns on R&D investments
- Develop reusable assets, accelerators that speed up innovation

Your Company operates in three verticals – Transportation & Mobility, Industrial Equipment & Heavy Machinery and Healthcare. We offer services to our clients in Digital, Embedded, Mechanical and Enterprise IT horizontals.

Even in FY2022 and going ahead, total costs continue to be central to our delivery structure because they underscore CXO priorities at Global 2000 OEMs — to balance investments between the legacy footprint and new digital projects. Your Company can align its capital outlay and engagement models with these client priorities.

In FY2022, in response to growing demand, your Company added capacity to the tune of ~500 seats — a significant proportion coming from new offshore delivery centers in Chennai, Bengaluru and Hyderabad. We also opened new subsidiaries in Canada and Netherlands to meet the requirement for our existing clients. With increasing global presence and local reach, your Company accords the highest priority to client flexibility, putting them in the driver's seat of their transformation, regardless of how projects are delivered — onsite, nearshore, or offshore.

Internally, we leveraged the FY2022 push for efficiency to build high-octane teams, to focus, accelerate and commit ourselves to growth. To that effect, we invested in lateral hiring, especially to build deep expertise through a bench of experienced SMEs from top-tier firms across relevant industries. These SMEs are not only outlining and refining the Onward Tech point of view on upcoming technologies, but also leveraging the network effect to unlock newer clients for your Company.

Your Company believes that the business benefits of digital technologies are efficiently delivered through the power of diverse and talented people. As such, there's a recurring investment in ensuring our teams are set up for success, have a clear career path, and operate at the northern limit of performance. To that extent, several top-performers from India were selected for international deputation to grow your Company's businesses in USA, UK, Germany and Canada.

Measures like international deputation validate our commitment to global mobility as an intrinsic aspect of a typical career path at Onward Tech. So is the evolving detail of people-friendly benefits and policies, including upgrading insurance coverage, respectable work-life balance, access to upskilling programs.

Apart from a strategy to onboard lateral hires, your Company has a thriving program to attract, train and onboard young engineering graduates from prestigious colleges across the country. Designed as a pilot effort and rolled out in H2 FY2022, it's a scalable program modeled to assume the contours of a continuous learning university, offering among various software and digital competencies, a portfolio of leadership and soft skills.

Going forward, the program will anchor our learning and development efforts and drive partnership with top-tier engineering and business schools. It will also ensure a vast reserve of trained talent ready to solve some of the most pressing problems for our clients. We celebrated International Women's Day 2022 on March 8 across offices and are proud to share we now have crossed 500 full time women employees across the company.

As a barrier-free, equal opportunity employer, your Company is committed to workplace practices rooted in diversity and inclusion. We share a common ground with our clients on the human values of seeing each of our team members for what they are. Our clients' businesses are built on these foundational values and so are we. It is our way of drawing a strong people-business alignment with our clients.



IT IS OUR WAY OF  
DRAWING A STRONG  
PEOPLE-BUSINESS  
ALIGNMENT WITH  
OUR CLIENTS.

# Onward Technologies: Your trusted Outsourcing Partner for ER&D and Digital Innovations

Onward Technologies is a software technology outsourcing company specializing in digital and ER&D services. Your Company has built strong delivery capabilities in the Indian market and is now expanding aggressively in two primary markets of North America and Europe. We are primarily focused on 2 Industry verticals currently – Industrial Equipment & Heavy Machinery and Transportation & Mobility (Automotive and Rail Transportation) and have developed ambitious plans to invest in the fast-growing Healthcare vertical as well. We have built capabilities across four lines of Digital businesses i.e.,

- i) Mechanical Engineering
- ii) Digital transformation services like data science, data analytics, automation & cloud
- iii) Embedded & Electronic systems and
- iv) Traditional IT services to cloud migration

We help Global OEMs improve speed to market, accelerate innovation, and maximize returns on their R&D investments. With over more than 2,600 employees across 14 offices in 6 countries and offshore development centers across multiple cities India, we support large manufacturing companies to meet their technology outsourcing requirements.

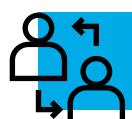
With these sectors increasingly witnessing major disruptions, we are proactively building new-age technology skills and expertise to help our customers in these sectors remain ahead of the curve. Our deep technical knowledge and capabilities in Digital Transformation, Embedded & Electronics Engineering and Advanced Mechanical Engineering Services position us well to support key initiatives that shape the future of our customers' business for a new normal world.



# 2,641

**Employees**

2,088 employees in FY2021



# 145

**Customers**

184 customers in FY2021



# 14

**Offices and  
Operations across  
6 countries**

11 offices and operations  
across 4 countries in FY2021





## Strong execution capabilities

- Flexible delivery capabilities across onsite, offshore, multi-shore and near-shore
- A team of 2,600+ employees across India, USA, UK, Germany, Canada
- Opened new COEs in Bengaluru, Hyderabad, Chennai & sales offices in Toronto (Canada) and Amsterdam (Netherlands)
- Young leadership team from tier-1 companies



## Global 2000 customers

- Providing services to the largest 2000 global companies in North America & Europe
- Working with 6 of global Top-10 automotive
- 5 of global Top-8 heavy machinery companies

BUILT TO  
DELIVER IN THE  
LONG-TERM

## Robust financials and balance sheet strength

- Net debt-free, strong balance sheet and cash reserves
- Surplus cash invested in FDs
- 3-year PAT CAGR at 33%
- 6-year track-record of consistent dividend payout



## End-to-end and diverse capabilities

- Capabilities in Embedded and Electronics, Mechanical Engineering, Enterprise IT services and digital transformation
- Digital play across all business lines
- Deep domain capabilities in Transportation and Mobility, Industrial and Heavy Machinery
- Diversification and building digital capabilities in healthcare, Medtech and Life Sciences



# Enabling our Clients with Diverse and Customized Technology Solutions

Digitalization is all pervasive and key to driving business excellence and success as well as elevating customer experience. We are enabling our clients across diverse industries achieve this by offering a wide and growing range of tailored digital solutions that are aligned to their future needs. We are not just trusted outsourcing partner but also act as an end-to-end solution partner in ER&D, Digital Innovations and IT Services.

## ENGINEERING RESEARCH & DEVELOPMENT (ER&D)

We provide end-to-end product engineering solutions & services right from design to prototyping, development, technical publication, engineering change management, cost/value engineering as well as embedded & electronics engineering, SW/HW re-design, verification & validation and sustenance engineering, all of which are supported by our delivery teams having deep knowledge, technology skills & expertise across multiple domains.

### Services offered:

#### Mechanical Engineering and Product Design

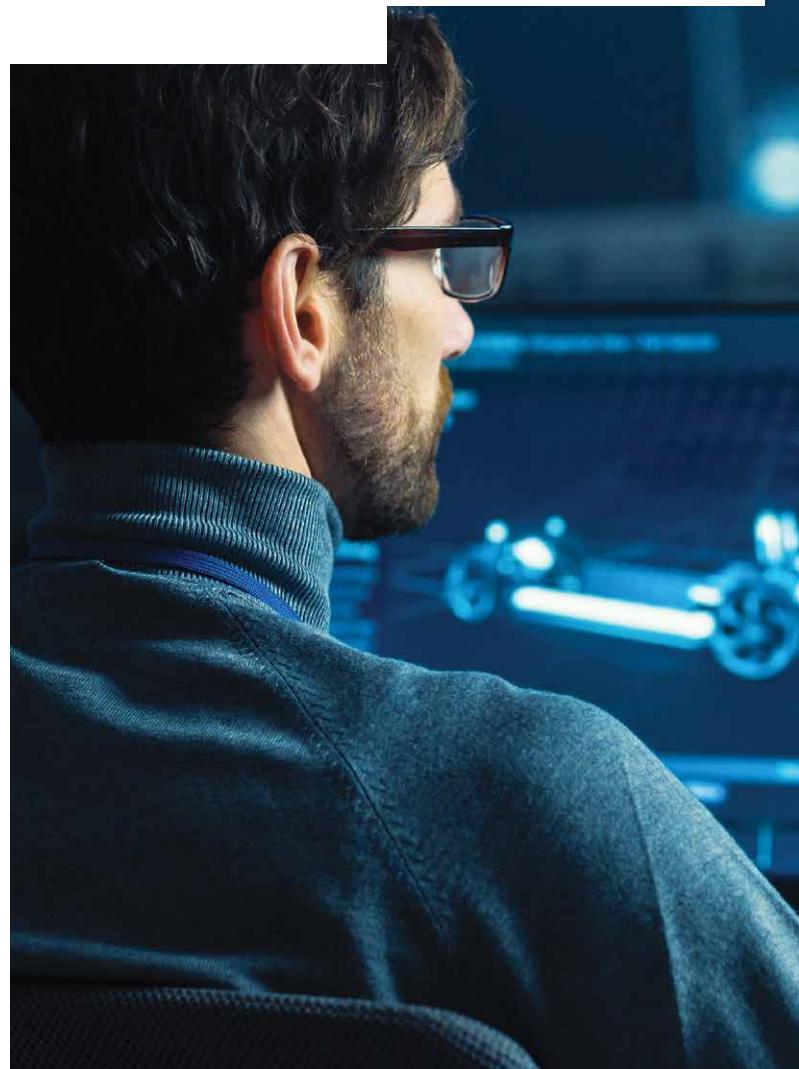
- New product design and development
- Value engineering
- Virtual simulation
- Manufacturing engineering
- Technical publication

#### Electronics and Embedded Software

- Platform services - hardware, software (SW)
- Connectivity solutions
- Product sustenance and modernization
- After-market support
- Verification and validation

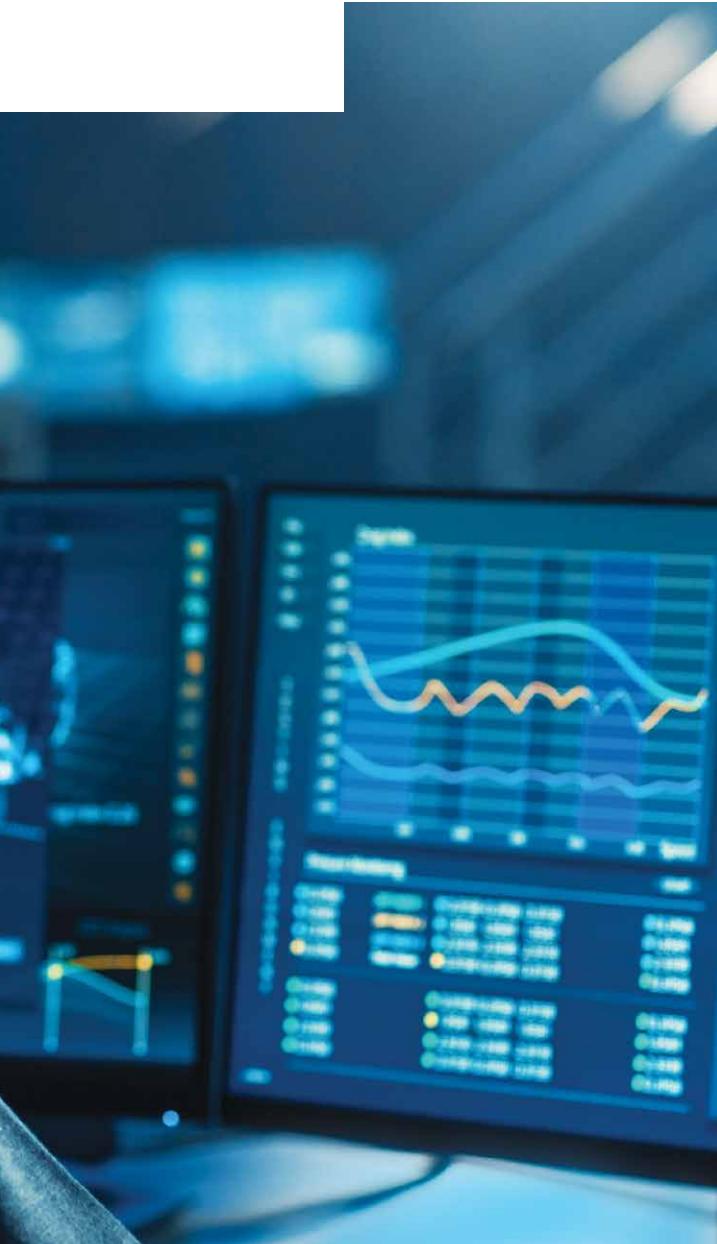
### Our edge

- Deep industry understanding and product knowledge
- Accumulated delivery experience across verticals
- Access to global talent pools, domain experts
- Ability to ramp-up or down engineering services teams at speed, based on client requirements



71%

Revenue share  
in FY 2021-22



## INFORMATION TECHNOLOGY

We provide Information Technology services in SW development & maintenance, application / infrastructure managed services, database maintenance & support, technical helpdesk support and application support of global products.

## DIGITAL TECHNOLOGIES

We build digital solutions and provide services to data-driven businesses for enhancing their productivity and customer experience. This is delivered through a dedicated team specializing in digital transformation. These solutions enable our customers maximize the value of their data and meet the evolving needs of the markets and their customers in real-time.

### Solutions offered

- Process Automation
- Big Data Analytics
- Cloud & DevOps
- AI/ML
- Digital with AR/VR

### Our edge

- Global reach and flexible engagement models with a strong focus on client ROI
- Ability to cross-pollinate technologies across verticals
- Talent acceleration programs for continual upskilling of graduate talent pool

8%

Revenue share  
in FY 2021-22

21%

Revenue share  
in FY 2021-22

## Industries We Serve

# Striding Ahead with Multi-Sectoral Domain Expertise

At Onward Technologies, we enable business outcomes that help our clients gain a competitive edge. We do this by maintaining unwavering focus on select industry verticals, where we have built expertise in digital, embedded, mechanical, and IT services, supported by a talented team. With our deep competencies, we have emerged as a preferred value delivery partner for our clients in these chosen sectors for all their technology needs, right from foundational engineering to emerging digital transformation services. Being agile in thought and transparent in action, we have earned trust of leading Global Technology companies with reputation of delivering above and beyond the highest standards.



## INDUSTRIAL EQUIPMENT & HEAVY MACHINERY

### What we do

We partner with Industrial Equipment Manufacturers in developing solutions for meeting their equipment design and development requirements. We have competencies to cater to equipment design & development requirements of manufacturing (oil & gas, energy, water, steel, plastic, etc.) and off-highway (construction, agriculture, mining, road building, etc.) companies.

### Differentiation to client

- Engineering capabilities right from designing process flows to developing drawings and manuals
- Leveraging our technology competence to deliver essential equipment and highly sophisticated technology solutions



## TRANSPORTATION AND MOBILITY

### Automotive & Rail Transportation

### What we do

We provide engineering services and undertake complete eco-system development including mechanical product engineering, embedded design & development, testing and all accompanying IT and digital transformations through our highly skilled teams.

### Differentiation to client

- More than two decades of experience supported by a highly skilled team
- Expertise ranging from traditional embedded software solutions such as adaptive/classic AUTOSAR middleware stacks to bootloaders (with on-the air updates), ADAS, electric, connected vehicles and functional safety topics of ISO 26262





- World-class solutions in test automations and V&V, which ensures high-quality of software and ensures us to deliver projects first-time right majority of the time as per product development processes of OEMs
- Fast-growing team comprising engineers having experience and domain knowledge of the industry and SMEs in various manufacturing processes including casting, forging, machining, sheet metal, fabrication, molding as well as electrical and electronics systems
- Deep capabilities in cost engineering to ensure competitive pricing through:
  - Periodic review of tools databases and undertaking derivative analysis for hardware and proprietary parts
  - Practising strategic sourcing whereby purchasing process (strategic planning, supplier development, negotiation, supply chain, and outsourcing) is continually improved to ensure better cost estimations



## HEALTHCARE

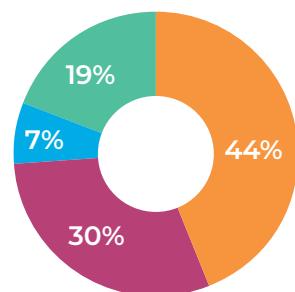
### What we do

We use our comprehensive engineering and digital competencies to deliver innovative solutions to pharma, life sciences, healthcare, and medical equipment companies.

### Differentiation to client

- Deliver user-friendly and advanced technology-enabled medical devices that ensure better and faster positive outcomes
- Enabling them to become more patient-centric through highly-efficient digital information solutions and supply chain innovations

### FY 2021-22 Segmental Revenue (%)



- Industrial Equipment & Heavy Equipment
- Transportation and Mobility
- Healthcare & Medical Devices
- Others

# Chairman's Letter

**Dear Shareholders,**

At the outset, I wish you all good health in these trying times. At Onward Technologies, despite the unprecedented challenges we faced during the year, we delivered on the expectations of our stakeholders. Our learnings from the past and our readiness to deal with the impact helped us to adapt quickly and grow exponentially. We will continue to drive value creation with a focus on sustainability, innovation, and inclusivity. We will continue to be driven by our values as part of shaping the 'Onward Technologies future'. During the pandemic, we continued to stand by our promise to our customers for transforming their vision into reality.

## A Strong 2022 Performance

FY 2021-22 was a historic year for us on all our core parameters. We are overwhelmed to have surpassed our internal projections and register an exceptional growth, delivering record 28% annual revenue growth, a first time for our team and 225% PAT growth from the previous financial year. EBIDTA is reported as ₹ 21.4 Crores which has increased app. 246% Y-o-Y. Net Profit After Tax which has reported ₹ 23.7 Crores, which is more than 3x from previous year. Considering this, we have healthy cash flows which stood at ₹ 60 Crores as on March 31, 2022.

We operate into two business units. One is India Business Unit and secondly is International Business (IB) unit. Our IB unit comprises seven offices, three in USA, three in Europe including UK and one in Canada. Both of them averaged about 27% to 28% annual growth last year. During the year, both units primarily contributed to our financial success - industrial equipment and heavy machinery and transportation and mobility - accounting for over 74% of our overall revenues.

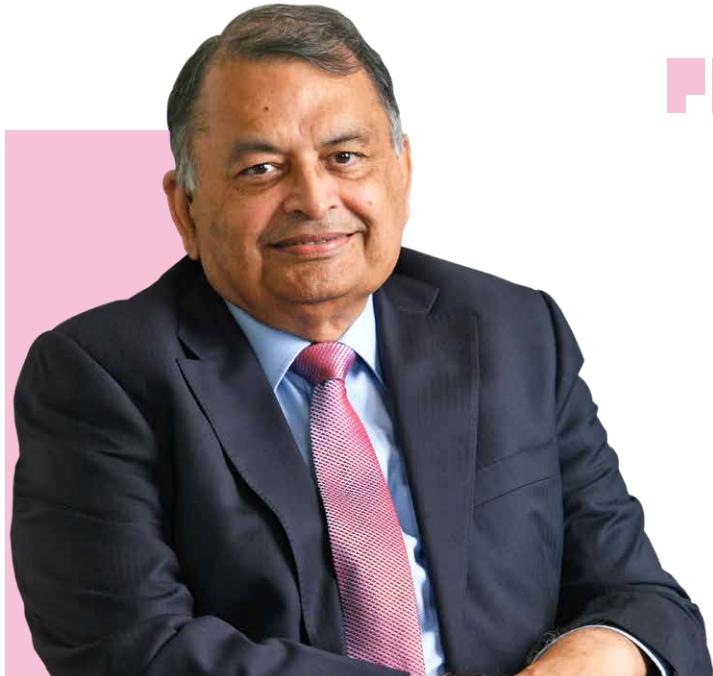
## Growth strategy

Our clear growth strategy is to leverage our multi-technology expertise, build new capabilities and contour deeply towards complex hi-tech digital transformation services to foray into new sectors and geographies, thereby servicing new and existing Global 2000 OEM customers. Towards this end, we have consciously moved from being a traditional IT service player to a high-margin, high-tech ER&D and digital transformation service provider over the last few years.

During the year, we continued our focus on two of our fastest growing verticals while making excellent inroads in two new verticals – healthcare and hi-tech – which we believe will serve as significant growth drivers for us over the next few years. We target 50% revenue from digital transformation business by 2025 and are continuously investing and building our capabilities across Cloud, Advanced Analytics, Visualization and other new and emerging technologies. This has helped us to bag many new deals in the digital domain and we hope to see this making sizable contribution to our future growth.

With the opening of travel restrictions, we have renewed our focus on strengthening our infrastructure. Towards this and with the objective to provide seamless local support to our customers, our teams now operate from fourteen global locations – seven in India and seven across Europe and North America. We are also enhancing our offshore capabilities by upgrading infrastructure and adding more capacity across our offices in Mumbai, Pune, Chennai, Bengaluru and Hyderabad. This is expected to drive greater cost efficiencies and serve more and more clients in search of cost-effective solutions & services, at the same time accelerating our offshore revenues.

During the year, out of all our customers, 11 customers now contribute more than a million dollar revenue each. We shall continue to focus on deepening our engagement and growing revenues from these 11 customers & have good visibility and traction to grow the number of the customers in this category by 50% in FY2023.



**WE WILL CONTINUE TO DRIVE VALUE CREATION WITH A FOCUS ON SUSTAINABILITY, INNOVATION, AND INCLUSIVITY. WE WILL CONTINUE TO BE DRIVEN BY OUR VALUES AS PART OF SHAPING THE 'ONWARD TECHNOLOGIES FUTURE'.**

#### **Working towards a better world**

Our CSR initiatives are a reflection of our unfailing commitment to uplift the communities we serve and live in. During the year, we supported the villagers through a registered trust with better access to education and healthcare. The proceeds were used for conducting eye camps for poor patients and distributing books and stationery to the underprivileged children. We also collaborated with 'Jai Vakeel Foundation and Research Center' to provide training and livelihood opportunities for children and adults with Intellectual & Developmental Disabilities (IDD). Diagnosis, care and treatment of children was further facilitated through earnest contributions made to 'The Society for the Rehabilitation of Crippled Children'. As another effort to facilitate poor children with basic education, we paid the unpaid school fees for 5 students studying in 'Saraswati English Medium School', Wagholi, Pune, Maharashtra. Collectively, we contributed ₹ 27.36 Lakhs towards uplifting people from the economically weaker sections of the society and providing them with an opportunity to live better.

#### **Message to shareholders**

We foresee continuous growth in the global ER&D industry in the coming years as companies all over the world are accelerating their investments in digital engineering stack and adopting new-age and emerging technologies in their day-to-day operations. India, with its robust and efficient ecosystem, shall be at the center of this growth curve bringing us a plethora of opportunities. With the right strategy, enhanced capabilities, and a dedicated team, we are well placed to overcome the challenges and achieve our goals.

On this note, I would like to thank all our stakeholders whose constant support and faith in us has helped us to come this far and will further enable us to continue exciting growth trajectory.

Warm regards,

**Harish Mehta**  
Founder & Executive Chairman

# Message From Our Managing Director

**Dear Shareholders,**

What a year this has been for Onward Technologies! Record performance, significant operational expansion and progressing towards the ambition of becoming a digital transformation player. We saw it all transpire even in the most unprecedented times. But more importantly, we maintained our brand promise of delivering on our clients' expectation with perfection through our sustained focus on execution. The year in many ways reflects the multi-year efforts that we put towards building a winning culture. This was evident in the accountability, perseverance and response shown by our all-talented people in creating value for all stakeholders even as they worked under hybrid models. I express my gratitude to our team and am proud to have them beside us.

## **Strong Performance in the midst of a pandemic**

Although the year gone by was one of the hardest, Onward Technologies' performance remained strong. Due to lockdowns and social distancing norms ruling out physical interaction, the focus quickly shifted to digital ecosystems. Thanks to our increased investment towards complete digitization even before the start of the pandemic, we were in a much better position to leverage our resources. Being a place that defines integrity, innovation, and serenity, the Company ensures to build long-term relationships with their clients.

We elevated our performance and delivered outstanding results for our customers, employees, shareholders and the communities we live and work in. We have delivered record 28% annual revenue growth, a first time for our team and 225% PAT growth from the previous financial year. We surpassed all our internal projections planned at the start of the year. We have closed FY 2021-22 with highest revenue growth in Q4-FY22 of 13% QoQ to ₹ 88 Crores. Our revenues grew by 28% to ₹ 307 Crores and EBITDA by 24% to ₹ 21.4 Crores.

## **Rewarding Our Shareholders**

We have been committed to consistently providing sustainable returns to our shareholders. The Board of Directors approved a final dividend of 30% amounting to ₹ 3.00 per share, subject to the approval by shareholders at the 31st Annual General Meeting of the Company. As shared earlier, we are now added in the NSE - TOP 1000 company. Accordingly, we have formulated a Dividend Distribution Policy to set a robust mechanism for the distribution of the profits of the Company.

## **Investing in People**

Nurturing talent and creating sufficient opportunities for learning and development has been our go-to-strategy for empowering our people and in turn improving our performance and driving customer satisfaction. This year was no different as we worked towards strengthening our in-house capabilities to create a pyramid model. In order to build the Onward Tech of tomorrow, our own Talent Acceleration Program (TAP) was launched to upskill and reskill our employees with a vision to create an academy to make learning an everyday employee experience. This program is designed to nurture the concepts of 'Learning to Learn' and 'Learn by Doing', which encourage freshers and strengthen their capabilities, thus making them more resourceful and self-reliant. We have also hired 200 freshers under the TAP initiative, in collaboration with few of our strategic customers. The initial results & feedback has been very positive and our dream is to expand this initiative over the years to 2000 engineers.

## **Strategic milestones strengthen integrated offering**

One of the most significant developments during the year was the equity investment of ₹ 70.2 Crores by Infinity Direct Holdings (Convergent Finance) for a 24.7% stake in the Company. This equity infusion along with the strong internal accruals over the years has provided us with an enhanced war chest to continue pursuing an organic & now inorganic growth opportunities as well.

We have also acquired 100% equity stake in OT Park Private Limited ["OT Park"] (formerly known as NV Pune Technology Park Private Limited on December



WE ARE FOCUSED ON LONG TERM GROWTH OF ALL OUR 3 STAKEHOLDERS I.E. CUSTOMERS, EMPLOYEES AND INVESTORS



01, 2021 for a purchase consideration including incidental expenses of ₹ 1,719.90 Lakhs. OT Park owns a single immovable property in Pune. This office was already leased by us for the past 7 years and we are now investing to make it state-of-the-art.

International expansion has been one of our most important focus areas and a key growth driver for future. This shift comes at a time when we are witnessing increasing inquiries from our existing strategic clients. The target now is to increase local execution capabilities in these markets so we can meet the support our clients. In FY2022, we opened wholly-owned subsidiaries in Netherlands and Canada and enhanced capacities and competencies across all our current office locations. We have also opened a new Digital CoE in Hyderabad and capacities were expanded at Chennai and Bengaluru offices. A total of ~ 500 seats were added to meet the client requirement and similar number has been planned for FY2023.

#### Message to Shareholders

We are focused on long term growth of all our 3 stakeholders i.e. Our customers, Our employees and Our all investors. Our Company stands at an important intersection which we believe will propel us into the next phase of growth. We have successfully turned around the Company, graduating from low margin traditional IT services focused on India market to a high margin ER&D and digital transformation services company focused on international markets. Our efforts have translated in building a winning team and a winning culture, and from here with the right customers and right investments, we can scale faster with strong execution.

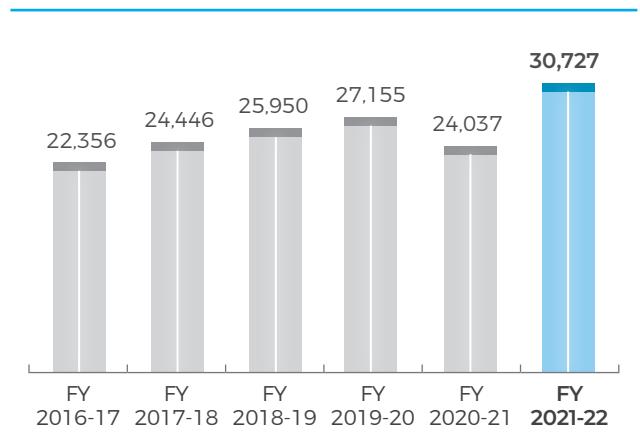
We remain confident of the opportunities ahead and seek the continuous support of all stakeholders to participate in the exciting growth story.

Warm regards,

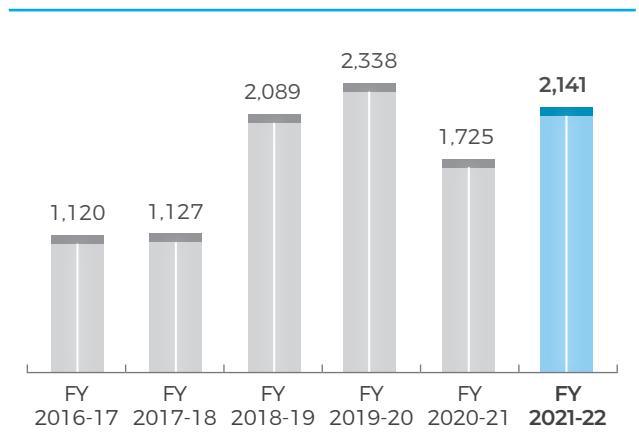
**Jigar Mehta**  
Managing Director

# Solid Performance Led by Strong Fundamentals

## Revenue from Operations



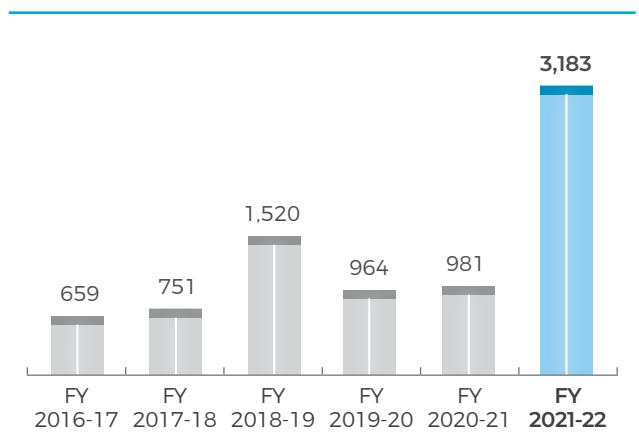
## EBITDA



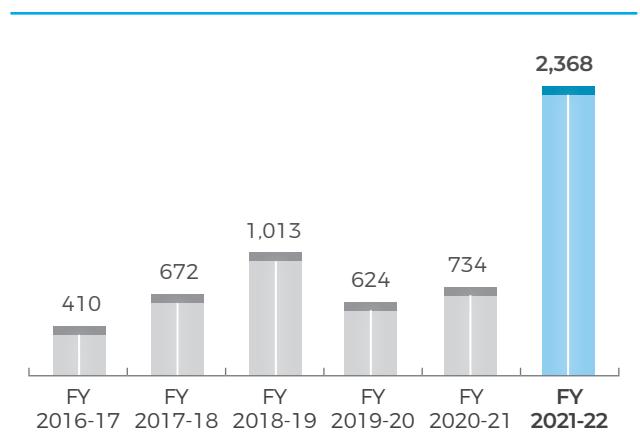
## EBITDA Margin (%)



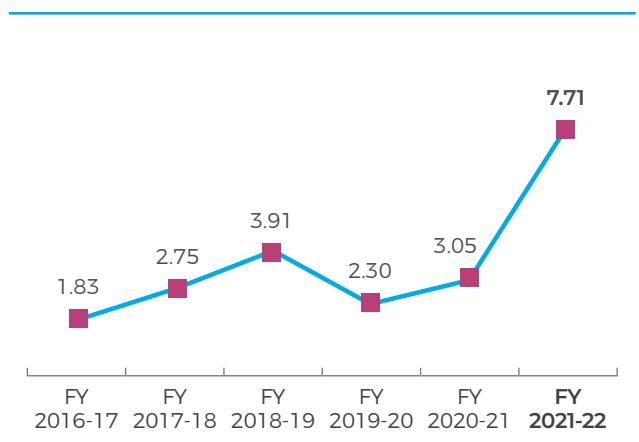
## PBT



## PAT

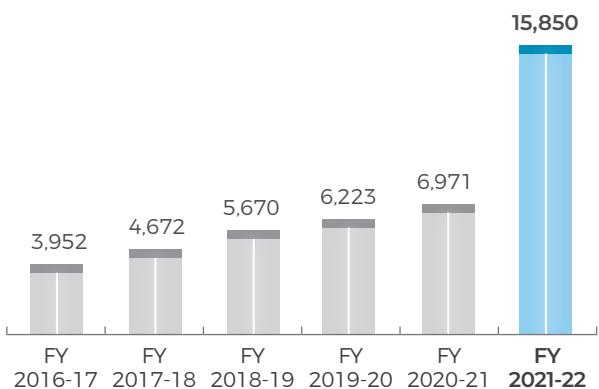


## PAT Margin (%)

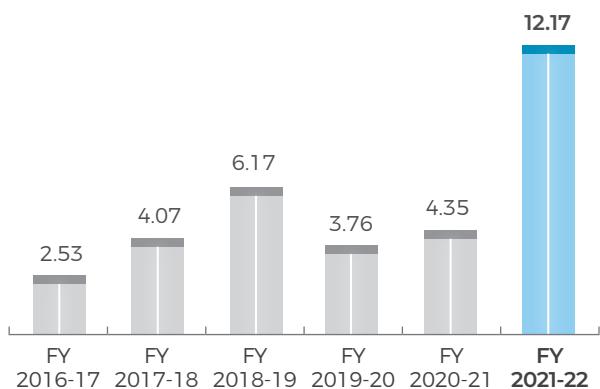


**Net Worth**

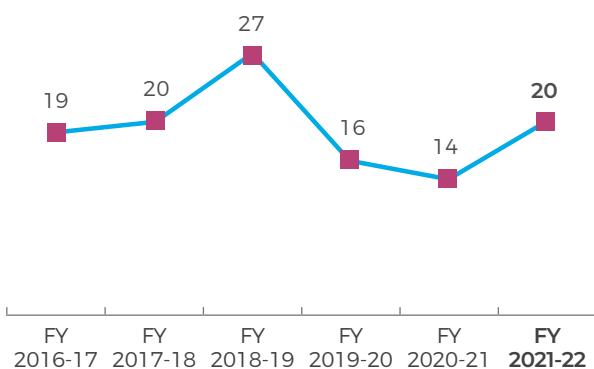
(₹ in Lakhs)

**Earnings Per Share (Diluted)**

(₹)

**ROCE**

(%)

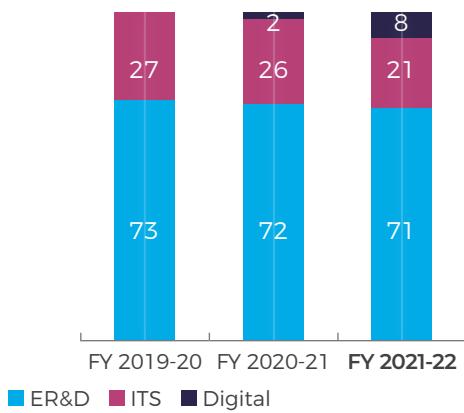


# Focused on Building a Solid and Scalable Business Model

Our business model has enabled us to drive a stable performance while maintaining healthy balance sheet position. We are driving focused changes in our business development, business delivery and customer acquisition strategy to make it more solid and scalable in the long run. We are focusing on developing our credibility with the customer, both on quality, deliverables and having the best manpower, culture and team.

**Revenue by business**

(%)

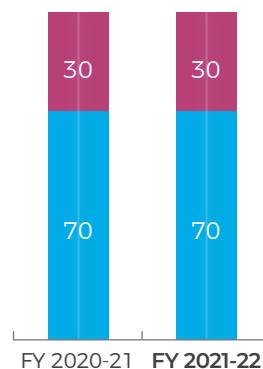


■ ER&D ■ ITS ■ Digital

Our share of revenue from digital services has grown to 8% of overall business from NIL in FY 2019-20. We intend to increase this to 50% by FY2025.

**Revenue by engagement model**

(%)



■ Onsite ■ Offshore

We will continue with a healthy mix of onsite & offshore services to fulfill client requirements.

**Revenue by region**

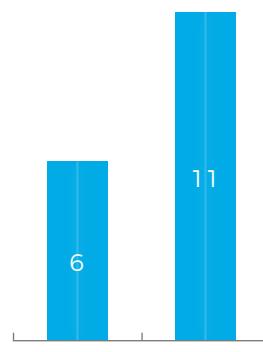
(%)



■ India ■ USA ■ Europe

We continue to invest in growing all the 3 regions.

**Revenue per Client / year**



■ USD 1Mn +

We see good momentum to grow strategic clients further by 50% and increasing the wallet share of existing clients.

# Pivoting to Digital Engineering Services to Strengthen Reputation as a Trusted Outsourcing Partner

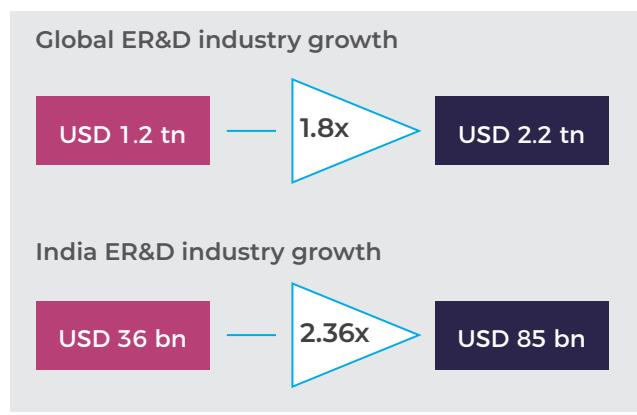
Global 2000 companies are increasingly investing in digital transformation and emerging technologies. Having successfully delivered technology solutions to many of these companies, we are now looking to play a bigger role with our enhanced competencies in ER&D and digital transformation services. We are focused on becoming their extended R&D arm and working closely towards their business success.

## Global ER&D and Digital Transformation industry is set to boom

Globally, the ER&D market size is estimated to almost double from USD 1.2 trillion in 2020 to USD 2.2 trillion in 2025. With increasing investments in digital engineering stack and new-age technologies such as AI/ML, Big Data Analytics, AR/VR, and Blockchain, the software and internet vertical is expected to grow faster at 22% from USD 160 billion to USD 527 billion by 2025.

India which is rapidly emerging as a preferred innovation and technology destination led by its robust and thriving start-up ecosystem along with proactive and supportive policies, is expected to be a beneficiary. In 2021, the country exported USD 35.9 billion in ER&D services to surpass China, and is well-positioned to grow to USD 85 billion by 2025. The digital economy in India is also expected to grow 5x from USD 200 billion in 2020 to USD 1 trillion in 2025 led by growth in healthcare, digital payments and e-commerce, thus opening domestic digital transformation opportunities.

## Massive ER&D opportunity for India



## Onward Technologies – Ready to Deliver Pivoting to Digital Engineering Services

Our top clients, many of whom are Global 2000 companies, are looking to increase their technology budgets. Having been empaneled with them and already proven our competencies, we have adopted a focused strategy to work at a deeper level with them.

We are focused on investing in their digital maturity curve to help them chart digital transformation journey progress through it. We look to take a leap forward by shifting from proof on concept stage to ensuring adoption at scale in various emerging technologies where we have built competencies including Industry 4.0, digital, AI/ML, cloud, ADAS, DevOps, embedded / electronics.

Our target over the next few years is to enhance the share of digital transformation revenues from 8% in FY 2021-22 to 50% in FY 2024-25. The revenue share from Top 10 customers is targeted to be enhanced from 47% to 70% in this period.

## Capitalizing digital play capabilities in our chosen industry

We have deep competencies in Transportation & Mobility, Industrial Equipment & Heavy Machinery and a growing presence in Hi-Tech and Healthcare & Medical Devices sector. We are continually nurturing our capabilities in mechanical engineering, electronics and embedded, digital transformation and enterprise IT in these focused sectors to strengthen our competitive positioning.

# Human Resources

Onward Technologies has come a long way from working on small ticket traditional IT projects to executing large complex ER&D and digital transformation services for Global 2000 clients. We are scaling up skills and competencies, delivery, and training capabilities to play a greater role.

## EMPLOYEE ENGAGEMENT

We actively engage with our employees through various skill development program and employee connect events conducted throughout the year. Fresh hires also get opportunity to connect with Chairman and Managing Director during the program. Following initiatives are undertaken to motivate and empower our employees:



## Talent Acceleration Program (TAP)

We have started a unique TAP program by hiring fresh graduates, post-graduates, engineers in building Digital and Embedded/Electronic capabilities. We have launched the TAP in November, 2021 in Pune, which has now been expanded to Hyderabad, Bengaluru and Chennai office.





### Advancing with a dynamic workforce

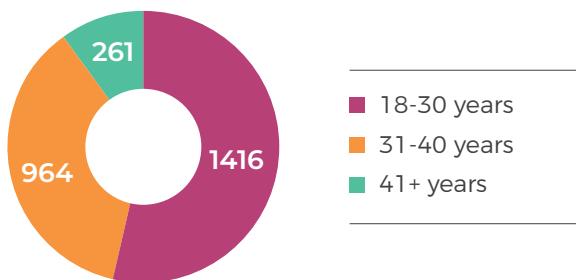
The growing scale of operations necessitates us to create people bandwidth. In FY 2021-22, we hired people across sales, delivery G&A and Shared Services functions to strengthen our global execution capabilities. Our overall team size grew by 553 employees last year. Based on the visibility and traction we see today, we believe we will add similar number of software engineers in FY2023.



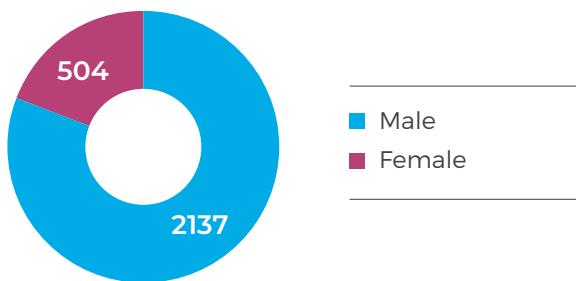
## Diversity and inclusivity

With diversity equity and inclusion, we share a common ground with our clients. Their businesses are built on these foundational values and so are we. It is how we draw a strong people and business alignment with our clients — because we believe the business benefits of digital technologies can only be delivered through the power of a talented & diverse workforce. Our Diversity ratio is improving every quarter and we closed the year with 20%+

### Age diversity



### Gender diversity



## Center of Excellence (CoE) to nurture niche skills

We have expanded our footprint with 2 new Centers of Excellence (CoE) — Bengaluru and Chennai. It hosts an advanced embedded lab and large training rooms equipped to conduct various skilling programs. We gave engineers within capabilities in embedded systems and software development, data analytics, Java back-end, systems engineering and testing, among other skills. The objective is to build a robust delivery model that is scalable across all COEs and deliver centers in India.



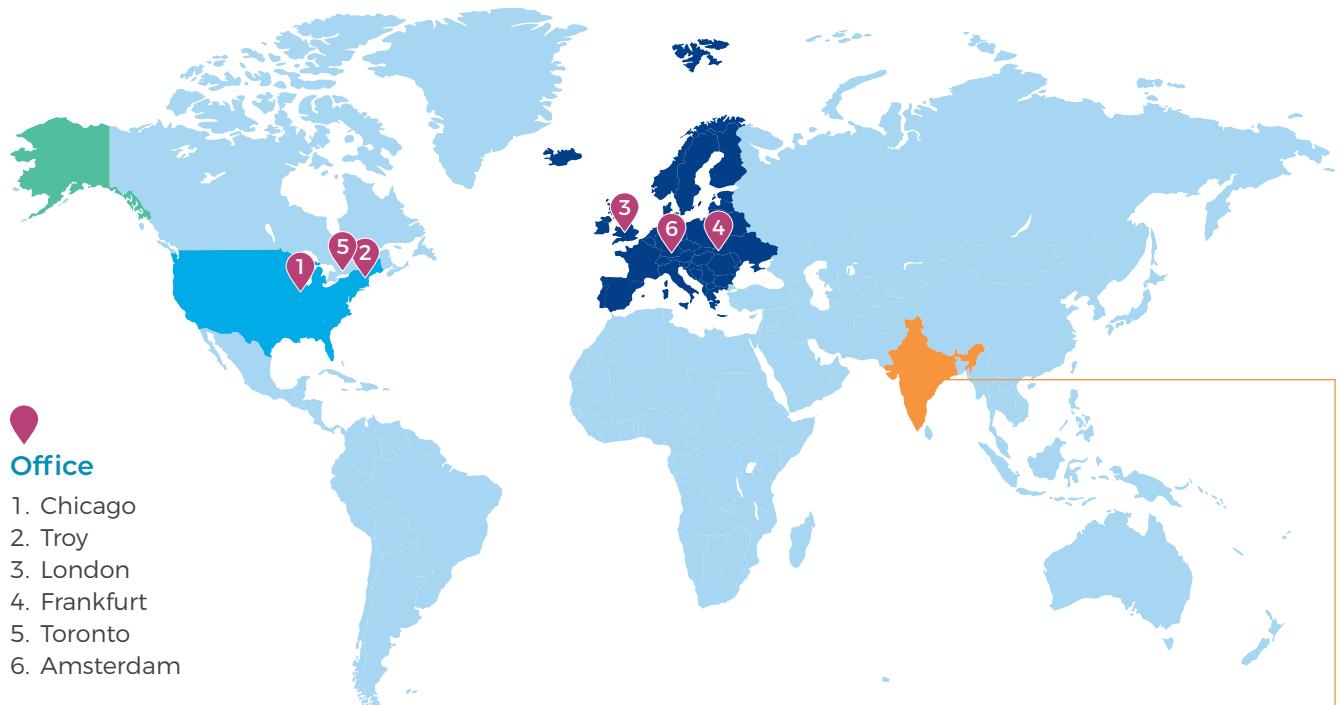
Managing Director, Onward Tech, Jigar Mehta along with the Chennai Team

## POSH

Our Prevention of Sexual Harassment (POSH) policy covers every employee and is available on the website of the Company. We have also set-up a dedicated Internal Complaints Committee for all locations to redress complaints on sexual harassment. During FY 2021-22, we received no complaints on human rights violations, including discrimination, harassment, sexual harassment, child labor across all locations.



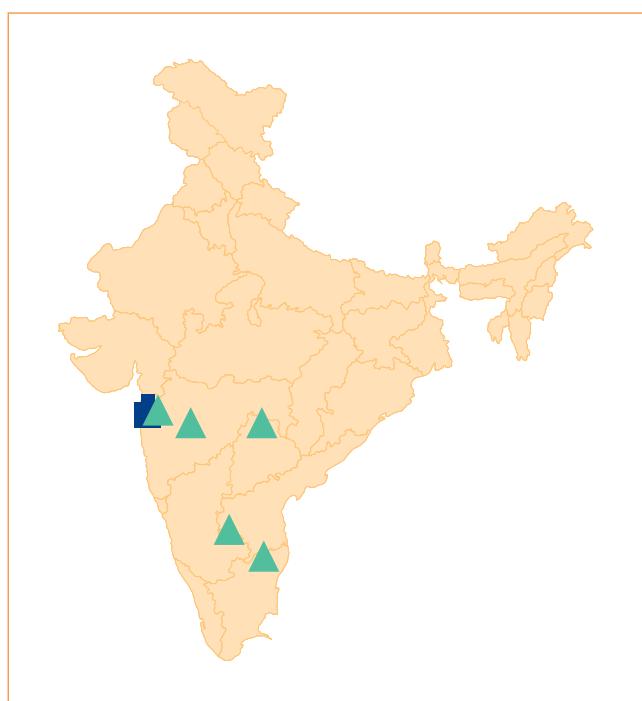
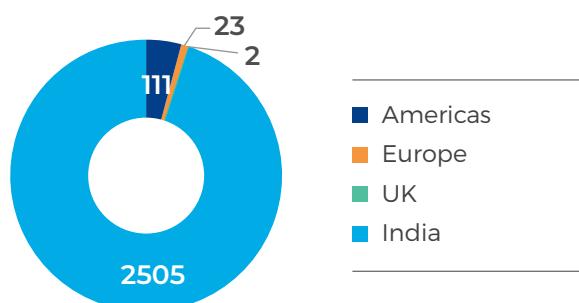
## GROWING OUR FOOTPRINT



**Headquarter**  
Mumbai

**Offshore Development Center**  
Mumbai  
Pune  
Chennai  
Bengaluru  
Hyderabad

### Number of employees

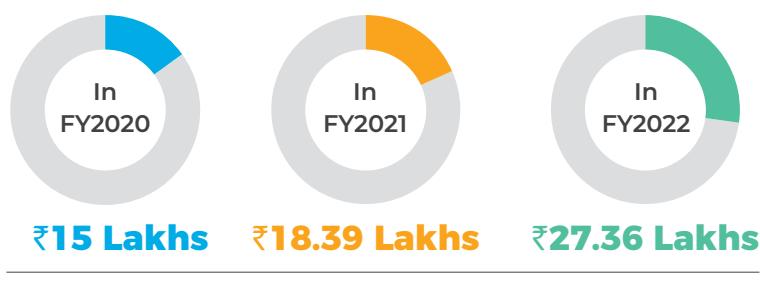


# Community Development

At Onward Technologies, we aim to create an environment that supports holistic development of the communities in which we operate. As part of our initiative to give back to the society, we work towards transforming the lives of the underprivileged. Our CSR policy reflects our socioeconomic development agenda, under which we have identified the focus areas - Education and primary healthcare.



CSR Expenditures in last three years



## EDUCATION, HEALTH AND HYGIENE



Through registered trust, we have distributed notebooks, school bags and other study materials to students of 33 schools in 17 districts of Unnão. These two projects support the Government of India's nationwide grassroot level primary education program called Sarva Shiksha Abhiyaan.





Jai Vakeel School, a part of the Jai Vakeel Foundation and Research Center is one of the oldest and largest not for profit institutes in India serving children and adults with Intellectual & Developmental Disabilities ('IDD'). We have supported the school by contributing towards Project-Jai Vakeel Skill Development Centre which provides vocational training, activities of daily living training and livelihood opportunities for adults with IDD.



The Society for the Rehabilitation of Crippled Children (SRCC) works towards organizing hospital and clinics for the support diagnosis, care and treatment of children needing alternate support. We continued to support their initiative by contributing towards this cause.



We have supported Saraswati English Medium School, situated in Wagholi, Pune to 425 students from economically backward sections in getting basic education. We have also contributed towards payment of unpaid school fees of 5 students of the school. It helps the students to raise the bar in education as well as enhance their skill sets through undertaking supplementary activities.



Through registered trust, we have also undertaken focused activities around better healthcare and improvement in general living conditions. Maintaining our focus on health and education, we supported them towards conducting eye camps and promoting education. They have sponsored the complete treatment, right from the preliminary eye check-ups to the surgery and post-surgical care and also undertook distribution of spectacles.

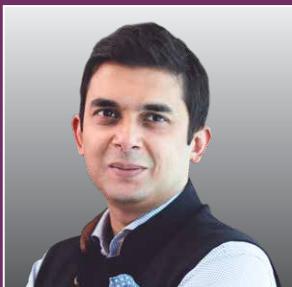


## Board of Directors



**Harish Mehta**

Founder & Executive Chairman



**Jigar Mehta**

Managing Director



**Prachi Mehta**

Director



**Rahul Rathi**

Director



**Parish Meghani**

Director



**Subrata Kumar Mitra**

Director



**Jay Sonawala**

Director



**Harsha Raghavan**

Director

# Directors' Report

Dear Members,

The Board of Directors are pleased to present the 31<sup>st</sup> Annual Report of the Company along with Financial Statements (Consolidated and Standalone) for the financial year ended March 31, 2022.

## I. FINANCIAL AND OPERATIONAL HIGHLIGHTS

Your Company's financial performance for the year ended March 31, 2022 as compared to the previous financial year ended March 31, 2021 is summarized below:

Particulars	Standalone		Consolidated	
	Year ended 31.03.2022	Year ended 31.03.2021	Year ended 31.03.2022	Year ended 31.03.2021
Revenue from Operations	23,439.50	17,266.72	30,726.87	24,036.66
Other Income	560.01	846.14	2,153.11	533.52
Profit before Finance Cost, Depreciation and Taxes	2323.88	2,807.25	4294.03	2,258.12
Finance costs	101.24	207.94	100.56	232.38
Depreciation	920.96	928.48	1,010.51	1,044.47
Operating profit	1,301.68	1,670.83	3,182.96	981.27
Exceptional items	-	-	-	-
<b>Profit before Tax</b>	<b>1,301.68</b>	<b>1,670.83</b>	<b>3,182.96</b>	<b>981.27</b>
- Current Tax	275.85	370.78	390.70	373.56
- Deferred Tax	93.35	33.34	423.86	(126.08)
<b>Total tax expense/(credits)</b>	<b>369.20</b>	<b>404.12</b>	<b>814.56</b>	<b>247.48</b>
<b>Profit after Tax</b>	<b>932.48</b>	<b>1,266.71</b>	<b>2,368.40</b>	<b>733.79</b>
Other Comprehensive Income	(48.85)	10.79	(64.28)	(28.89)
<b>Total Comprehensive Income for the Period</b>	<b>883.63</b>	<b>1,277.50</b>	<b>2,304.12</b>	<b>704.90</b>

## COMPANY'S PERFORMANCE OVERVIEW

During the financial year 2021-22:

- On a consolidated basis, your company achieved a Revenue from Operations of ₹ 30,726.87 Lakhs, increased by ₹ 6,690 Lakhs over the previous year revenue from operations of ₹ 24,036.66 Lakhs.
- Profit after Tax of your Company for the current year is ₹ 2,368.40 Lakhs against previous year of ₹ 733.79 Lakhs. The increase in profit was due to increase in other income due to waiver of the loan amounting to ₹ 1,503.91 Lakhs under Paycheck Protection Program and recovery of ₹ 294.42 Lakhs under the Employee Retention Credit relief available under The Coronavirus Aid, Relief and Economic Security Act (CARES Act) introduced by the USA Government.
- Revenue from Operations on standalone basis for the year ₹ 23,439.50 Lakhs, increased by ₹ 6,173 Lakhs over the previous year revenue from operations of ₹ 17,266.72 Lakhs.
- Finance costs for the year ₹ 101.24 Lakhs decreased as compared to the previous year of ₹ 207.94 Lakhs.
- Profit after Tax for the current year is ₹ 932.48 Lakhs against previous year of ₹ 1,266.71 Lakhs. The Profit after Tax was decreased by ₹ 334.23 Lakhs due to decrease in other income due several as no dividend income is received from subsidiary in current financial year.

## IMPACT OF COVID-19

The second wave of Covid-19 hit hard in early April 2021, and we witnessed yet another lockdown thereafter. The situation remained same as the previous year, and it brought global business activity to a screeching halt. Companies continued to face revenue losses while ensuring uninterrupted services to the clients. Keeping health and safety as a top priority, your Company arranged vaccination drives across all the region for employees.

## DIVIDEND

Based on the Company's performance, the Board of Directors at their meeting held on May 13, 2022, has recommended payment of ₹ 3/- (₹ Three only) (30%) per equity share of the face value of ₹ 10/- (₹ Ten only) each as final dividend for the financial year ended March 31, 2022. The payment of final dividend is subject to the approval of the shareholders at the ensuing Annual General Meeting ("AGM") of the Company.

Your Company has formulated a Dividend Distribution Policy duly approved by the Board at its meeting held on May 13, 2022. This policy is available in the investor section of the website of the Company at [www.onwardgroup.com](http://www.onwardgroup.com)

## TRANSFER TO RESERVES

Your Company did not transfer any sum to General Reserves for the financial year ended March 31, 2022.

## III. DETAILS OF SUBSIDIARIES/Joint Ventures/Associate Companies

As on March 31, 2022, the Company has one Indian subsidiary and four foreign subsidiaries:

Sr. No.	Name of Subsidiary Companies	Country of Incorporation	Percentage of holding
1.	Onward Technologies Inc. (OTI)	USA	100%
2.	Onward Technologies GmbH (OTG)	Germany	100%
3.	Onward Technologies Canada Inc., (OTCA)	Canada	100%
4.	Onward Technologies BV (OTBV)	Netherlands	100%
5.	OT Park Private Limited (OT Park) (formerly known as NV Pune Technology Park Pvt. Ltd.)	India	100%
6.	Onward Properties Private Limited (OPPL)	India	--

During the year under review, following changes took place:

- The Company has acquired entire equity shareholding and preference shares of OT Park on December 1, 2021. Consequent to the acquisition of entire shareholding, OT Park has become a wholly-owned subsidiary of the Company.
- Onward Technologies Canada Inc. and Onward Technologies BV were incorporated as wholly-owned subsidiaries on May 25, 2021 in Toronto, Canada and June 04, 2021 in Netherlands respectively.

## FIXED DEPOSITS

In terms of the provision of Sections 73 and 74 of the Companies Act, 2013 read with the relevant rules, your Company has not accepted any fixed deposits during the year under review.

## TRANSFER TO INVESTOR EDUCATION & PROTECTION FUND:

In accordance with the applicable provisions of Companies Act, 2013 (hereinafter referred to as "the Act") read with Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 (hereinafter referred to as the "IEPF Rules"), all unclaimed dividends are required to be transferred by the Company to the IEPF, after completion of seven (7) years. Further, according to IEPF Rules, the shares on which dividend has not been claimed by the shareholders for seven (7) consecutive years or more shall be transferred to the de-mat account of the IEPF Authority. During the Financial Year 2021-22 the Company has not completed Seven (7) years. Hence, the unclaimed amount of dividend are not transferred in the IEPF.

## II. CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the provisions of the Act, Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") and applicable Accounting Standards, the Audited Consolidated Financial Statements of the Company for the financial year 2021-22, together with the Auditors' Report form part of this Annual Report.

- c. The Registrar of Companies issued a Certificate in form STK-7 under Section 248(2) of Companies Act, 2013 regarding struck off of the name of OPPL from the Register of Companies. Consequently, OPPL ceased to be a wholly-owned subsidiary of your Company w.e.f. August 25, 2021.

There are no associate or joint venture companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act"). There has been no material change in the nature of the business of the subsidiaries.

As per the provisions of Section 129(3) of the Companies Act, 2013 ("Act"), a statement containing salient features of the financial statements of the Company's subsidiary (which includes associate companies and joint ventures) in Form AOC-1 is attached to the financial statements of the Company as **Annexure – A**.

Pursuant to the provisions of Section 136 of the Act, the financial statements of the Company including consolidated financial statements along with the relevant documents and separate audited financial statements in respect of subsidiaries are available on the website of the Company <https://www.onwardgroup.com/investors.php>.

#### **IV. SHARE CAPITAL**

##### **Authorized Capital**

During the year under review, the merger of Onward e Services Limited with the Company was taken on record by the Board at their Meeting held on May 14, 2021 being effective date. Post effective date, the Authorized Capital of both the Companies were clubbed. As on March 31, 2022, the Authorized Capital is ₹ 44,62,00,000/- comprising of 4,46,20,000 equity shares of ₹ 10/- each 3,36,20,000/- Ordinary (Equity) Shares of ₹ 10 each and 10,00,000 Unclassified shares of ₹ 10 each and 1,00,00,000 Preference Shares of the face value of ₹ 10/- each.

##### **Issued, subscribed and paid-up share capital**

As on March 31, 2022, the issued, subscribed and paid-up share capital of the Company is 22,02,08,700/- comprising of 2,20,20,870 Equity Shares of ₹ 10/- each.

##### **Allotment of shares under ESOP Schemes**

During the year under review, the Company has issued and allotted 163,100 and 119,000 fully paid-up equity shares of ₹ 10/- each were allotted to various employees under ESOP Scheme 2009 and ESOP Scheme 2019, respectively.

##### **Allotment of shares under Preference Issue**

The Members have approved the preferential allotment of 11,00,000 new equity shares of face value of ₹ 10/- each fully paid-up at a price of ₹ 130/- (inclusive of face value of ₹ 10/- each) per share for cash (hereinafter referred to as "New Equity Shares") and 43,00,000 warrants convertible into equity shares of the Company at a price per warrant/equity share of ₹ 130/- (inclusive of face value of ₹ 10/- each) to Infinity Direct Holdings (the "Investor") on June 30, 2021, where each warrant is convertible into one equity share of the Company.

On June 30, 2021, the Company has issued and allotted 11,00,000 New Equity Shares to the Infinity Direct Holdings at a price of ₹ 130 per share aggregating to 14,30,00,000/. Also, the Investor subscribed to 43,00,000 warrants by paying an amount equivalent to 25% of the issue price i.e. ₹ 13,97,50,000/- at the time of allotment of the said warrants.

On November 18, 2021, the Investor has exercised its option to convert 43,00,000 warrants into equity shares into equivalent number of equity shares of the Company. Post that, the Investor paid the balance 75% consideration of ₹ 41,92,50,000/- consequently to which the Company has issued and allotted 43,00,000 equity shares to the Investor on November 30, 2021.

There were no deviations or variations in the use of proceeds from the objects stated in the offer document and explanatory statement to the notice for the General Meeting. The details of utilization of funds received from preferential issue forms part of Note No 40 of notes to the Standalone Financial Statements forming part of the Annual Report.

#### **CORPORATE GOVERNANCE REPORT AND MANAGEMENT DISCUSSION & ANALYSIS**

Separate reports on Corporate Governance Report and Management Discussion and Analysis as required by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["SEBI (LODR), 2015"] forms part of this Annual Report along with the required Certificate from the Practicing Company Secretary confirming the compliance of requirements of Corporate Governance as stipulated in the SEBI (LODR), 2015.

##### **Risk Management Policy**

The Company has formulated the Risk Management Policy in accordance with the Regulation 21 of SEBI (LODR), 2015 to be read

with Part D of Schedule II. The details with respect to the Risk Management Policy forms part of the Management Discussion and Analysis Report.

#### **Vigil Mechanism/Whistle Blower Policy**

Your Company has a Whistle Blower Policy in place as required under Section 177 of the Act and Regulation 22 of the SEBI (LODR) Regulations, 2015. The mechanism provides for adequate safeguards against victimization of persons who use such mechanism and makes provisions for direct access to the Chairman of the Audit Committee. More details in this regard have been outlined in the corporate governance report annexed to this report. The Policy is disclosed on the Company's website with the following link: <https://www.onwardgroup.com/investors.php>

#### **Dividend Distribution Policy**

In terms of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), the Board has formulated and adopted the Dividend Distribution Policy. The Policy is available on our website at <https://www.onwardgroup.com/investors.php>

### **NOMINATION AND REMUNERATION POLICY**

The salient features of the Nomination and Remuneration Policy of the Company are set out in the Corporate Governance Report which forms part of this Annual Report. The said Policy of the Company, inter alia, provides that the Nomination and Remuneration Committee shall formulate the criteria for appointment & re-appointment of Directors on the Board of the Company and persons holding Senior Management positions in the Company, including their remuneration and other matters as provided under Section 178 of the Act and Listing Regulations.

The Policy is also available on the website of the Company at <https://www.onwardgroup.com/investors.php>

#### **Prevention of Sexual Harassment of Women at Workplace**

Your Company has in place a formal policy for the prevention of sexual harassment of its women employees in line with "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013". The Company has formed Internal Complaint Committee who periodically conducts sessions for employees across the organization to build awareness about the Policy and the provisions of Prevention of Sexual Harassment Act.

During the year, there were no complaints received relating to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

### **V. BOARD OF DIRECTORS AND COMMITTEES**

#### **A. Board of Directors**

##### **Retirement by rotation**

In accordance with the provisions of Section 152 of the Companies Act, 2013, Mrs. Prachi Mehta (DIN: 06811085) retires by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment.

##### **Appointment of Mr. Harsha Raghavan as an Additional Director (Non Independent Non-Executive)**

The Board at its meeting held on June 30, 2021, upon the recommendation of the Nomination and Remuneration Committee (NRC), has appointed Mr. Harsha Raghavan as an Additional Director, (Non-Executive and Non-Independent) to hold office as such until the conclusion of next Annual General Meeting of the Company to be held on July 18, 2022. Mr. Raghavan has offered himself for his appointment as a Director (Non-Executive, Non-Independent) from the ensuing AGM and the resolutions seeking approval of the Members for the regularization of Mr. Harsha Raghavan as a Director (Non-Executive, Non-Independent), of the Company have been incorporated in the Notice to the AGM of the Company along with brief details about them.

##### **Declaration of Independence by Independent Directors**

The Company has received the following declarations from all the Independent Directors confirming that:

1. They meet the criterion of independence as prescribed under Section 149 of the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. They have registered themselves with the Independent Director's Database maintained by the IICA.

None of the Directors of the Company are disqualified for being appointed as Directors as specified in Section 164(2) of the Act and Rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014

### **Directors' Responsibility Statement**

Pursuant to Section 134 of the Companies Act, 2013, the Board of Directors, to the best of their knowledge states that:

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) 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 the year ended on that date;
- c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
- d) the annual accounts had been prepared on a going concern basis;
- e) they have laid down internal financial controls to be followed by the Company and that such internal financial control are adequate and operating effectively and;
- f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **VI. EMPLOYEES**

### **Key Managerial Personnel**

Pursuant to the provisions of Section 2(51) and 203 of the Act, the Key Managerial Personnel of the Company are Mr. Harish Mehta, Chairman & Whole-time Director and Mr. Jigar Mehta, Managing Director and Mr. Devanand Ramandasani, Chief Financial Officer and Ms. Dimple Chauhan, Company Secretary.

During the year under review, there were no changes in the Key Managerial Personnel of your Company.

### **Employees' Stock Option Schemes**

The Company has introduced two employee stock options plans namely Employee Stock Option Plan 2009 (ESOP 2009) and Employee Stock Option Plan 2019 (ESOP 2019) to motivate, incentivise, attract new talent and inculcate the feeling of employee ownership, and reward employees of the Company and employees of Subsidiaries. The Nomination and Remuneration Committee administers these plans. The stock option plans are in compliance with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("Employee Benefits Regulations") and Companies Act, 2013, read with the Rules issued thereunder. There have been no material changes to these plans during the financial year.

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 – B** to this report including details on the grant, vesting, exercise, and lapsed options under the aforesaid schemes.

### **Particulars of Employees**

In accordance with the requirements of Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended regarding employees is given in **Annexure – C**.

### **Meetings of the Board**

7 (Seven) meetings of the Board of Directors were held during the financial year 2021-22. For further details of the meetings of the Board, please refer to the Corporate Governance Report, which forms part of this Annual Report.

### **Committees of Board**

Currently, the Company has four Board level Committees: Audit Committee ('AC'), Nomination and Remuneration Committee ('NRC'), Stakeholders' Relationship Committee ('SRC'). The Risk Management Committee ('RMC') was constituted by the Board of Directors with effect from May 13, 2022. Further, in accordance with section 134(9) of the Act the Corporate Social Responsibility Committee was not mandatory. Therefore, the CSR Committee was dissolved w.e.f. May 14, 2021 by the approval of the Board. The composition of the committees, as on March 31, 2022 is disclosed as under:

Sr. No.	Name of the Members	Category	AC		NRC		SRC		RMC	
			C	M	C	M	C	M	C	M
1	Mr. Harish Mehta	MD							●	
2	Mr. Jigar Mehta	NED, Non-ID								
3	Mrs. Prachi Mehta	ID							●	
4	Mr. Parish Meghani	ID		●	●					●
5	Mr. Jay Sonawala	ID		●		●			●	
6	Mr. Rahul Rathi	ID	●							
7	Mr. Subrata Kumar Mitra	NED, Non-ID		●		●	●			
8	Mr. Harsha Raghavan			●		●				●

EC - Executive Chairman | NED - Non-Executive Director | ID - Independent Director

AC - Audit Committee

NRC - Nomination and Remuneration Committee

SRC - Stakeholders Relationship Committee

RMC - Risk Management Committee

### Performance Evaluation of the Board, its Committees and Directors

Pursuant to the provisions of the Companies Act, 2013, the Board is required to carry out annual evaluation of its own performance and that of its committees and individual Directors. Accordingly, your Company has carried out the performance evaluation as required during the year under review. The Independent Directors at their separate meeting review the performance of non-independent directors and the Board as a whole, Chairperson of the Company after taking into account the views of Executive Director and Non-Executive Directors, the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

## VII. AUDITORS AND INFORMATION ON AUDITORS' OBSERVATIONS

### Statutory Auditors

Pursuant to Section 139 of the Companies Act, 2013, M/s. Price Waterhouse, Chartered Accountants LLP (Firm Registration No.012754N/N500016) were appointed as Statutory Auditors of the Company for a consecutive term of 5 years from the conclusion of 26<sup>th</sup> Annual General Meeting held on July 21, 2017 till the conclusion of the 31<sup>st</sup> Annual General Meeting held in the year 2022. Due to completion of tenure of 5 years of the existing Auditor the Company is willing to appoint new Auditor.

Based on the recommendation of the Audit Committee, the Board has shortlisted and proposed the appointment of BSR & Co, LLP Chartered Accountants, (Firm Registration No. 101248W/W-100022 ("Proposed Auditors"), as Statutory Auditors of the Company for the period

of 5 years starting from conclusion of 31<sup>st</sup> AGM till the conclusion of 36<sup>th</sup> AGM of the Company to be held in calendar year 2027.

Proposed Auditors have provided their consent and eligibility letter to act as the Statutory Auditors of the Company along with a confirmation that, their appointment, if made, would be within the limits prescribed under the Companies Act, 2013, and SEBI (LODR). Pursuant to the provisions of Sections 139 & other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder, the Board of Directors of the Company, based on the recommendations of the Audit Committee, approved the appointment of BSR & Co, LLP Chartered Accountants, (Firm Registration No. 101248W/W-100022 subject to the approval of the Members. Additional information about Statutory Auditors pursuant to Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are provided below:

Since, the tenure of the existing Statutory Auditors is completing from the conclusion of this AGM and proposed Auditor is being appointed w.e.f. same date subject to shareholders' approval, there will be no casual vacancy in terms of Section 139(8).

None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise, with the Proposed Auditors.

The existing Statutory Auditors have issued an unmodified opinion on the financial statements for the financial year ended March 31, 2022. The observations made in the Auditors' Report read together with relevant notes thereon are self-explanatory and hence do not call for any further

explanations or comments by the Board under Section 134 of the Act.

#### **Secretarial Auditors**

The Board of Directors of the Company has appointed Nilesh A. Pradhan & Co., LLP, (FCS No: 7478), Practicing Company Secretary, as the Secretarial Auditor to conduct an audit of the secretarial records for the financial year 2021-22.

The Secretarial Audit Report for the financial year ended March 31, 2022 under Act, read with Rules made thereunder and Regulation 24A of the Listing Regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) is set out in the **Annexure - D** to this report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

#### **Internal Auditors**

The Company has appointed M/s Ahuja Valecha & Associates LLP as the Internal Auditors for FY 2021-22 to audit internal controls and process of the Company. The internal Auditors conducts audit on Revenues, Payroll, Statutory Compliances and in various cycles and therefore, report to the Audit Committee about the adequacy and effectiveness of the internal control system of your Company. The recommendations of the Internal Auditors on improvements in the operating procedures and control systems are also presented to the Audit Committee and the business to use these as tools for strengthening the operating procedures.

#### **Cost Auditors**

Pursuant to Section 148(1) of the Companies Act, 2013, Cost Audit is not required for the Company for the financial year ended March 31, 2022.

#### **Reporting of Frauds by Auditors**

During the year under review, none of the auditors have reported to the Audit Committee, under Section 143(12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be form part of the Board's report.

### **VIII. CONTRACTS/ARRANGEMENT WITH RELATED PARTIES**

All contracts/arrangements/transactions entered into by the Company during the year under review with Related Parties were in ordinary course of business and on arm's length basis in terms of provisions of the Act. There are no materially

significant related party transactions made by the Company with promoters, key managerial personnel or other designated persons which may have potential conflict with interest of the Company at large. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3) (h) of the Companies Act, 2013 in Form AOC-2 is not applicable.

A statement of all related party transactions is presented before the Audit Committee on a quarterly basis, specifying the nature and value of the transactions. The details of the related party transactions as per Indian Accounting Standards (IND AS) - 24 are set out in Note 30 to the Standalone Financial Statements of the Company.

Your Company has formulated a Policy on Related Party Transactions which is also available on Company's website at [www.onwardgroup.com](http://www.onwardgroup.com)

### **IX. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of operations. The organisation is appropriately staffed with qualified and experienced personnel for implementing and monitoring the internal control environment. The internal audit function reports to the Audit Committee. Your Company has adopted accounting policies which are in line with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules that continue to apply under Section 133 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. These are in accordance with Generally Accepted Accounting Principles in India. Changes in policies, if any, are approved by the Audit Committee in consultation with the Auditors. The policies to ensure uniform accounting treatment are prescribed to the subsidiary of your Company. The accounts of the subsidiary company are audited and certified by their respective Auditors for consolidation.

The Statutory Auditors of your Company have audited the financial statements including this Annual report and have stated on the Company's internal control under Section 143 of Companies Act 2013 in their report. Further, the Company has appointed Ahuja Valecha & Associates LLP, Chartered Accountants, as an Internal Auditor of the Company to oversee and carry out internal audit of its activities. The audit is based on an internal audit plan and approved by the Audit Committee.

## X. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The details of Loans, Guarantees or Investments covered under the provisions of Section 186 of the Companies Act, 2013 forms part of notes to the Financial Statements.

## XI. CORPORATE SOCIAL RESPONSIBILITY

During the financial year ended March 31, 2021, the Company incurred CSR contribution of ₹ 27.36 Lakhs/- (Rupees Twenty Seven Lakhs Thirty-Six Thousand Only). The CSR initiatives of the Company were under the area of education and health. The CSR Policy of the Company is available on the website of the Company at <https://www.onwardgroup.com/investors.php>

Further, the information pursuant to Section 134(3)(o) of the Companies Act, 2013 and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014 are given in **Annexure – E** outlining the main initiatives during the year under review.

Further, your Company has obtained certificate from Chief Financial Officer as required under Section 135, of the Companies Act, 2013.

## XII. OTHERS

### Particulars of Energy Conservation, Technology Absorption, Foreign Earnings and Outgo

Particulars required under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, regarding conservation of energy, technology absorption, foreign exchange earnings and outgo, are given in **Annexure – F** forming part of this report.

### Annual Return

Pursuant to Section 92(3) read with Section 134(3) (a) of the Act, the Annual Return as on March 31, 2022 is available on the Company's website on <https://www.onwardgroup.com/investors.php>

### Cost Records

The Company is not required to maintain cost records under the provisions of Section 148(1) of the Companies Act, 2013.

## XIII. SIGNIFICANT / MATERIAL ORDERS PASSED BY THE REGULATORS

No significant and material orders have been passed by the Regulators/Courts/Tribunals impacting the going concern status and Company's operations in future.

## XIV. OTHER DISCLOSURES

1. During the year under review, there was no change in the nature of business of your Company.
2. There are no material changes and commitments affecting the financial position of your Company which have occurred between the end of the financial year 2021-22 and the date of this report.
3. The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meetings;
4. None of the Auditors of the Company have reported any fraud as specified under the second proviso of Section 143(12) of the Act;
5. The Company has not issued equity shares with differential rights as to dividend, voting or otherwise;
6. The Company has not issued any sweat equity shares to its directors or employees;
7. There was no revision of financial statements and Boards report of the Company during the year under review.

## XV. APPRECIATION

Your Directors take this opportunity to express their deep sense of gratitude to high degree of professionalism, commitment and dedication displayed by employees at all levels. Your Directors also wish to thank its esteemed corporate clients, dealers, agents, suppliers, technology partners, investors, Government Authorities and bankers for their continued support and faith reposed in the Company. Your Directors are deeply grateful to the shareholders for the confidence and faith that they have always reposed in the Company.

For and on behalf of the Board of Directors

**Harish Mehta**  
Executive Chairman  
DIN: 00153549

**Jigar Mehta**  
Managing Director  
DIN:06829197

Place: Mumbai  
Date: May 13, 2022

**ANNEXURE- A****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**

Sr. No.	Name of the subsidiary	Onward eServices Limited	Onward Technologies Inc.	Onward Technologies GmbH	Onward Properties Private Limited	Onward Technologies Canada Inc	Onward Technologies BV, Netherlands	OT Park Pvt Ltd (Erstwhile known as NV Pune Technology Park Pvt Ltd)
1	Date since when subsidiary was acquired	Since 2003	Since 1997	Since 2003	Since 1995	Since 2021	Since 2021	Since 2022
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as Parent Company	Same as Parent Company	Same as Parent Company	Same as Parent Company applied for strike off under section 248 of Companies Act. 2013	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 ₹ 75.6451; balance sheet ₹ 75.5100	EURO Rates for profit and loss ₹ 84.2495; balance sheet ₹ 84.0866	INR	CAD Rates for profit and loss ₹ 60.6156; balance sheet ₹ 60.4971	EURO Rates for profit and loss ₹ 84.2495; balance sheet ₹ 84.0866	INR	
4	Share capital (including share application money) (₹)	Company has merged in Parent Company	951.70	219.98	0.00	179.31	86.33	28.08
5	Reserves and surplus	Onward Technologies	2302.40	(315.09)	0.00	(98.31)	(15.35)	106.24
6	Total assets	Limited with effect from the Order from NCLT dated March 25, 2021 and the noting by the Parent Company has been taken on May 14, 2021.	4102.15	442.47	0.00	135.84	91.3	551.76
7	Total Liabilities		848.05	537.58	0.00	54.84	20.32	417.44
8	Investments		0.00	0.00	0.00	0.00	0.00	0.00
9	Turnover		10299.25.	1083.09	0.00	14.19	0.00	55.24
10	Profit before taxation		1948.32	(1.23)	0.00	(100.69)	(13.13)	43.36
11	Provision for taxation		130.73	0.00	0.00	0.00	0.00	11.32
12	Profit after taxation		1817.59	(1.23)	0.00	(100.69)	(13.13)	32.04
13	Proposed Dividend		0.00	0.00	0.00	0.00	0.00	0.00
14	% of shareholding		100	100	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 except Onward Properties Private Limited which have been strike off under section 248 of Companies Act. 2013 and ROC approval in form STK-7 dated August 25, 2021.

**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.

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

Date: May 13, 2022  
Place: Mumbai

**Harish Mehta**  
Executive Chairman  
DIN: 00153549

**Jigar Mehta**  
Managing Director  
DIN: 06829197

**ANNEXURE- B**

**Disclosure of details pertaining to the shares allotted under Onward ESOP 2009 and Onward ESOP 2019 under the provisions of Section 62(1)(b) of the Companies Act, 2013 and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 during the year under review.**

Description	ESOP 2009		ESOP 2019	
	2021-22	2020-21	2021-22	2020-21
Date of Meeting		August 31, 2009		July 25, 2019
Total number of shares covered by ESOP Scheme approved by the shareholders	35,00,000	35,00,000	35,00,000	35,00,000
Vesting requirements	1 option equals to 4 shares to vested in 4 years	1 option equals to 4 shares to vested in 4 years	1 option equals to 4 shares to vested in 4 years	1 option equals to 4 shares to vested in 4 years
Options granted	Nil	Nil	65,500	70,000
Maximum term of options granted	5 years	5 years	5 years	5 years
Source of shares	Primary	Primary	Primary	Primary
Options vested (in shares)	1,91,500	1,36,900	67,700	1,37,700
Options exercised	37,150	54,025	34,675	11,050
The total number of shares arising as a result of exercise of option	1,48,600	2,16,100	1,38,700	44,200
Options lapsed/forfeited/cancelled	5,000	12,950	21,250	8,000
Extinguishment or modification of options	Nil	Nil	Nil	Nil
The exercise price	₹ 10	₹ 10	₹ 20	₹ 20
Pricing formula	Face Value	Face Value	Face Value ₹ 10/- and premium ₹ 10/-)	Face Value ₹ 10/- and premium ₹ 10/-)
Variation of terms by exercise of options	None	None	None	None
Money realised by exercise of options	14,86,000	21,61,000	27,74,000	8,84,000
Total number of options outstanding at the end of the year	44,675	86,825	1,36,225	1,26,650
Employee - wise details of options granted to:	Details available on the website of the Company			
Key managerial personnel and Senior Managerial Personnel	Details available on the website of the Company			
Any other employee who receives a grant of options in any one year of option amounting to 5% or more of options granted during that year	None	None	None	None
Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	None	None	None	None
Issued capital (excluding outstanding warrants and conversions of the Company at the time of grant.	22,02,08,700 (22,02,08,70) equity shares	16,33,87,700 (1,63,38,770) equity shares	22,02,08,700 (22,02,08,70) equity shares	16,33,87,700 (1,63,38,770) equity shares
Method used to accounting of options	Fair Value	Fair Value	Fair Value	Fair Value
Diluted EPS calculated in accordance with International Accounting Standards (IAS) 33	4.79	7.50	4.79	7.50

For and on behalf of the Board of Directors

Date: May 13, 2022  
Place: Mumbai

**Harish Mehta**  
Executive Chairman  
DIN: 00153549

**Jigar Mehta**  
Managing Director  
DIN: 06829197

**ANNEXURE- C**

**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)	5,90,000
Remuneration of Mr. Harish Mehta (Executive Chairman) (B)	1,42,00,000
Remuneration of Mr. Jigar Mehta (Managing Director) (C)	1,40,00,000
Ratio of A to B	1:24
Ratio of A to C	1:24

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

Name of Director/Key Managerial Personnel	% increase in remuneration
Mr. Harish Mehta (Executive Chairman)	0.15%
Mr. Jigar Mehta (Managing Director)	66.67%
Mr. Devanand Ramandasani	10.00%
Ms. Dimple Chauhan	20.00%

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

The number of permanent employees on the rolls of the Company as on March 31, 2022: 2641

Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year: 5%

Comparison of average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year with the percentile increase in the managerial remuneration and justification thereof 4.5% vs 9.5%

Point out if there are any exceptional circumstances for increase in the managerial remuneration: NA

Affirmation that the remuneration is as per the remuneration policy of the Company: Yes

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

Date: May 13, 2022  
Place: Mumbai

**Harish Mehta**  
Executive Chairman  
DIN: 00153549

**Jigar Mehta**  
Managing Director  
DIN: 06829197

## ANNEXURE- D

### MR-3 SECRETARIAL AUDIT REPORT

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014 and Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022 (01-04-2021 to 31-03-2022)**

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

Dear Sir(s),

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Onward Technologies Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ Statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by "the Company" and verification through electronic mode/online mode due to COVID-19 situation and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company, during the audit period covering the financial year ended 31<sup>st</sup> March, 2022 complied with the Statutory provisions listed hereunder and also that the Company and its subsidiary company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year from 1<sup>st</sup> April, 2021 to 31<sup>st</sup> March, 2022 according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;
- iii) The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of foreign direct investment, overseas direct investment and External Commercial Borrowings;
- v) The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

- (d) The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014;
- (e) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (f) 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);
- (g) 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);
- (h) 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
- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable as the Company has not bought back /propose to buy back any of its securities during the financial year under review).

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board and General Meetings.
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the financial year from 1<sup>st</sup> April, 2021 to 31<sup>st</sup> March, 2022 under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc.

**We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule Board Meetings, Agenda and detailed Notes on Agenda were sent at least seven days in advance except in three such instance wherein Board Meeting was called at shorter notice of three to four days due to urgency of matters and with respect to which the Company has followed necessary compliances as per the Companies Act, 2013 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.

Decisions at the Board Meetings were taken unanimously.

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period the Company had following events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

**1. Merger by Absorption of Onward eServices Limited ('Transferor Company'), wholly-owned subsidiary company with Onward Technologies Limited ('Transferee Company')**

The Hon'ble National Company Law Tribunal, Mumbai (NCLT) sanctioned the Scheme of Merger by absorption of Onward eServices Limited wholly-owned subsidiary company with Onward Technologies on

25<sup>th</sup> March, 2021. The certified true copy order issued by the NCLT on 6<sup>th</sup> May, 2021 and the same is noted and taken on record by the Board of Directors on 14<sup>th</sup> May, 2021 and the scheme is effective from 14<sup>th</sup> May, 2021.

**2. Issue of Securities on Preferential Basis**

The Company has issued and allotted 11,00,000 Equity Shares of ₹10/- each at premium of ₹ 120/- per share to Infinity Direct Holdings through Preferential Allotment on 30<sup>th</sup> June, 2021.

Also, the Company has issued and allotted 43,00,000 Share Warrants of ₹ 10/- each at premium of ₹ 120/- per warrant on 30<sup>th</sup> June, 2021 to Infinity Direct Holdings which were converted into 43,00,000 Equity shares on 30<sup>th</sup> November, 2021.

**3. Incorporation of wholly owned subsidiaries**

Following two companies were incorporated as wholly owned subsidiaries of the Company:

- i. Onward Technologies Canada, Inc. having Ontario Corporation Number (OCN) – 1304721-1 was incorporated on 25<sup>th</sup> May, 2021.
- ii. Onward Technologies B. V., Amsterdam having KvK Number – 82990824 was incorporated on 4<sup>th</sup> June, 2021.

**4. Acquisition of NV Pune Technology Park Private Limited (Now known as OT Park Private Limited)**

The Company has acquired 100% of the Equity and Preference shares of NV Pune Technology Park Private Limited to make it as wholly owned subsidiary of the Company.

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

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

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

**Prajakta V. Padhye**  
Partner  
FCS No: 7478  
COP No: 7891  
PR:791/2020  
UDIN: F007478D000313223

Place: Mumbai

Date: May 13, 2022

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

**ANNEXURE - I**

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

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices that we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts and Internal Control System of the Company.
4. Where ever required, more specifically with respect to the all-other applicable laws, except as stated in Secretarial Audit Report we have obtained and relied upon the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

**Prajakta V. Padhye**  
Partner  
FCS No: 7478  
COP No: 7891  
PR:791/2020  
UDIN: F007478D000313223

Place: Mumbai  
Date: May 13, 2022

## ANNEXURE- E

### Annual Report on Corporate Social Responsibility

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

#### 1. A brief outline on CSR policy of the Company:

Corporate Social Responsibility (CSR) is a step towards making a positive impact on the world. Similar to business activities, we aim to become a perfect partner to the communities we are a part of. Our CSR policy focuses on using the capabilities of the business to uplift the community by making significant contributions, monetary and through effort, to make education accessible and relevant for future generations. Like every year this year as well the Company's Centre area for CSR contribution was promoting education.

This year your Company has contributed to the tune of ₹ 27.36 Lakhs. The Contribution was made in line with our focus on health and education initiatives, Onward Tech made its CSR Contribution to following organisations for the FY 2021-22:

Shri Hriday Narain Dhawan Charitable Trust (HNDCT), a foundation which works towards the upliftment and development of the villages in Uttar Pradesh, the district of Unnao being the centre of activities. Keeping a vision to usher in holistic improvement in the lives of the rural poor in Uttar Pradesh – education, health and general living conditions receiving the utmost attention.

Jai Vakeel School, one of the oldest and largest not-for-profit institutes in India serving children and adults with intellectual and developmental disabilities, with a vision of "Inclusion of all individuals with Intellectual & Developmental Disabilities (IDD).

The Society for the Rehabilitation of Crippled Children, SRCC in facilitating holistic development of children having dyslexia, dysgraphia, dyscalculia, ADHD mild autism, or any such differential learning needs. SRCC has engaged the Centre for Child Development to conduct various therapies and the CASE Special Education Therapy Department to conduct special education therapy for children aged 8-18 years with learning difficulties.

Saraswati English Medium School situated in Pune, provides access to basic education to students from economically backward class of society. It prides in its focus on holistic and innovative learning methods which have helped students to raise bar in the field of education. Apart from academics, students can also enrol for supplementary activities to enhance their skills. Onward Tech contributed in the form of payment of unpaid school fees of 5 students at the school.

Onward Technologies CSR policy has been prepared in line with the provisions of Section 135 of the Companies Act, 2013. The projects undertaken are within the broad framework of Schedule VII of the Companies Act, 2013. Details of the CSR policy and projects or programs undertaken by the Company are available on links given below: <https://www.onwardgroup.com>.

#### 2. The Composition of the CSR Committee as on March 31, 2022:

Pursuant to Section 135(9) of Companies Act, 2013 the constitution of CSR Committee is not applicable to our Company. Therefore, the CSR committee of the Board of Directors of the Company was dissolved w.e.f. May 14, 2021 and the functions of such Committee is transferred to the Board of Directors of the Company.

#### 3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company

Composition of the CSR committee: Not Applicable

CSR Policy: <https://www.onwardgroup.com/investors.php>

CSR Projects: <https://www.onwardgroup.com/csr.php>

- 4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable attach the report**

During the year under review, the Company has not undertaken any projects for which impact assessment report is applicable.

- 5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any**

Sr. No	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be setoff for the financial year, if any (in ₹)
-		Nil	Nil

- 6. Average net profit of the Company as per Section 135(5) : ₹ 1,364.75 Lakhs**

- 7.** a) 2% of average net profit of the Company as per Section 135(5) : ₹ 27.29 Lakhs  
 b) Surplus arising out of the CSR projects or programs or activities of the previous financial years: NIL  
 c) Amount required to be set off for the financial year, if any: NIL  
 d) Total CSR obligation for the financial year (7a+7b+7c): ₹ 27.29 Lakhs

- 8. a) CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year	Amount Unspent					
	Total Amount transferred to Unspent CSR Account as per Section 135(6)	Amount	Date of Transfer	Name of the Fund	Amount	Date of transfer
₹ 27.36		Nil	-	-	Nil	-

- b) Details of CSR amount spent against ongoing projects for the financial year: Not Applicable**

- c) Details of CSR amount spent against other than ongoing projects for the financial year:**

1 Sr. No.	2 Name of the Project	3 Item from the list of activities in Schedule VII to the Act	4 Local Area (Yes/ No)	5 Location of the Project	6 Amount Spent for the project in the Current financial Year (₹ in Lakhs)	7 Mode of Implementation – Direct (Yes/No)	8 Mode of implementation – Through Implementing Agency
State	District	Name	CSR Registration Number				
1. Project Eye Camp, COVID Rahat, Blood Donation, Medical assistance to Poor elderly Citizen	Health	No	Uttar Pradesh	Unnao	8.90	Yes	Shri Hriaday Narain Dhawan Charitable Trust
2. Distribution of note books, school bags, and other study materials for student of 33 schools in 17 block of Unnao District through Project Madhav, Project Yashodha Vatika which are launched to complement and support the Govt. of India's Sarva Siksha Abhiyan (SSA)	Education	No	Uttar Pradesh	Unnao	6.10	Yes	Shri Hriaday Narain Dhawan Charitable Trust

1	2	3	4	5	6	7	8
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes/ No)	Location of the Project	Amount Spent for the project in the Current financial Year (₹ in Lakhs)	Mode of Implementation – Direct (Yes/No)	Mode of implementation – Through Implementing Agency
				State	District		Name CSR Registration Number
3.	Skill Development Programme for Intellectually Disabled Children	Special Education	Yes	Maharashtra	Mumbai	5.00	Jai Vakeel Foundation & Research Centre , Jai Vakeel School CSR00001574
4.	Special Education Therapy sessions of six Children	Special Education	Yes	Maharashtra	Mumbai	5.70	The Society for the Rehabilitation of Crippled Children CSR00003225
5.	Payment of unpaid School fees of Students belong to economically backward class at Saraswati English Medium School	Education	Yes	Maharashtra	Pune	1.64	Athang Manch CSR00024832

- (d) Amount spent in Administrative Overheads: NIL
- (e) Amount spent on Impact Assessment, if applicable: NIL
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 27.36 Lakhs
- (g) Excess amount for set off, if any

Sr. No. Particulars	₹ in Lakhs
i) Two percent of average net profit of the Company as per section 135(5)	27.29
ii) Total amount spent for the financial year	27.36
iii) Excess amount spent for the financial year [(ii)-(i)]	0.69
iv) Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	—
v) Amount available for set off in succeeding financial years [(iii)-(iv)]	—

- 9. (a) Details of Unspent CSR amount for the preceding three financial years: Not Applicable
- (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not Applicable
- 10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details). Not Applicable
  - (a) Date of creation or acquisition of the capital asset(s)
  - (b) Amount of CSR spent for creation or acquisition of capital asset.
  - (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc
  - (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).
- 11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). Not Applicable

For and on behalf of the Board of Directors

Date: May 13, 2022  
Place: Mumbai

Harish Mehta  
Executive Chairman  
DIN: 00153549

Jigar Mehta  
Managing Director  
DIN: 06829197

**ANNEXURE- F****CONVERSION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO****A. CONSERVATION OF ENERGY:**

Sr. No.	Particulars	
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 equipment	Your Company has not made any capital investment on energy conservation equipment.

**B. TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION:**

Sr. No.	Particulars	
1	The efforts made towards technology absorption	Your Company uses latest technology and equipment 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)	During the year under review your Company has not imported any new technology.
a)	The details of technology imported	Not Applicable
b)	The year of import	Not Applicable
c)	Whether technology been fully absorbed?	Not Applicable
d)	If not fully absorbed, areas where absorption has not taken place, and the reasons thereof	Not Applicable
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.

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Particulars	(₹ in Lakhs)	
Foreign exchange earnings	2021-22	2020-21
Foreign exchange outgo	6,297.75	3,392.44
	(1,143.86)	446.07

For and on behalf of the Board of Directors

**Harish Mehta**  
Executive Chairman  
DIN: 00153549

**Jigar Mehta**  
Managing Director  
DIN: 06829197

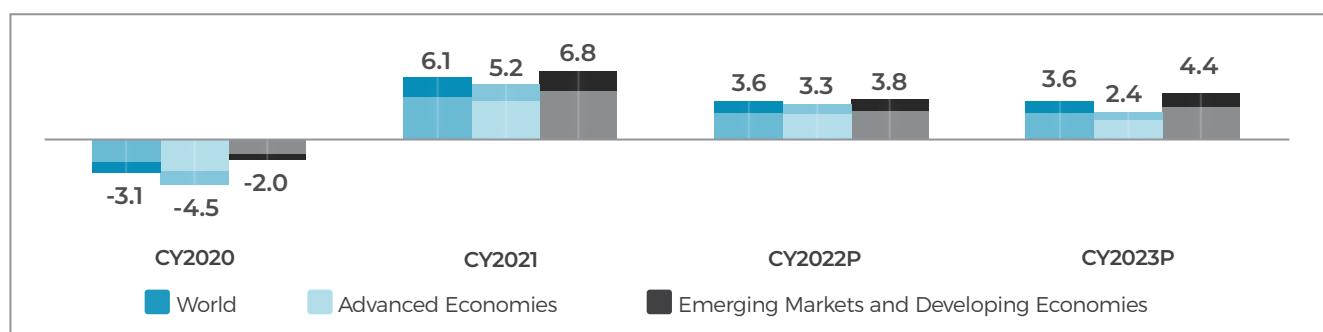
# Management Discussion & Analysis

## Macro Economy Review

### Global Economy

The early rollout of the vaccines provided a big relief and brought in optimism for an accelerated recovery. The FY 2021-22 started showing signs of recovery from the COVID-19 pandemic and it seemed like the global economy received a booster shot, but a new crisis started emerging with the Russia-Ukraine war, leading the uncertainty in the global economic growth. Prior to the conflict, inflation had been rising in different nations due to supply-demand imbalances and government support during the epidemic, necessitating monetary policy tightening by the authorities across the world. The recent Chinese lockdowns resulted in new supply chain bottlenecks. According to the International Monetary Fund (IMF), global economic growth will slow to 3.6% in 2022, down from 6.1% in 2021.

### World Economic Growth (%)



Source: IMF April 2022 report

P - Projected

### Indian Economy

India has emerged as the world's fastest-growing economies, and it is expected to become one of the top three economic powers in the near future due to a stable state of democracy and strong strategic ties. Despite well-crafted fiscal and monetary policy support, the COVID-19 epidemic caused India's GDP to decline by 6.6% in FY 2020-21.

## I. Industry Structure and Development

### Indian Information Technology (IT) Sector

While the world economy and other industries struggled with the obstacles posed by the prolonged pandemic, India's IT sector grew at a fast pace in FY 2021-22. This was partly due to the fact that technology became the fulcrum through which businesses were able to not only keep the lights on, but also fast track their journey towards becoming future-ready, agile, and resilient. Every sector of the industry is experiencing double-digit growth.

- ER&D (Engineering Research and Development):** This industry not only recovered from a year of negative growth (FY 2020-21), but it is estimated to have

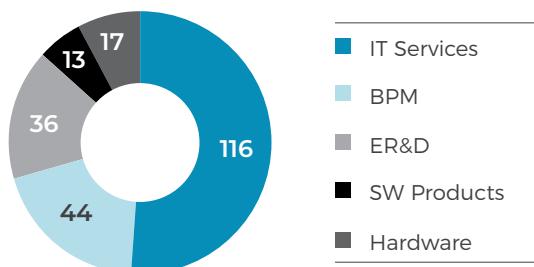
grown by 17% in FY 2021-22 accounting for a market size of \$36 billion, the most since FY 2013-14, all due to improved pent-up demand.

- IT:** As per the Nasscom Technology Report 2022, the IT sector also secured a 17% growth rate in FY 2021-22 by growing to a market size of \$116 billion, due to huge demand for infrastructure management and networking services in a distributed setting, cloud-based software testing services, consulting services around cloud migration and digital transformation.
- BPM:** The BPM (Business Process Management) sector recorded a 13.5% growth rate in FY 2021-22 by rising to a market size of \$44 billion, with this sector building specialized capabilities in data monetization, leveraging cloud-based AI (Artificial Intelligence) & Analytics. This sector also recorded growth in platform-based services and automation.
- Software Products (SW Products):** Customers continued to spend in communication

and collaboration, cybersecurity, content management solutions, and other areas, with communication and collaboration accounting for 19% of the total growth in FY 2021-22, reaching a \$13 billion market size.

- Hardware:** The Indian hardware market is expanding due to increased need for distant networking infrastructure; the education sector drove PC sales as the industry remained online.

#### FY2022E Segmented Market Size (\$ Billion)



Source: Nasscom Technology Sector 2022 Report  
E - Estimated

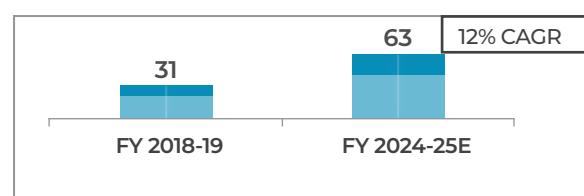
#### Engineering R&D

Engineering R&D (ER&D) services cover the entire product lifecycle, from concept to design engineering to maintenance to new product introduction across a wide range of products and platforms. India has emerged as a global engineering and design hub for several industries including aerospace, automotive, machinery, electronics and semi-conductor since ER&D is one of the fastest growing segment in the country. India is one of the largest ER&D services exporters in the world with the ER&D market predicted to reach \$63 billion by FY 2024-25 from \$31.1 billion in FY 2020-21. By using Artificial Intelligence (AI)/ Deep Learning (DL), Augmented Reality (AR)/ Virtual Reality (VR), automation, cyber security, and other cutting-edge digital technologies, progressive investments in smart-linked products, plants (factories), and processes, Artificial Intelligence of Things (AIoT), edge computing, 5G, AR/VR/XR, robotics, blockchain, drones, and other technologies are enabling a wide range of applications across verticals.

According to the Advantage India - ER&D NASSCOM report from October 2021, Global engineering R&D expenditures are expected to reach \$1.2 trillion in 2020, with corporate R&D spending at \$772 billion. Over half of the \$772 billion spent on engineering R&D by firms went to automotive, software & internet, and healthcare. India accounted for one-third of that spend across the world by recording a value of \$40-41 billion in 2021.

The Indian ER&D environment is known around the world for its constituents' creativity, innovation and teamwork. Even at the height of the pandemic, the industry continued to have an effect and generate value for its clients and parent companies. In the face of the epidemic, the whole ER&D ecosystem came together to help and support their employees, community, and country in a variety of ways. The sourcing market for ER&D in India currently accounts for almost 34% of global sourcing. From \$31 billion in FY 2020-21, the Indian ER&D market is expected to develop at a 12% CAGR to \$63 billion in FY 2024-25.

#### Indian ER&D market (\$ Billion)



Source: KPMG ER&D report March 2022  
E - Estimated

Global Capability Centres (GCCs), Engineering Service Providers (ESPs), Start-ups, and India-based manufacturing enterprises make up India's engineering R&D environment. Since 2015, the overall number of GCCs in India has increased by 20%. India has progressed from an offshore service center to a product innovation powerhouse that drives end-to-end ownership for multinational corporations. India already has over 1,430 GCCs in various verticals, employing over 1.3 million people. With a 55% market share in the IT space, Engineering R&D is driving India's GCC growth narrative. From \$33.8 billion in 2020, GCC income was estimated to rise to \$35.9 billion by 2021. India is predicted to have over 1900 GCCs by 2025, employing over 2 million people, continuing the GCC growth trend. Aside from GCCs, India is home to a number of ESPs that work together to provide differentiated services to their worldwide consumers across numerous locations. Twelve of the top 50 ESPs are based in India, while 44 of the top 50 service providers have engineering R&D centers there.

**Government support:** Governments around the world are embracing technology to provide better services to their citizens, in addition to adopting new legislation. The Government is becoming a more important contributor to global technology spending. According to a Nasscom advantage India report October 2021, global government technology investment was estimated to reach \$438 billion in 2021.

with Engineering R&D spending accounting for a significant share of that total. Outdoor monitoring, road toll and traffic control, street and outdoor lighting, city asset tracking, safety and crime prevention, and other vital applications are among the many areas being investigated by governments on a large scale around the world. The administration announced intentions to establish a National Research Foundation to boost the country's R&D. The government provides several incentives to both Indian and foreign firms to stimulate R&D investments in India. There are a lot of tax reliefs and rebates given by the Indian Government for setting-up of R&D centers.

### Digital

Digital operations have become more critical than ever, with many transformative changes accelerating over the past year. Emerging technologies such as IoT, AR, VR, AI, and cybersecurity are expected to find their place within business solutions. Consumer data platforms, analytics platforms, data warehouses, and visualization tools are experiencing an explosion aided by investments from global tech giants. These digital technologies are likely to be widely adopted by governments and industries such as Automotive, Manufacturing, E-Commerce, Semiconductor, ICT, and Medical technology.

### Industry Outlook

Over one-third of technology companies intend to increase their R&D spending by 10% to 20% over the previous year as they look for newer ways to innovate and produce new goods and services. BFSI, Healthcare, Manufacturing, and Retail/e-commerce are likely to be the key technology customers, with solutions centered on using AI, Analytics, Automation, and Cloud. The sector's upbeat outlook is reflected in recruiting trends, with major sector firms likely to ramp up their employment efforts. Infrastructure and managed services, consulting services, Platform BPM, data management, and RPA (Robotic Process Automation) are expected to drive growth in FY 2022-23; ER&D will see a wider adoption of the engineering cloud as the software component improves. Productivity software and cybersecurity solutions will see growing use in the software product market as firms diversify their tech portfolios. Finally, the e-commerce industry is projected to be greatly disrupted by the fast-growing interest in the metaverse (a network of 3D virtual worlds focused on social connection), which is driven by the need for more personalized experiences. Due to rapid digitalization across

the value chain, end user industries are poised to adopt comprehensive and high-end enterprise performance solutions in an evolutionary journey over the near to long term. The IT sector is expected to contribute significantly to India's digital economy.

## Company Overview

### Company Background

The Company is a leading Engineering R&D, Digital Transformation and IT Consulting service company. The Company has strong expertise in Digital Transformation, Embedded Systems, Engineering Technology, Data Analytics, Artificial Intelligence (AI), and Machine Learning (ML). The Company provides services in four lines of business in these established verticals, which account for more than 70% of its revenues. The first is digital engineering, the second is embedded electronics, the third is mechanical engineering, and the fourth is enterprise IT. The Company has its presence in the Indian market as well as overseas markets such as the US, the UK, the Germany, the Netherland and Canada. The Registered Office of the Company is in Worli, Mumbai. The Company supports prominent worldwide organizations through sales offices in Chicago, Detroit, Cleveland, Toronto, London, Frankfurt, and Amsterdam, as well as state-of-the-art development and design centers in Mumbai, Pune, Chennai, Bengaluru and Hyderabad.

## Financial Overview

**Standalone:** On a standalone basis, the Company's revenues from operations in FY 2021-22 were ₹ 23,440 Lakhs, increased from ₹ 17,267 Lakhs in FY 2020-21. Growth in revenue has been driven mainly due to increased outsourcing by all the Company's top clients. During the year, the Company recorded profit of ₹ 1,302 Lakhs in Profit Before Taxes (PBT). In FY 2021-22, the Profit After Tax (PAT) was ₹ 932 Lakhs, compared to ₹ 1,267 Lakhs in FY 2020-21.

**Consolidated:** On a consolidated basis, revenue from operations increased to ₹ 30,727 Lakhs from ₹ 24,037 Lakhs recorded during the previous year. In FY 2021-22, Profit Before Taxes (PBT) were ₹ 3,183 Lakhs. In FY 2021-22, the Profit After Tax (PAT) was ₹ 2,368 Lakhs, compared to ₹ 734 Lakhs in FY 2020-21.

The revenue split from ER&D was 71%, 8% from digital, and 21% from IT services. Offshore revenues accounted for 30% of total revenue, while onsite revenues accounted for 70%.

The subsidiaries continued to support the Company's operations while maintaining operational discipline in line with its customer-first approach. In FY 2021-22, revenue from subsidiaries was ₹ 11,438 Lakhs.

(₹ in Lakhs)

	Standalone		Consolidated	
	FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21
Revenue from Operations	23,440	17,267	30,727	24,037
Total Expenses	21,676	15,305	28,586	22,312
<b>EBITDA</b>	<b>1,764</b>	<b>1,962</b>	<b>2,141</b>	<b>1,725</b>
EBITDA Margin (%)	7.53%	11.36%	6.97%	7.18%
Other Income	560	846	2,153	534
Depreciation	921	928	1,011	1,044
Finance Costs	101	208	101	232
<b>PBT after Exceptional Item</b>	<b>1,302</b>	<b>1,671</b>	<b>3,183</b>	<b>981</b>
Tax	369	404	815	247
<b>Profit After Taxes (PAT)</b>	<b>932</b>	<b>1,267</b>	<b>2,368</b>	<b>734</b>
PAT Margin (%)	3.98%	7.34%	7.71%	3.05%
<b>PAT (After NCI)</b>	<b>884</b>	<b>1,278</b>	<b>2,304</b>	<b>705</b>
Diluted EPS (₹)	4.79	7.50	12.17	4.35

**Key changes in significant Financial Ratios**

Details of significant changes in key financial ratios (i.e., change of 25% or more as compared to the immediately previous financial year)

**Standalone Basis**

Key Ratios	FY 2021-22	FY 2020-21	Variance %	Reason for change
Debtors Turnover	5.05	6.09	(17.08%)	Decrease on account of increase in revenue and trade receivable in current year.
Inventory Turnover	NA	NA	NA	NA
Interest Coverage Ratio	1.20	2.34	(48.64%)	Decrease on account of increase in lease liability for current year and increase in EBITDA of previous year.
Current Ratio	2.36	1.83	29.06%	Increase on account of increase in balances of trade receivables and cash and cash equivalents.
Debt/Equity Ratio	0.41%	0.94%	(56.93%)	Decrease on account of reduction in loans and increase in balances of securities premium account due to issue of equity shares on account of Share Warrants.
Return on Equity	8.41%	18.74%	(55.15%)	Decrease on account of decrease in net profit after tax and increase in other equity of current year.
Operating Profit Margin (%)	7.53%	11.36%	33.74%	Decrease on account of increase in operating expenses.
Net Profit Margin (%)	3.89%	6.99%	(44.44%)	Decrease on account of increase in operating expenses.
Net Profit Ratio	3.98%	7.34%	(45.77%)	Decrease on account of decrease in net profit after tax and increase in revenue from operation of current year.
Return on Capital Employed	9.60%	26.69%	(64.03%)	Decrease on account of decrease in EBIT and increase in equity of current year.
Return on Net Worth (%)	6.08%	18.00%	(66.23%)	Decrease on account of decrease in total profit and increase in net worth in current year.

### Consolidation Basis

Key Ratios	FY 2021-22	FY 2020-21	Variance %	Reason for change
Debtors Turnover	4.62	5.89	(21.59)	Decrease on account of increase in revenue and trade receivable in current year.
Inventory Turnover	NA	NA	NA	NA
Interest Coverage Ratio	1.09	0.63	72.78%	Increase on account of increase in lease liability and decrease in EBIDTA in current year.
Current Ratio	3.07	1.73	78.11%	Increase on account of increase in balances of trade receivables and cash and cash equivalents.
Debt/Equity Ratio	0.37%	0.93%	(60.46%)	Decrease on account of reduction in loans and increase in balances of securities premium account due to issue of equity shares on account of Share Warrants.
Return on Equity	19.93%	10.30%	93.57%	Increase on account of increase in net profit after tax and other equity of current year.
Operating Profit Margin (%)	6.97%	7.17%	(2.89%)	Decrease on account of increase in operating expenses.
Net Profit Margin (%)	7.20%	2.99%	141%	Increase on account of increase in total income.
Net Profit Ratio	7.71%	3.05%	152.49%	Increase on account of increase in net profit after tax and revenue from operation of current year.
Return on Capital Employed	19.98%	14.13%	41.35%	Increase on account of increase in EBIT and equity of current year.
Return on Net Worth (%)	14.54%	10.11%	43.76%	Increase on account of increase in total profit and net worth in current year.

### Business Outlook

With the rise of emerging technologies, the Company is extremely focused on seizing big opportunities and helping its partner firms and potential clients construct a digital future. Onward Tech already has skills in a variety of emerging technologies and is continuing to develop them through employee upskilling and reskilling, subcontracting, and strategic relationships. The Company's distinct future growth plan is to invest in people, enhance capabilities, and dive deeply into the challenging hi-tech digital transformation with its existing "Global 2000" customers. To maintain a seamless flow of operations, the Company has approved a defined path for expanding digital budgets. The Company is planning to initiate transitioning from proof-of-concept to large-scale adoption model. The Company intends to concentrate on Industry 4.0, AI/ML, ADAS (Advanced driver-assistance systems), cloud, and DevOp engineering. The Company is planning to make double the investment into digital in the coming years.

### Internal Controls and Adequacy

The Company's global presence across multiple countries and sizable associate strength makes it imperative for us to have a robust internal controls framework. The Company has adequate systems of internal control commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use or losses, executing transactions with proper authorization, and ensuring compliance with corporate policies. The Company has a well-defined plan for delegation of authority, for approving revenue and expenditures. The Company has appointed M/s. Ahuja Valecha & Co. LLP, Chartered Accountant, as internal auditors for the financial year 2020-2021. M/s. Ahuja Valecha & Co. LLP carried out the internal audit based on an internal audit plan, which is reviewed each year in consultation with the statutory auditors, M/s PwC, Chartered Accountant and the Audit Committee.

The Audit Committee reviews audit reports submitted by the internal auditors. Suggestions for improvement are considered, and the Audit Committee follows up on the implementation of corrective actions. The committee also meets the Company's statutory auditors to ascertain, inter-alia, their views on the adequacy of internal control systems in the Company and keeps the Board of Directors informed of its key observations from time to time. The statutory auditors have also independently audited the internal financial controls over financial reporting as of March 31, 2022. They have opined those adequate internal controls over financial reporting exists and that such controls were operating effectively.

## Risk Management

Risk management includes all processes and operations and is the responsibility of everyone in the organization. The Company has adopted a Risk Management Policy with the goal of integrating risk management into overall strategic and operational activities. The following important risks have been prioritized by the Company, and effective mitigation techniques have been developed:

- Business disruptions due to COVID-19 Pandemic:**

**Risk Impact:** The Company's operations may be adversely affected due to incapacitation of the workforce due to the pandemic, government lockdowns, limited travel and transition to work-from-home mode.

**Risk Mitigation:** The Company has designed a work from home policy and plan to oversee its global reaction and monitor pandemic conditions in locations where it operates as part of its business continuity management.

- Regulatory and Compliance Risks:**

**Risk Impact:** The Company operates in a growing number of nations and industry sectors, increasing the risk of non-compliance with regulatory standards that are important to its operations.

**Risk Mitigation:** To counteract this risk, the Company has in-house and consultants to assess and monitor regulatory requirements across regions and industries. The Company's global regulatory compliance framework is intended to identify, assess, mitigate, and monitor regulatory risks that affect the Company. The framework protects the Company's reputation, employees, and clients. To ensure compliance, regulatory assessments are conducted, and extensive checklists are kept.

- Talent and Human Resource Risks:**

**Risk Impact:** Hiring talented and attrition of skilled talent may adversely affect the Company's ability to pursue its growth strategies effectively.

## Risk Mitigation:

- Onward Tech's culture of diversity, inclusion openness, transparency and meritocracy coupled with its growth orientation help attract top talent;
- Formulated a process to forecast resource requirements based on project followed by appointing of recruitment agencies;
- Onward Tech's designed eTAP program that builds training and hiring of fresher to the organization;
- Onward Tech's employee training program helps build capabilities and expertise in various technical, functional and non-technical skills;
- The HR team is constantly striving to reach out to every employee in order to assist their development and give internal possibilities for employees to advance their careers.

- Data Protection and Privacy Risks:**

**Risk Impact:** With the response to the Coronavirus epidemic, the Company's reach of processing personal data of individuals, organizations, vendors, and contractors has grown even more. Leakage and misuse of confidential data and proprietary information increases the risk of non-compliance of privacy and data protection laws and can damage brand reputation, relationships and growth.

## Risk Mitigation:

- o In place a framework that includes governance, policies and procedures, training and awareness programs, data mapping, third-party contractual oversight and a mechanism for monitoring regulatory compliance for each area.
- o Implementation of IT security practices in line with ISO 27001 standard and TISAX.
- o Developed and communicated security awareness guidelines during work from home for our employees.

- Competition Risks:**

**Risk Impact:** Indian IT companies, MNC IT organizations, and startups with a significant presence in low-cost locations, strong client relationships, in-house and captive services companies, and so on, compete fiercely in the global IT services industry. Key demand areas such as cloud, cybersecurity, and workforce transformation have gained more attention from competitors.

**Risk Mitigation:**

- 1) Strengthen strategic partnership with clients by offering them multiple service lines,
- 2) Strengthening sales team to win new clients and relationship with existing accounts,
- 3) Invested in new geographies, with a continuous focus on partnership and investment acquisition.

• **Geopolitical Risks:**

**Risk Impact:** Instability and uneven growth in the global economy have harmed the IT industry's growth in the past, and they may continue to do so in the future. Any future global economic or political uncertainty may result in IT spending reductions, postponements, or consolidations, contract terminations, project deferrals, or client purchase delays. Increased geopolitical tensions among key economies may potentially have an influence on the Company's capacity to grow globally.

**Risk Mitigation:**

- o The Company has established a geopolitical framework to continuously examine geopolitical concerns.
- o To reduce reliance on any single country for revenue development and service delivery by extending its business across other countries.
- o The Company also maintains its strategy of employing local talent through various internal programs in order to prevent business disruptions caused by various constraints on employee mobility.
- o To address these concerns and empower the greatest personnel to solve client business challenges, the Company strategically invests in a flexible workforce strategy comprising onsite and offshore workers.

• **Business Continuity Risks:**

**Risk Impact:** In a complex and rapidly changing global risk landscape, the Company's reputation as a leading technology business is judged by its threat resilience and ability to respond effectively to disruptive events. If the Company is unable to assure the continuity of its operations across clients, delivery sites, and enabling functions, it risks a business continuity risk.

**Risk Mitigation:**

- o The pandemic has shifted the paradigm of crisis and resilience planning dramatically.
- o The crisis change has caused the Company to rethink its program in light of the new normal, which includes many large-scale global events that last for extended periods of time.

• **Forex Exchange Risk:**

**Risk Impact:** Onward Tech has significant local presence in North America and Europe. The Company is thus exposed to a wide variety of currencies. Fluctuations in these currencies could impact the Company's financial performance.

**Risk Mitigation:**

- o The Company mitigates the risk of fluctuations in foreign exchange rates connected with receivables and projected transactions in certain foreign currencies by employing foreign exchange forward contracts and options.
- o A well-defined hedging framework for managing any foreign exchange risk in India. The Board-approved policy in this regard is periodically reviewed for its effectiveness.

**Human Resources**

Human resources are critical to the Organization's long-term growth as a services Company with a highly technical business line. The Company promotes a positive and open environment. It advocates for a fair and just human resource management system that balances work and personal life. The Company made great progress in its policies and processes in FY 2021-22. The Company intends to focus on employee safety, which was evident, both at the start of the pandemic and as it progressed. Onward Tech restructured its operations with a long-term perspective in mind. It moved quickly to provide equipment that allowed staff to work from home, huddled to solve difficulties, and implemented remote working.

Several digitization efforts were introduced by the Company during the year to empower employees. The Human Resource Management System was put in place to automate basic HR and provided access from anywhere at any time. Also, the Company has outsourced India payroll process to a leading global vendor for best-in-class payroll practices. As on March 31, 2022, Onward Tech employed 2,641 employees.

**Cautionary Statement**

This statement contains statements about expected future events, financial and operating results at Onward Technologies Limited, which are forward-looking statements. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions, and other forward-looking

statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual, future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to *inter-alia* in the Management discussions and analysis report hereunder.

# Report on Corporate Governance

## 1. ONWARD'S PHILOSOPHY ON CORPORATE GOVERNANCE

At Onward Technologies, we believe that good corporate governance is crucial in enhancing and retaining stakeholder's confidence. Our corporate governance practices are reflection of our culture, policies, relationship with stakeholders and the commitment towards the values, coupled with the highest standards of integrity, transparency, accountability and ethics in all business matters. The Board of Directors and the Management at Onward Technologies are committed to the enhancement of shareholder value. Over the last 31 years, we at Onward Technologies, have developed a strong set of values where integrity is vital. "YOUR IMAGINATION. DELIVERED TO PERFECTION" that's what we stand for, that's what we promise our customers, and that's how we will continue writing success stories for our customers, and for us. We are committed to high standards of Corporate Governance and have in place appropriate structures and reporting mechanism.

The adoption of this Code of Conduct of the Board of Directors and Senior Management (the "Code") stems from the fiduciary responsibility which the Board Members and Senior Management have towards the stakeholders in Onward Technologies Limited ("the Company") and ensures compliance with the requirements of Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 ["SEBI (LODR)"]. Therefore, Board Members and Senior Management will act as trustees in the interest of all stakeholders of the Company by balancing conflicting interest, if any, between stakeholders for optimal benefit. In the observance of the Code, the Directors in their capacity as Directors, per se, will have a Directional role and the Executive Directors and Senior Management Personnel will have executive responsibility. Apart from complying with the statutory requirements, effective systems and practices towards improving transparency and internal controls have been institutionalized. The Company firmly believes that corporate governance standards should go beyond the law and must satisfy the spirit of law and not just the letter of the law. This is a way of life at Onward Technologies and is driven relentlessly across the organization.

## 2. BOARD OF DIRECTORS

The corporate governance structure of the Company comprises the Board, as the apex decision making body and the Leadership Team, which comprises of experts in running and managing the Company. The Board of Directors ("the Board") are elected by the shareholders to oversee the company's overall functioning. The Board is responsible for providing strategic supervision, overseeing the management performance and governance of the Company on behalf of the shareholders and other stakeholders. The Board exercises independent judgement and plays an important role in the overviewing of the Company's affairs. To sum up, the Board's key purpose is to ensure the company's prosperity by collectively directing the company's affairs, while meeting the appropriate interests of its shareholders and relevant stakeholders.

The conduct of Company's business shall be consistent with the core values, which are set out below:

- Openness
- Hunger for Excellence
- Customer First
- Responsive
- Integrity

The Company's Day to day affairs are managed by Executive Directors and Leadership Team, under the overall supervision of the Board. The Board is committed to representing the long-term interests of the stakeholders and in providing effective governance over the Company's affairs and exercising reasonable business judgement on the affairs of the Company.

### 2.1 Composition and category of Directors

Our Board represents an appropriate mix of Executive Directors ('EDs'), Non-Executive, Non-Independent Directors ('NEDs') and Independent Directors ('ID'), which is compliant with the Companies Act, 2013 ("the Act") and SEBI (LODR). As on March 31, 2022, your Company's Board has a strength of 8 (eight)

Directors including 1 (one) Women Director, consisting of 2 (two) Executive Directors, 2 (two) Non-Executive, Non-Independent and 4 (four) Independent Directors. The Chairman of the Board is the Executive Director. The composition of the Board is consistent with the provisions of SEBI (LODR) and Companies Act, 2013.

Composition of Board of Directors and other details as on March 31, 2022:

Name	Category	No. of Directorship(s) In other Indian Public companies	Other Committee positions held		No. of Equity Shares held	Names of the listed entities where the person is a director and the category of directorship	
			As Chairman	As Member (including Chairmanship)		Name of listed entity	Category of directorship
<b>EXECUTIVE DIRECTORS</b>							
Mr. Harish Mehta, Executive Chairman	Promoter group	1	0	0	2,16,528	NIL	NA
	Non-Independent						
Mr. Jigar Mehta Managing Director	Promoter group	0	0	0	5,76,299	NIL	NA
	Non-Independent						
<b>NON-EXECUTIVE DIRECTORS</b>							
Mrs. Prachi Mehta	Promoter group	0	0	0	1,48,792	NIL	NA
	Non-Independent						
Mr. Rahul Rathi	Independent	1	0	0	NIL	Plastiblends India Limited	Director
Mr. Parish Meghani	Independent	0	0	0	2,85,918	NIL	NA
Mr. Subrata Kumar Mitra	Independent	8	4	8	NIL	IL & FS Engineering and Construction Company Limited	ID
						IL & FS Transportation Networks Limited	ID
						Centrum Capital Limited	ID
						AGS Transact Technologies Limited	ID
Mr. Jay Sonawala	Independent	0	0	0	500	NIL	
Mr. Harsha Raghavan	Non-Independent	2	0	1	NIL	Hindustan Foods Limited	Director
						Camlin Fine Sciences Limited	Director

ID – Independent Director

#### Notes:

- None of the Directors of the Company hold membership of more than 10 (ten) Committees nor is a Chairman of more than 5 (five) committees, across all companies of which he / she is a director. Necessary disclosures regarding Committee positions in other Indian public companies as on March 31, 2022, have been made by the Directors.
- The committees considered for the above purpose are Audit Committee and Stakeholders Relationship Committee and excludes Onward Technologies Limited.
- Video Conferencing facilities are used to participate in the meetings and are counted for the purpose of attendance.
- As on March 31, 2022, Mr. Harish Mehta, Mr. Jigar Mehta and Mrs. Prachi Mehta are related to each other. Mr. Jigar Mehta and Mrs. Prachi Mehta being son and daughter of Mr. Harish Mehta respectively. None of the other directors are related to each other.
- Mr. Harsha Raghavan has been appointed as an Additional Director on June 30, 2021.
- All independent directors have confirmed their 'independence' to the Board of the Company.

## 2.2 Board Procedure and its Meetings:

The Board and Committee meetings are pre-scheduled based on the availability of the Director(s) and Committee Members. An annual calendar of the meetings is circulated to them in advance to facilitate planning of their schedules and ensure participation in the meetings. However, in case of urgent matters, subject to regulatory conditions, the Board's approval is taken by passing resolutions by circulation. The Board meets at least once in a quarter to review and approve the quarterly financial results/statements and other agenda items. The Committees of the Board usually meet before the Board Meeting on the same day. The recommendations of the Committees are placed before the Board for necessary approval/ noting. The maximum interval between any 2 (two) consecutive Board Meetings was well within the maximum allowed gap of 120 (one hundred and twenty) days.

The Notice of Board Meeting is given to all the Directors as per the prescribed timelines under Companies Act, 2013 and SEBI (LODR). Due to the COVID Pandemic, meetings of the Board and its Committees were held through video/audio conferencing mode in accordance with the provisions of law. The Board agenda along with notes and detailed background information and explanatory notes are prepared and circulated in advance to all the Board Members. Where it is not practicable to attach any document to the agenda, the same is tabled at the meeting with specific reference to this effect in the agenda. In special and exceptional circumstances, additional or supplementary item(s) on the agenda are permitted. The Agenda for the Board/ Committee meetings are prepared by the Company Secretary in consultation with the Managing Director and CFO of the Company. Every Director is free to recommend inclusion of items in the agenda. All statutory and other matters of significant importance including information as mentioned in Part A of Schedule II of SEBI (LODR) are tabled before the Board for their discussions and consideration. The compliance reports of applicable laws, rules and regulations and the minutes of the meetings of the Audit Committee, Stakeholders Relationship Committee and other board committees are placed before the Board. Presentations are also being made by the MD or CFO on the business operations of the Company.

The important decisions taken at the Board/Committee meetings are promptly communicated to the concerned departments. Pursuant to Secretarial Standard, draft minutes and signed minutes of the previous Meeting are circulated within 15 days of end of Board Meeting- prescribed time. If any comments are received from the Directors, they are also incorporated in the Minutes.

During the financial year under review, 7 (seven) Board Meetings were held on the following dates:

Sr. No.	Dates of Board Meetings	Total Number of Directors associated as on the date of meeting	Attendance	
			Number of Directors attended	% of Attendance
1	May 14, 2021	7	7	100
2	May 27, 2021	7	7	100
3	June 30, 2021	7	7	100
4	July 15, 2021	8	7	88
5	October 22, 2021	8	8	100
6	November 24, 2021	8	7	88
7	January 14, 2022	8	8	100

The attendance of Directors at these Meetings for the financial year 2021-22 and last 30<sup>th</sup> Annual General Meeting (AGM) are detailed in the table:

Name of the Directors	No. of Board Meetings which director was entitled to attend	No. of Board Meetings which director has attended	% of attendance	Attendance at the last 30 <sup>th</sup> AGM held on July 15, 2021
Mr. Harish Mehta	7	7	100%	Yes
Mr. Jigar Mehta	7	7	100%	Yes
Mrs. Prachi Mehta	7	7	100%	Yes
Mr. Rahul Rathi	7	5	85%	Yes
Mr. Parish Meghani	7	7	100%	Yes
Mr. S. K. Mitra	7	7	100%	Yes
Mr. Jay Sonawala	7	7	100%	Yes
Mr. Harsha Raghavan #	5	5	100%	Yes

# Appointed as an Additional director w.e.f. June 30, 2021.

### 2.3 Meetings of Independent Directors

Schedule IV of the Companies Act, 2013, SEBI (LODR) and Secretarial Standard - 1 on Meetings of the Board of Directors mandates that the Independent Directors of the Company hold at least 1 (one) meeting in a year, without the attendance of non-Independent Directors.

During the financial year 2021-22, a separate meeting of the Independent Directors convened on February 04, 2022. The Independent Directors, inter-alia, discussed and reviewed performance of Non-Independent Directors, the Board as a whole, Chairman and Managing Director of the Company and assessed the integrity, fairness, timeliness of flow of information and disclosure and transparency between the Company's management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

### 2.4 Familiarization Program of Independent Directors

The Company has devised a familiarization programme for independent directors of the Company. The objective of the programme is to help the director to understand the Company's business and the regulatory framework in which the Company operates, and regularly update the business strategies, operations, and other regulatory updates, to ensure that they are fully informed on current governance issues. The same is available on the Company's website with the following link: [www.onwardgroup.com](http://www.onwardgroup.com)

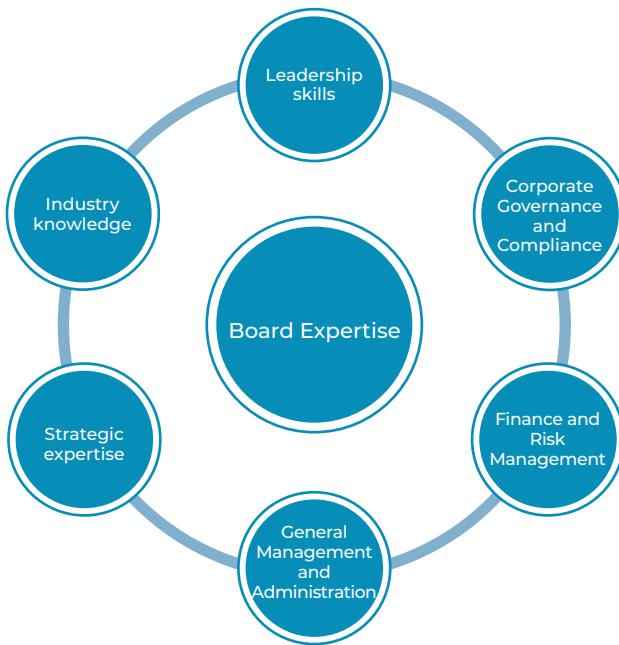
### 2.5 Code of Conduct

The Company has laid down a "Code of Conduct Policy" for the Members of the Board of Directors and the Senior Management which is also available at the website [www.onwardgroup.com](http://www.onwardgroup.com). The Code serves as a guide to the Board and Senior Management employees of the Company to make calculative 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 SEBI (LODR).

### 2.6 Key expertise and attributes of the Board of Directors, which are currently available with the Board

The Board of Directors of the Company comprises of qualified personnel who possess relevant skills, expertise and competence for the effective functioning of the Company. In compliance with the SEBI Listing Regulations, the Board has identified the following skills / expertise / competencies fundamental for the effective functioning of the Company which are taken into consideration by the Nomination and Remuneration Committee while recommending appointment of any candidate to the Board of the Company.



Based on the above-mentioned skill matrix, the skills which are currently available with the Board have been mapped below:

Sr. No.	Name of the Directors	Leadership skills	Corporate Governance & Compliance	Finance & Risk Management	Strategic expertise	Industry Knowledge	General Management & Administration
1	Mr. Harish Mehta	●	●		●	●	
2.	Mr. Jigar Mehta	●			●	●	●
3	Mr. Rahul Rathi		●	●	●	●	
4.	Mr. Subrata Kumar Mitra		●	●	●	●	
5.	Mr. Parish Meghani			●	●	●	
6	Mrs. Prachi Mehta					●	●
7.	Mr. Jay Sonawala			●	●	●	
8	Mr. Harsha Raghavan			●	●	●	

### 3. COMMITTEES OF THE BOARD

During the year, The Company continued to have the mandatory committees. The Board has constituted various non-mandatory committees to focus on specific areas and to make informed decisions within their authority like Share Allotment Committee, Banking Committee, and Corporate Social Responsibility Committee. As the Company is categorized under Top 1000 Listed Companies, it has constituted a Risk Management Committee. Each committee is directed by its charter which outlines their scope, roles, responsibilities and powers. All the decisions and recommendations of the committees are placed before the Board for its approval. The Company's guidelines relating to Board Meetings are also applicable to committee meetings as far as is practicable. Each committee has the authority to engage outside experts, advisors and counsels to the extent it considers appropriate to assist in its functions. Senior officers/ function heads are invited to present various details called for by the committee at its meetings. The CSR and Share Allotment Committees stands dissolved as the purpose. CSR is not a mandatory committee and purpose of the Share allotment committee has been completed. Draft minutes of the committee meetings are circulated to the Members of those committees for their comments and thereafter, confirmed in their next meeting. The Board of Directors also take note of the minutes of the committee meetings held in the previous calendar quarter, at its meetings.

Committees of the Board are as under:

- A. Audit Committee
- B. Nomination and Remuneration Committee
- C. Stakeholders Relationship Committee
- D. Corporate Social Responsibility (Dissolved w.e.f. May 14, 2021)
- E. Risk Management Committee (Constituted w.e.f. May 13, 2022)
- F. Banking Committee

#### **A. AUDIT COMMITTEE**

##### **I. Brief description as under:**

The Company has constituted an independent Audit Committee ("AC") which acts as a link between the management, external and internal auditors and the Board of Directors of the Company. The Committee is responsible for effective supervision of the Company's financial reporting process by providing direction to the audit function, monitoring the scope and quality of internal and statutory audits and ensuring accurate and timely disclosures, with the highest levels of transparency, fairness, integrity and quality of financial reporting. The Audit Committee considers the matters which are specifically referred to it by the Board of Directors besides considering the mandatory requirements of the Regulation 18 read with Part C of Schedule II of SEBI (LODR) and Section 177 of the Companies Act, 2013.

##### **Brief description of roles and objectives are as under:**

- 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 auditors 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 other 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 quarterly financial statements before submission to the Board for approval;
- e) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- f) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- g) Discussion with internal auditors on any significant findings and follow up thereon;

- h) 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;
- i) 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;
- j) Reviewing the Company's financial and risk management policies;
- k) Scrutiny of inter-corporate loans and investments;
- l) Valuation of undertakings or assets of the Company, if necessary;
- m) Reviewing of financial statements and investments made by subsidiary companies;
- n) Look into the reasons for any substantial defaults in payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividend) and creditors, if any;
- o) To review the functioning of the whistle blower mechanism;
- p) Reviewing the effectiveness of the system for monitoring compliance with laws and regulations;
- q) approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- r) Carrying out any other function as is mentioned in the terms of reference of the audit committee.

## **II. Dates of meetings:**

4 (Four) Audit committee meetings were held on **May 14, 2021; July 15, 2021; October 22, 2021 and January 14, 2022** during the financial year and the gap between the 2 (two) meetings did not exceed 120 (one hundred and twenty days). Necessary quorum was present at the meetings.

## **III. The composition of the Committee and attendance details:**

The composition of the Committee and attendance details of the members for the financial year ended March 31, 2022 are given below:

Names of the Member	Category	Designation	No. of Meetings which director was entitled to Attend	Attendance	
				Number of Directors attended	% of Attendance
Mr. Rahul Rathi	ID	Chairman	4	3	75
Mr. Parish Meghani	ID	Member	4	4	100
Mr. Jay Sonawala	ID	Member	4	4	100
Mr. S. K. Mitra	ID	Member	4	4	100
Mr. Harsha Raghavan #	Non-ID	Member	3	3	100

# Appointed as an Additional Director w.e.f. June 30, 2021. | ID – Independent Director

During the financial year under review, Mr. Harsha Raghavan was appointed as a Member of the Audit Committee with effect from June 30, 2021.

All members are well versed with finance, accounts, corporate laws, and general business practices. The Chief Financial Officer, the Partner/Representative of the Statutory Auditors and the Internal Auditors are some of the invitees to the Audit Committee. The Company Secretary of the Company acts as the Secretary of the Audit Committee. Minutes of the Committee meetings are circulated to the Members and placed before Board meetings for noting. Mr. Rahul Rathi, Chairman of the Audit Committee had attended the 30<sup>th</sup> Annual General Meeting held on July 15, 2021.

**B. NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee's (NRC) constitution and terms of reference are in compliance with provisions of the Companies Act, 2013 and Regulation 19 of the SEBI (LODR).

**I. Brief description of roles and responsibilities of the NRC 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.

**II. Performance evaluation criteria**

The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual Directors. Schedule IV to the Companies Act, 2013 states that the performance evaluation of Independent Directors shall be done by the entire Board of Directors, excluding the director being evaluated.

- i. Attendance and contribution at Board and Committee meetings;
- ii. 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;
- iii. 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;
- iv. His/her ability to create a performance culture that drives value creation and a high quality of debate with robust and probing discussions;
- v. Effective decisions making ability to respond positively and constructively to implement the same to encourage more transparency;
- vi. Open channels of communication with executive management and other colleague on Board to maintain high standards of integrity and probity;
- vii. 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;
- viii. His/her global presence, rational, physical and mental fitness, broader thinking, vision on corporate social responsibility etc;

- ix. 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;
- x. 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;
- xi. His/her contribution to enhance overall brand image of the Company.

In a separate meeting of Independent Directors held on February 04, 2022, performance of Non-Independent directors, performance of the Board as a whole and performance of the Chairman was evaluated.

### **III. Dates of NRC Committee meetings:**

During the financial year under review, 2 (two) meetings were held that is on **May 14, 2021 and June 30, 2021**. Necessary quorum was present at the meetings.

### **IV. Composition of the NRC and attendance details:**

The composition of the NRC and attendance details of the members for the year ended March 31, 2022 are given below:

Names of the Member	Category	Designation	No. of Meetings which director was entitled to Attend	Attendance	
				Number of Directors attended	% of Attendance
Mr. Parish Meghani	ID	Chairman	2	2	100
Mr. S. K. Mitra	ID	Member	2	2	100
Mr. Jay Sonawala	ID	Member	2	2	100
Mr. Harsha Raghavan #	Non-ID	Member	1	1	100

# Appointed as an Additional Director w.e.f. June 30, 2021 and added as a Member of NRC.

ID – Independent Director

### **V. Remuneration to Directors**

#### **a) Remuneration Policy**

Your Company has a well-defined policy for remuneration of the Directors, Key Management Personnel and Senior Management. The Nomination and Remuneration Committee, has designed the remuneration policy in order to attract, motivate and retain the executive talent needed to achieve superior performance in a competitive market. The remuneration policy of the Company is directed towards rewarding performance, based on review of achievements on a periodic basis. The Policy is always revamped according to the amendments in the regulations. The Nomination and Remuneration Policy is available at website of the Company at <https://www.onwardgroup.com/investors.php>.

#### **b) Remuneration to Executive Directors (EDs):**

The elements of remuneration to the Executive Directors include fixed and variable salary, performance bonus, contribution to provident fund, gratuity, perquisites and allowances, reimbursement of expenses etc., as applicable to employees of the Company. The Executive Directors are employees of the Company and are subject to service conditions as per the Company policy. There is no provision for payment of severance fees to Executive/ Non- Executive Directors.

The Members, at their 30<sup>th</sup> Annual General Meeting held on July 15, 2021, have approved the re-appointment of:

- i) Mr. Harish Mehta as a Whole-time Director designated as an Executive Chairman for a period of 5 (five) years effective from May 14, 2021 to May 13, 2026, on certain terms and conditions, including his remuneration subject to prescribed limit under the rules and regulations.

- ii) Mr. Jigar Mehta, as a Managing Director for a period of 5 (five) years effective from May 14, 2021 to May 13, 2026, on certain terms and conditions, including his remuneration subject to prescribed limit under the rules and regulations.

The details of remuneration paid to the EDs during the year 2021-22 are given as under:

(₹ in Lakhs)				
Name	Salary	Allowances, Perquisites and other benefits	Incentives	Total
Mr. Harish Mehta, Executive Chairman	141.94	28.16	85.50	255.60
Mr. Jigar Mehta, Managing Director	132.93	4.33	74.50	211.76

**c) Remuneration to Non-Executive Directors**

The Non-Executive Independent Directors are also entitled for sitting fees for attending meetings of the Board of Directors. As a part of investor's policy, they are not taking sitting fees for attending any meetings of the Board and Committee. Accordingly, the Company has not paid sitting fees to Mr. Harsha Raghavan. The details of sitting fees paid to the Non-Executive Directors during the financial year 2021-22 are given as under:

Name	Sitting Fees paid during FY2021-22		Total
	Board Meeting	Committee Meetings	
Mrs. Prachi Mehta	5.25	0.15	5.40
Mr. Rahul Rathi	3.75	1.50	5.25
Mr. Parish Meghani	5.25	2.10	7.35
Mr. S. K. Mitra	5.25	2.15	7.40
Mr. Jay Sonawala	5.25	2.00	7.25
Mr. Harsha Raghavan	-	-	-

**d) Pecuniary Relationship or Transactions of the Non-Executive Directors**

There was no pecuniary relationship or transactions of the Non-Executive Directors vis-a-vis the Company, which has potential conflict with the interest of the organization at large.

**C. STAKEHOLDERS RELATIONSHIP COMMITTEE [SRC]**

**I. Brief description of roles and responsibilities of the SRC are as under:**

The Company has constituted a Stakeholders' Relationship Committee ('SRC') pursuant to the provisions of Regulation 20 of the SEBI Listing Regulations and Section 178 of the Act.

- Monitoring and reviewing service functioning of Registrar and Transfer Agents;
- Providing guidance and making recommendations to improve investor service levels for the investors.
- Review process of share transfers, non-receipt of annual reports, Dividend payments, issue of duplicate share certificates, dematerialization and re-materialization of shares, transmission of shares and other shareholder related queries and complaints etc;
- Analyzing the top shareholders of the Listed Entity.

**II. Dates of SRC Committee Meetings:**

During the year, the SRC met 1 (one) time that is on October 22, 2021. Necessary quorum was present at the meeting.

**III. Composition of the SRC Committee and attendance details:**

The composition of the Committee and attendance details of the members for the year ended March 31, 2022 are given below:

Names of the Member	Category	Designation	No. of Meetings which director was entitled to Attend	No. of Meetings	
				Attended	% of Attendance
Mr. S. K. Mitra	ID	Chairman	1	1	100
Mr. Harish Mehta	Non-ID	Member	1	1	100
Mr. Prachi Mehta	Non-ID & NED	Member	1	1	100

**IV. Name and designation of Compliance Officer**

Ms. Dimple Chauhan, Company Secretary

Onward Technologies Limited

Tel: +91-22-2492 6570

Email: [investors@onwardgroup.com](mailto:investors@onwardgroup.com)

**V. Summary of Shareholders Complaints:**

During the financial year under review, the table below encompasses the details of the complaints and requests received and disposed off during the year ended March 31, 2022.

Sr. Nature of Complaints No.	Received	Number of Complaints resolved
1. Non-receipt of Dividend	-	-
2. Non-receipt of Annual Reports/Notices	-	-
3. Non-receipt of Share Certificates	-	-
3. Complaints from SEBI, Stock Exchanges	-	-
4. Others, if any	-	-

All the requests, queries received during the financial year ended March 31, 2022, were duly redressed and no queries are pending at the year end. There were no complaints received by the Company. All requests for dematerialization of shares were carried out within the stipulated time period and no share certificate was pending for dematerialization.

**D. CORPORATE SOCIAL RESPONSIBILITY [CSR] COMMITTEE**

**I. The roles and responsibility of the CSR Committee are as under:**

The Company had constituted a Corporate Social Responsibility [CSR] Committee of directors as required under Section 135 of the Companies Act, 2013 and the Rules framed thereunder. The Committee's responsibility is to assist the Board in discharging its social responsibilities by way of formulating and monitoring implementation of the framework of 'Corporate Social Responsibility Policy' and to suggest remedial measures wherever necessary.

- 1) Formulate and recommend to the Board, a CSR Policy to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;

- 2) Recommend the amount of expenditure to be incurred on the CSR activities to be undertaken by the Company;
- 3) Monitor the implementation of the CSR activities undertaken by the Company;

The Committee oversees the CSR activities and execution of initiatives approved by the Board. Further, the initiatives undertaken by the Company during the financial year 2021-22 are set out in this Annual Report in the format prescribed in the Companies (Corporate Social Responsibility Policy), Rules, 2014. The Company is focused on promoting education and wellness in the society. Your Company has undertaken various activities in Pune and Mumbai. The CSR policy of the Company is available on our website: <https://www.onwardgroup.com/investors.php>.

## **II. Dates of CSR Committee Meetings:**

The Company has informed the Stakeholders that as per recent amendment in Corporate Social Responsibility on January 22, 2021, if amount to be spent by a company does not exceed fifty lakh rupees then there is no need to form a CSR Committee. As the Company is no longer falls under the said criteria of constituting and continuing with the CSR Committee. Accordingly, the Board has decided dissolve the CSR Committee with effect from May 14, 2021.

## **E. SHARE ALLOTMENT COMMITTEE:**

### **I. Brief description of terms of reference:**

The scope of Share Allotment Committee ("SAC") is to issue and allot equity shares and warrants convertible into equity shares on preferential basis. The purpose of SAC has been accomplished so, the Board has dissolved this Committee with effect from May 13, 2022.

### **II. Composition and meeting details of the SAC:**

The SAC comprised of 3 (three) members. During the year under review, there was no SAC meeting was held except for one circular resolution passed on November 30, 2021.

The composition of the SAC is as under:

Name of the Director	Designation	Category
Mr. Rahul Rathi	Chairman	Independent
Mr. Jigar Mehta	Member	Managing Director
Mr. Parish Meghani	Member	Independent

## **F. BANKING COMMITTEE:**

### **I. 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, change contact details, register under facilities of the bank, obtaining financial assistance from the banks, etc.

### **II. Composition of the Banking Committee and attendance details:**

The Banking Committee comprised of 3 (three) members. During the year under review there was no banking committee meetings were held.

The composition of the banking committee is as under:

Name of the Director	Designation	Category
Mr. Harish Mehta	Chairman	Executive Director
Mr. Rahul Rathi	Member	Independent Director
Mr. Jay Sonawala	Member	Independent Director

**G. RISK MANAGEMENT COMMITTEE:**

**I. Brief description of terms of reference:**

As on March 31, 2022, the Company is falling under TOP 1000 company as per market capitalization report issued by the National Stock Exchange of India Limited. Accordingly, the Company has constituted a Risk Management Committee ('RMC'), which assist the Board of Directors in timely identification, assessment and mitigation of risks (i.e. financial, operational, strategic, regulatory, statutory, industry, political and others) faced by the Company. The Committee has overall responsibility for monitoring and approving the enterprise risk management framework and is capable of effectively addressing and monitoring these risks. The Committee also approves and oversees a Company-wide risk management framework, capable of effectively addressing these risks.

The terms of reference of the RMC are in line with the provisions of the Act and Regulation 21 of the SEBI Listing Regulations.

Role of the committee shall, inter-alia, include the following:

- (1) To formulate a detailed risk management policy which shall include:
  - (a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
  - (b) Measures for risk mitigation including systems and processes for internal control of identified risks.(c)Business continuity plan.
- (2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- (3) To monitor and oversees implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- (4) To periodically review the risk management policy, at least once in 2 (two) years, including by considering the changing industry dynamics and evolving complexity;
- (5) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- (6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

The RMC shall co-ordinate its activities with other committees, instances where there is any overlap with activities of such committees, as per the framework laid down by the Board of Directors.

**II. Composition of the Risk Management Committee and attendance details:**

The Risk Management comprised of 3 (three) members. During the year under review there was no Risk Management meetings were held.

The composition of the RMC is as under:

Name of the Director	Designation	Category
Mr. Jay Sonawala	Chairman	Independent Director
Mr. Parish Meghani	Member	Independent Director
Mr. Harsha Raghavan	Member	Non-Independent Director

#### 4. GENERAL BODY MEETINGS

##### 4.1 Details of Annual General Meetings held during last three years, are as follows:

Year	General Meeting	Date of Meeting	Time	Location
2020-21	30 <sup>th</sup> Annual General Meeting	Thursday July 15, 2021	3.00 p.m.	Online via video conferencing/other audio-visual means ("VC/OAVM")
2019-20	29 <sup>th</sup> Annual General Meeting	Thursday, July 16, 2020	3.00 p.m.	Online via video conferencing/other audio-visual means ("VC/OAVM")
2018-19	28 <sup>th</sup> Annual General Meeting	Friday, July 25, 2019	3.00 p.m.	The Victoria Memorial School for the Blind,73, Tardeo Road, Mumbai – 400 034.

##### 4.2 Details of special resolutions passed in the previous three Annual General Meetings

Year	Date of Meeting	Subject matter of special resolutions
2020-21	30 <sup>th</sup> AGM Thursday, July 15, 2021	<ul style="list-style-type: none"> <li>a) Re-appointment of Mr. Harish Mehta as a Whole-time Director designated as Executive Chairman of the Company for a period of 5 (five) years, commencing from May 14, 2021 to May 13, 2026, not liable to retire by rotation.</li> <li>b) Re-appointment of Mr. Jigar Mehta as a Managing Director of the Company for a period of 5 (five) years, commencing from May 14, 2021 to May 13, 2026, not liable to retire by rotation.</li> </ul>
2019-20	29 <sup>th</sup> AGM Thursday, July 16, 2020	<ul style="list-style-type: none"> <li>a) Appointment of Mr. Subrata Kumar Mitra as an Independent Director of the Company for a period 3 (three) years w.e.f. July 21, 2020.</li> <li>b) Appointment of Mr. Jay Sonawala as an Independent Director of the Company for a period of 3 (three) years w.e.f. July 21, 2020.</li> <li>c) Re-appointment of Mr. Rahul Rathi for the second term as an Independent Director of the Company for a period of 3 (three) years w.e.f. July 21, 2020.</li> <li>d) Re-appointment of Mr. Parish Meghani for the second term as an Independent Director of the Company for a period of 3 (three) years w.e.f. July 21, 2020.</li> </ul>
2018-19	28 <sup>th</sup> AGM Friday, July 25, 2019	<ul style="list-style-type: none"> <li>1) Continue office of Mr. Harish Mehta (DIN: 00153549) as an Executive Chairman who is above 70 years of age.</li> <li>2) Revision of remuneration of Mr. Harish Mehta (DIN: 00153549), Executive Chairman of the Company.</li> <li>3) Revision of remuneration of Mr. Jigar Mehta (DIN: 06829197), Managing Director of the Company.</li> <li>4) Create, offer, issue and allot options under employee stock option plan:</li> <li>5) Approve Employee Stock Option Plan for employees of the Subsidiary Companies.</li> </ul>

All special resolutions set out in the notices for the AGMs were passed by the shareholders at the respective meetings with requisite majority.

#### 4.3 Extra-ordinary General Meeting (EOGM):

On June 24, 2021, the Members of the Company in their Extra-ordinary General Meeting, have approved the issue, offer and allot (i) 11,00,000 equity shares of face value of ₹ 10/- each fully paid-up at a price of not lower than ₹ 130/- (inclusive of face value of ₹ 10/- each) per share for cash (hereinafter referred to as "New Equity Shares") and (ii) 43,00,000 warrants convertible into equity shares of the Company at a price per warrant/equity share of ₹ 130/- (inclusive of face value of 10/- each) per share to exercise the option to convert such warrant and get allotted 1 (one) equity share of the Company of face value of ₹ 10/- each fully paid-up against each warrant within 18 (Eighteen) months from the date of allotment of warrants to Infinity Direct Holdings. Accordingly, Infinity Direct Holdings exercised its option to convert into entire 43,00,000 share warrants into equivalent number of equity shares of the Company.

Date of EOGM	June 24, 2021
Voting Period	June 21, 2021 to June 23, 2021
Name of the Scrutinizer	M/s Nilesh A. Pradhan & Co. LLP, Pr. Company Secretaries
Date of report of Scrutinizer	June 24, 2021

#### Voting Results

Particulars	No. of Votes Polled	No. of votes in favour	No. of votes against	% of votes in favour on votes posted
<b>Members voted in favour of the resolution (Assent)</b>				
Promoter & Promoter group	1,00,82,281	1,00,82,281	0	100%
Public Institutions	0	0	0	0
Public Non-Institutions	10,21,274	10,21,073	201	98.98% 0.09%
<b>Members voted against the resolution (Dissent)</b>				
Promoter & Promoter group	0	0	0	0
Public Institutions	0	0	0	0
Public Non-Institutions	0	0	0	0
<b>Total</b>	<b>1,11,03,555</b>	<b>1,11,03,354</b>	<b>201</b>	<b>98.98% 0.09%</b>

#### 4.4 Postal Ballot:

During the financial year under review, no Special Resolution was passed by the Company through Postal Ballot. None of the businesses proposed to be transacted at the ensuing AGM require passing a Special Resolution through Postal Ballot.

### 5. MEANS OF COMMUNICATION

We have established procedures to disseminate, in a planned manner, relevant information to our shareholders, analysts, employees and the society at large.

**Financial Results:** The Quarterly/Half Yearly/ Annual Financial Results are published in the English daily 'Free Press Journal and in a vernacular language newspaper 'Navshakti'.

**Website and Press Releases:** The Company's audited financial results, press releases and the presentations made to institutional investors and analyst and other intimations to Stock Exchanges are posted on the Company's website - <https://www.onwardgroup.com/investors.php> in the downloadable form and websites of BSE and NSE viz. [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com)

The shareholders directly email on [investors@onwardgroup.com](mailto:investors@onwardgroup.com) for resolving their requests and the Company with the help of registrar and transfer agent concludes the same. The Company also emails on the shareholders to update their KYCs, Demat account details and Bank account details for payment of dividend in the correct manner.

The Company also conducts calls/meetings with investors immediately after declaration of financial results to brief them on the performance of the Company. These calls are attended by the Managing Director, CFO and other members of the management.

The Company also communicates with the stakeholders over the social networking sites such as LinkedIn, seeking active communications, posting updates about the Management and the Performances of the Company.

**BSE Corporate Compliance & Listing Centre (the 'Listing Centre') and NEAPS (NSE Electronic Application Processing System):** BSE's Listing Centre is a web-based application designed for corporates. NEAPS is a web-based application designed by NSE for corporates. NSE has now floated a new website on which the corporate announcement are submitted and published. All periodical compliance filings, inter-alia, shareholding pattern, Corporate Governance Report, corporate announcements, amongst others, are in accordance with the Listing Regulations filed electronically. Further, in compliance with the provisions of Listing Regulations, the disclosures made to the stock exchanges, to the extent possible, are in a format that allows users to find relevant information easily through a searching tool.

Exclusive email-id: The Company has an exclusive email id – [investors@onwardgroup.com/compliance@onwardgroup.com](mailto:investors@onwardgroup.com/compliance@onwardgroup.com) dedicated for prompt redressal of shareholders' queries, grievances etc.

## 6. GENERAL SHAREHOLDER INFORMATION

### 6.1 31<sup>st</sup> Annual General Meeting

Day, Date and Time	July 18, 2022
Venue	via VC/OAVM
Financial Year	April 1, 2021 to March 31, 2022
Final Dividend	Final dividend of ₹ 3/- (three) per equity share i.e. @ 30% for the financial year 2021-22.
Record Date (e-voting)	July 11, 2022
Date of Book Closure	From July 12, 2022 to July 18, 2022
Listed on Stock Exchanges	National Stock Exchange of India Limited ('NSE') Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051 BSE Limited ('BSE') PJ Towers, Dalal Street, Mumbai- 400 001
Stock Code/Symbol	BSE - 517536 NSE - ONWARDTEC
International Securities Identification Number ("ISIN")	INE229A01017
CIN	L28920MH1991PLC062542
Payment of Annual listing fees to Stock Exchanges	Yes, within stipulated time

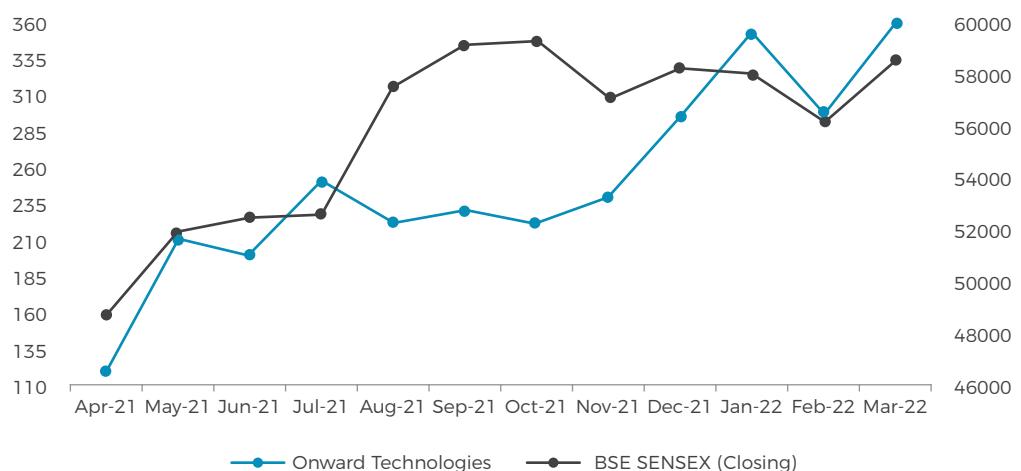
## 6.2 Market Price Data:

Details of high and low price and the number of shares traded during each month in the last financial year on BSE Limited and National Stock Exchange of India Limited are as under:

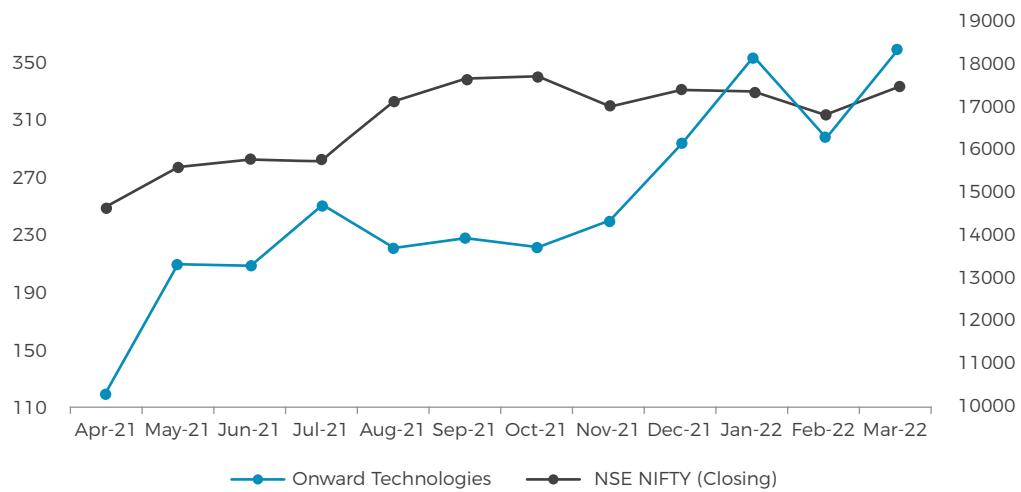
Month	BSE (₹)		NSE (₹)	
	High Price	Low Price	High Price	Low Price
April - 2021	134.45	104.50	127.30	113.55
May - 2021	210.40	110.20	209.65	183.35
June - 2021	227.90	177.00	215.70	192.20
July - 2021	283.80	193.05	254.95	247.55
August - 2021	272.00	214.05	228.00	219.00
September - 2021	265.40	215.05	233.05	225.45
October - 2021	234.30	213.20	223.25	214.50
November - 2021	295.50	215.40	262.40	237.95
December - 2021	319.15	239.40	306.20	290.20
January - 2022	389.00	273.40	354.10	338.00
February - 2022	406.00	269.75	298.55	279.00
March - 2022	380.70	272.00	380.00	355.50

Source: [www.bseindia.com](http://www.bseindia.com) & [www.nseindia.com](http://www.nseindia.com)

Onward Technologies & BSE Sensex share price movement from April 01, 2021 to March 31, 2022



Onward Tech & Nifty share price movement from April 01, 2021 to March 31, 2022



### 6.3 Unpaid/Unclaimed Dividend:

Pursuant to the provisions of Companies Act, dividend which remains unpaid or unclaimed for a period of 7 (Seven) years from the date of its transfer to unpaid dividend account, is required to be transferred by the Company to the Investor Education and Protection Fund ('IEPF'), established by the Central Government under the provisions of the Companies Act. Shareholders are advised to claim the un-encashed dividend lying in the unpaid dividend account of the Company before the due date.

Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules, 2016), amongst other matters, contain provisions for transfer of all shares in respect of which dividend has not been paid or claimed for 7 (Seven) consecutive years in the name of IEPF Suspense Account. The details of unpaid/unclaimed dividend and number of shares liable to be transferred are available on our website: <https://www.onwardgroup.com/investors.php>

Given below are the dates of declaration of dividend, corresponding last date for claiming unclaimed dividends and the same is due for transfer to IEPF on next day.

Year of Declaration	Date of Declaration	Interim/Final	Unclaimed Amount as on March 31, 2022
2015-16	July 18, 2016	Final	₹ 2,12,820
2016-17	July 21, 2017	Final	₹ 2,32,157
2017-18	July 20, 2018	Final	₹ 2,46,921
2018-19	July 25, 2019	Final	₹ 3,33,927
2019-20	July 16, 2020	Final	₹ 310740.50
2020-21	July 15, 2021	Final	₹ 663,344.01

### 6.4 Registrar and Share Transfer Agent:

Link Intime India Pvt. Ltd.  
C-101, 247 Park, L.B.S. Marg,  
Vikhroli (West), Mumbai - 400 083.  
Tel: +91 22 49186270

### 6.5 Share Transfer System:

The Company's equity shares which are in compulsory dematerialized (demat) form are transferable through the depository system. Equity Shares in physical form are processed by the Registrar and Share Transfer Agents, Link Intime India Private Limited and approved by the Stakeholders Relationship Committee of the Board of the Company. 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.

### 6.6 Distribution of Shareholding as on March 31, 2022:

Sr. No.	Shareholding No. of Shares		Shares	% To Capital	No. of Holders	% to No. of Holders
	From	To				
1	1	500	1090393	4.9516	10466	88.5448
2	501	1000	466883	2.1202	583	4.9323
3	1001	2000	488665	2.2191	323	2.7327
4	2001	3000	342082	1.5534	135	1.1421
5	3001	4000	258899	1.1757	72	0.6091
6	4001	5000	262477	1.1919	56	0.4738
7	5001	10000	655159	2.9752	86	0.7276
8	10001	999999999	18456312	83.8128	99	0.8376
<b>Total</b>					<b>22020870</b>	<b>100</b>

**Ownership Pattern as on March 31, 2022**

Shares	No. of Shares	%
Promoters & Promoters Group	1,00,82,281	45.78
Mutual Funds	3,750	0.017
Banks/ Financial Institutions/ Insurance Companies (Central/ State Govt. Institutions/ Non-Govt. Institutions)	350	0.016
Private Corporate Bodies	2,58,580	1.17
Indian Public	1,19,38,589	54.21
HUF	2,86,617	1.30
NRIs/OCBs/ Foreign Nationals	55,85,700	25.36
<b>Total</b>	<b>2,20,20,870</b>	<b>100.00</b>

**6.7 Dematerialization of shares and liquidity:**

As on March 31, 2022, 2,18,50,891 Equity Shares out of 2,20,20,870 Equity Shares of the Company, constituting 99.228% of the Company's paid-up capital is held in the dematerialized form. The shares of the Company are in compulsory demat segment and are available for trading in the depository systems of both the Central Depository Services (India) Limited [CDSL] and National Securities Depository Limited [NSDL]. The International Security Identification Number [ISIN] is an identification number of traded shares. This number is to be quoted in each transaction relating to the dematerialized shares of the Company. The ISIN of the Company is mentioned above.

**6.8 Outstanding ADRs/GDRs/Warrants or any convertible instruments, conversion date and likely impact on equity**

The Company has not issued any GDRs/ADRs.

During the year under review, the Company has issued and allotted 43,00,000 warrants convertible into equity shares of the Company at a price per warrant/equity share of ₹ 130/- (inclusive of face value of ₹ 10/- each) per share to exercise the option to convert such warrant and get allotted 1 (one) equity share of the Company of face value of ₹ 10/- each fully paid-up against each warrant. The said warrants had fully exercised by the Investor and converted into equity shares of the Company.

**6.9 Commodity Price Risk:**

The Company is not involved into any activities relating to commodity price risks and hedging thereof. The Company has in place a Risk Management Policy and a mechanism to assess risk, periodically review it and ensure that steps are taken to mitigate the risks. The Company actively monitors the foreign exchange movements and takes forward covers as appropriate to reduce the risks associated with transactions in foreign currencies. The details of foreign currency exposure and hedging are disclosed in Notes to Standalone Financial Statements.

**6.10 Plant Locations:**

The Company does not have any manufacturing plant. However, details with regards different office locations of the Company forms part of this Annual Report.

**6.11 Address for Correspondence**

For any queries, shareholders are requested to either write to  
 Registrar & Share Transfer Agent  
 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](mailto:rnt.helpdesk@linkintime.co.in)  
 Contact person: Ms. Nayna Wakle

## 7. OTHER DISCLOSURES

### 7.1 Related Party Transactions

During the financial year 2021-22, no materially significant transactions or arrangements were entered into between the Company and its promoters, management, Directors or their relatives, subsidiaries, etc. that may have potential conflict with the interests of the Company at large. The related party transactions entered into with the related parties as defined under Companies Act, 2013 and Regulation 23 of SEBI (LODR) Regulations during the financial year were in the ordinary course of business and the same have been approved by the Audit Committee. The disclosure of transactions with related parties is disclosed in the Notes to accounts of the Standalone Financial Statements. The Company has formulated a policy on dealing with Related Party Transactions, which specifies the manner of entering into Related Party Transactions. This policy has also been uploaded on the Company's website: <https://www.onwardgroup.com/investors.php>.

### 7.2 Whistleblower/Vigil Mechanism

The Board of Directors have formulated a Whistleblower Policy/Vigil Mechanism in compliance with the provisions of Section 177(10) of the Act and Clause 49 of the Listing Agreement and is also available on the Company's website: <https://www.onwardgroup.com/investors.php>.

The Company has also provided direct access to the Chairman of the Audit Committee on reporting issues concerning the interests of employees and the Company. The Statutory Auditors as well verify with the management if there has been any information through this mechanism.

### 7.3 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 Board have also formulated a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information as per the requirements of the SEBI Insider Trading Regulations. The Prevention of Insider Trading Code and Code of Fair Disclosure and Conduct have been uploaded on website of the Company and can be accessed through the following link: <https://www.onwardgroup.com/investors.php>.

### 7.4 Compliance with corporate governance requirements

The Company has complied with the requirements of corporate governance specified in Regulation 17 to 27 and clause (b) to (i) of sub-regulation of Regulation 46 of the SEBI (LODR).

**7.5** In accordance with the provisions of Regulation 26(6) of the SEBI (LODR), the Key Managerial Personnel, Director(s), Promoter(s) and Employees including Senior Management Personnel of the Company have affirmed that they have not entered into any agreement for themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company.

**7.6** Details of Non-compliance: During the last three years, there were no instances of non-compliances by the Company related to capital markets and no penalty or restrictions were imposed on the Company by the Stock Exchanges or SEBI or any statutory authorities.

### 7.7 Compliance with mandatory and disclosure of discretionary requirements

The Company has fully complied with the mandatory requirements of the SEBI (LODR) Regulations entered into with the Stock Exchanges. Disclosures of discretionary requirements as per Part E of Schedule II read with Regulation 27(1) of the SEBI (LODR) are as under:

- A) 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.
- B) The Company shall endeavor to provide half yearly declarations on financial performance of the Company including significant events in last six months of operations.

- C) The Company strives towards having an unmodified audit opinion. Further, there has not been any modified audit opinions during the financial year 2021-22.
- D) M/s. Ahuja Valecha & Associates LLP, Chartered Accountant, internal auditors of the Company for the financial year 2021-22 reported directly to the Audit Committee of the Company.

#### **7.8 Policy for determining Material Subsidiary**

Regulation 24 of the SEBI (LODR) relating to Corporate Governance defines a 'material non-listed Indian Subsidiary' as an unlisted subsidiary, incorporated in India, whose turnover or net worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated turnover or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year. The Audit Committee reviews the Consolidated Financial Statements of the Company. The Board of Directors reviews every quarter the financial statements of the subsidiary company. The minutes of the Board of Directors of the subsidiary company are periodically placed before the Board of Directors of the Company, thereby bringing to their attention all significant transactions and arrangements entered into by the subsidiary companies. 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/investors.php>.

#### **7.9 Utilization of funds raised through Preferential Allotment**

The Company has raised funds through preferential allotment during the financial year. On June 24, 2021, the Members of the Company have approved the issue, offer and allot (i) 11,00,000 equity shares of face value of ₹ 10/- each fully paid-up at a price of not lower than ₹ 130/- (inclusive of face value of ₹ 10/- each) per share for cash (hereinafter referred to as "New Equity Shares") and (ii) 43,00,000 warrants convertible into equity shares of the Company at a price per warrant/equity share of ₹ 130/- (inclusive of face value of ₹ 10/- each) per share to exercise the option to convert such warrant and get allotted 1 (one) equity share of the Company of face value of ₹ 10/- (Rupees Ten only) each fully paid-up against each warrant within 18 (Eighteen) months from the date of allotment of warrants to Infinity Direct Holdings. Accordingly, Infinity Direct Holdings exercised its option to convert into 43,00,000 share warrants into equivalent number of equity shares of the Company.

CFO confirms on the utilization of funds raised through preferential allotment. The funds are used to meet working capital requirement, investment in infrastructure and subsidiaries of the Company etc.

#### **7.10 Credit Ratings and any Revisions Thereto For Debt Instruments**

Onward Technologies Limited obtained its rating from ICRA Ltd. As on February 02, 2022, the long term reaffirmed to Onward Technologies Limited and was [ICRA] BBB (stable)A3+ Upgraded from [ICRA] BBB-(Positive) being stable and assigned short term non fund based rating [ICRA](A3). The documents related to credit rating is available on [www.onwardgroup.com](http://www.onwardgroup.com).

#### **7.11 Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Company has formulated a Policy on prevention of Sexual Harassment in accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder which is aimed at providing every woman at the workplace a safe and secure work environment. The Company has in place an effective mechanism for dealing with complaints relating to sexual harassment at workplace.

The details relating to the number of complaints received and disposed of during the financial year 2021-22 are as under:

a	number of complaints filed during the financial year	Nil
b	number of complaints disposed of during the financial year	Nil
c	number of complaints pending as on end of the financial year	Nil

### **7.12 Secretarial Compliance Report**

SEBI vide its Circular No. CIR/CFD/CMD1/27/2019 dated February 8, 2019 read with Regulation 24(A) of the Listing Regulations, directed listed entities to conduct Annual Secretarial compliance audit from a Practicing Company Secretary of all applicable SEBI Regulations and circulars/guidelines issued thereunder. The said Secretarial Compliance report is in addition to the Secretarial Audit Report by Practicing Company Secretaries under Form MR – 3 and is required to be submitted to Stock Exchanges within 60 days of the end of the financial year.

The Company has appointed Nilesh A. Pradhan & Co., LLP, Practicing Company Secretary as Secretarial Auditor of the Company for providing Secretarial Audit Report for the FY 2021-22. The Company has obtained the said Secretarial Compliance Report, on voluntary basis from Secretarial Auditor of the Company.

### **7.13 Certificates from Practicing Company Secretary**

Certificate as required under Part C of Schedule V of Listing Regulations, received from Mrs. Prajakta Padhye, (CP No. 7891), Partner of M/s. Nilesh A. Pradhan & Co., LLP, Practicing Company Secretaries, that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by the Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority was placed before the Board of Directors at their meeting held on May 13, 2022. A compliance certificate from Nilesh A. Pradhan & Co., LLP, Company Secretary pursuant to the requirements of Schedule V to the Listing Regulations regarding compliance of conditions of Corporate Governance is attached.

### **7.14 The particulars of payment of Statutory Auditor's fees, on consolidated basis for financial year March 31, 2022 is given below:**

Particulars	(₹ in Lakhs)
FY 2021-22	
Audit Fees	20.60
Limited Review	8.00
Other Services	8.75
Reimbursement of Expenses	0.48
<b>Total</b>	<b>37.83</b>

### **7.15 CEO/CFO Certification:**

As required under Regulation 17 of the SEBI (LODR), the CEO/CFO certificate for the financial year 2021-22 signed by Mr. Jigar Mehta, Managing Director and Mr. Devanand Ramandasani, CFO, was placed before the Board of Directors of the Company at their meeting held on May 13, 2022 and is annexed to this Report.

### **7.16 During the financial year 2021-22, the Board has accepted all the recommendations of its Committee.**

## CEO & CFO Certification

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

1. We have reviewed the financial statements and the cash flow statement for the year 2021-22 and that to the best of our knowledge and belief:
  - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the Auditors and the Audit Committee:
  - (i) Significant changes in internal control over financial reporting during the year;
  - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) There are no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Mumbai

Date: May 13, 2022

**Jigar Mehta**  
Managing Director

**Devanand Ramandasani**  
Chief Financial Officer

## Declaration

To,  
**The Members,**  
**Onward Technologies Limited**

I, Jigar Mehta, Managing Director of Onward Technologies Limited ("the Company"), hereby declare that all the Members of the Board of Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct, laid down and adopted by the Company, during the year ended March 31, 2022.

**For Onward Technologies Limited**

Place: Mumbai  
Date: May 13, 2022

**Jigar Mehta**  
Managing Director

To  
The Members  
Onward Technologies Limited

We have examined the compliance of conditions of Corporate Governance by Onward Technologies Limited ("the Company"), for the year ended on March 31, 2022, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') pursuant to the Listing Agreement of the said Company with stock exchange (s).

The compliance of the conditions of Corporate Governance is a responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us by the Company the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

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

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

**Prajakta V. Padhye**  
Partner  
FCS No: 7478  
COP No: 7891  
PR:791/2020  
UDIN: F007478D000313181

Place: Mumbai  
Date: May 13, 2022

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

To  
The Members  
Onward Technologies Limited

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

In our opinion and to the best of our information and according to the verifications (including verification of Director Identification Number status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary by us and explanations furnished to us by the Company, we hereby certify that none of the Directors on the Board of the Company as listed hereunder as on March 31, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs (MCA) or any such other statutory authority.

Sr. No.	Name of Director	Director Identification Number (DIN)	Date of Appointment*
1	Harish Shantilal Mehta	00153549	18/07/1991
2	Jigar Harish Mehta	06829197	16/05/2016
3	Prachi Harish Mehta	06811085	27/03/2015
4	Parish Arun Meghani	02106768	10/05/2017
5	Rahul Ramkumar Rathi	00966359	24/04/2017
6	Subrata Kumar Atindra Mitra	00029961	15/05/2020
7	Jay Nitin Sonawala	01401445	15/05/2020
8	Harsha Raghavan	01761512	30/06/2021

\*the date of appointment is as per the MCA Portal.

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

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

**Prajakta V. Padhye**  
Partner  
FCS No: 7478  
COP No: 7891  
PR:791/2020  
UDIN: F007478D000313168

Place: Mumbai  
Date: May 13, 2022

# Consolidated Financial



# **Independent Auditor's Report**

**To the Members of Onward Technologies Limited**

**Report on the Audit of the Consolidated Financial Statements**

## **Opinion**

1. We have audited the accompanying consolidated financial statements of Onward Technologies Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), (refer Note 1(a) to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at March 31, 2022, the consolidated Statement of Profit and Loss (including Other Comprehensive Income) , the consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2022, of consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

## **Basis for Opinion**

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group, in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 15 of the Other Matters section below, other than the unaudited financial information as certified by the management and referred to in sub-paragraph 16 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

## **Key Audit Matters**

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p><b>Appropriateness of recognition of revenue:</b></p> <p>Refer note 1(f) and note 21 in the Consolidated Ind AS Financial Statements.</p> <p>The Group enters into revenue contracts and management uses its judgement in respect of matters such as identification of performance obligations; allocation of consideration to identified performance obligations and recognition of revenue based on assessment of whether performance obligation is fulfilled over time or at a point in time, as per the requirement of the Ind AS 115, "Revenue from Contracts with Customers".</p> <p>This matter has been determined as a Key Audit Matter, in view of the complexity in application of requirements of Ind AS 115 and significant management judgements and estimates involved in such application. Further, there is an inherent and presumed risk of fraud involved in the revenue recognition.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Obtaining an understanding of and testing the design and operating effectiveness of key controls around the revenue recognition;</li> <li>• Testing of revenue transactions during the year on a sample basis to evaluate the terms of the contracts including timing of transfer of rights and obligations under the contract;</li> <li>• In respect of the contracts tested, evaluating the management's assessment of revenue recognition, ensuring whether the same is in compliance with the requirement of Ind AS 115 and assessing the judgements and assumptions applied by the management based on the actual outcome of delivery of contract;</li> <li>• Verified the inputs used in estimation of revenue to the source data</li> <li>• Verifying the underlying evidence including terms of contracts, invoice and other source documents;</li> <li>• Evaluating the adequacy of disclosures in the Standalone Financial Statements.</li> </ul> <p>Based on the above procedures performed, we did not find any significant exceptions to management's assessment of revenue recognition.</p>

5. The following paragraph was included in the audit report dated May 12, 2022, containing an unmodified audit opinion on the standalone financial statements of OT Park Private Limited (formerly known as NV Pune Technology Park Private Limited), a subsidiary of the Holding Company issued by an independent firm of Chartered Accountants reproduced by us as under:

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current period. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to be communicated in our report.

### Other Information

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

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and the reports of the other auditors as furnished to us, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

7. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.
8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
9. The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

## **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

10. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
11. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
  - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
12. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Other Matters**

15. We did not audit the financial statements of one subsidiary whose financial statements reflect total assets of ₹ 551.75 Lakhs and net assets of ₹ 134.31 Lakhs as at March 31, 2022, total revenue of ₹ 55.24 Lakhs, total comprehensive income (comprising of profit and other comprehensive income) of ₹ 32.04 Lakhs and net cash flows amounting to ₹ 0.05 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiary and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiary is based solely on the reports of the other auditors.
16. We did not audit the financial information of three subsidiaries, whose financial information reflect total assets of ₹ 669.61 Lakhs and net assets of ₹ 56.87 Lakhs as at March 31, 2022, total revenue of ₹ 1083.09 Lakhs, total comprehensive loss (comprising of loss and other comprehensive loss) of ₹ (112.71) Lakhs and net cash flow (inflow) amounting to ₹ 326.86 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial information are unaudited and have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiaries is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group.

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

### **Report on Other Legal and Regulatory Requirements**

17. As required by paragraph 3(xxi) of the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we report that there are no qualifications or adverse remarks included by the respective auditors in their CARO 2020 reports issued in respect of the standalone financial statements of the company which is included in these Consolidated Financial Statements.
18. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
  - (f) With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. There were no pending litigations which would impact the consolidated financial position of the Group. Refer Note 29(a) to the Consolidated Financial Statements.
    - ii. The Group has long term contracts including derivative contracts as at March 31, 2022 for which there were no material foreseeable losses.
    - iii. During the year ended March 31, 2022, 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.
    - iv. (a) The respective Managements of the Company and its subsidiary which is company incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary respectively that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding,

whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- iv. (b) The respective Managements of the Company and its subsidiary which is company incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary respectively that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiary from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - iv. (c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us and those performed by the auditors of the subsidiary which is company incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.
  - v. The dividend declared and paid during the year by the Holding Company is in compliance with Section 123 of the Act.
19. The Group, have paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

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

**Neeraj Sharma**

Partner

Membership Number 108391  
UDIN: 22108391AIWZJG6100

Mumbai  
May 13, 2022

## **Annexure A to Independent Auditor's Report**

Referred to in paragraph 20(f) of the Independent Auditor's Report of even date to the members of Onward Technologies Limited on the consolidated financial statements for the year ended March 31, 2022

### **Report on the Internal Financial Controls with reference to Consolidated Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act**

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2022, we have audited the internal financial controls with reference to financial statements of Onward Technologies Limited (hereinafter referred to as "the Holding Company") and its subsidiary company, which is 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 with reference to financial statements is not applicable to one subsidiary incorporated in India namely OT Park Private Limited (formerly known as NV Pune Technology Park Private Limited), pursuant to MCA notification GSR 583(E) dated 13 June 2017.

### **Management's Responsibility for Internal Financial Controls**

2. The Board of Directors of the Holding Company, which is 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 ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditor's Responsibility**

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
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 audit opinion on the Holding Company's internal financial controls system with reference to consolidated financial statements.

### **Meaning of Internal Financial Controls with reference to financial statements**

6. A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly

reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

8. In our opinion, the Holding Company and its subsidiary companies, which is incorporated in India, has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, 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 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

UDIN: 22108391AIWZJG6100

Mumbai  
May 13, 2022

# Consolidated Balance Sheet

As at March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>			
<b>I. Non-current assets</b>			
Property, plant and equipment	3	3,657.45	1,713.90
Intangible assets	4	264.06	387.87
Intangible assets under development	4	-	7.50
Right of use assets	31	1,751.60	879.45
Financial assets			
(a) Other financial assets	6	279.75	303.90
Deferred tax assets	13(a)	281.82	330.52
Income tax assets (net)	13(b)	1,788.56	1,113.03
Other non-current assets	11	108.93	2.58
<b>Total non-current assets</b>		<b>8,132.17</b>	<b>4,738.75</b>
<b>II. Current assets</b>			
<b>Financial assets</b>			
(a) Investments	5	-	10.00
(b) Trade receivables	7	6,656.37	4,082.84
(c) Cash and cash equivalents	8	4,951.52	2,849.05
(d) Bank balances other than (c) above	9	1,092.96	98.28
(e) Contract assets	10(a)	1,191.28	1,340.10
(f) Other financial assets	10(b)	39.89	9.68
Income tax assets (net)	13(b)	15.86	-
Other current assets	12	864.10	639.45
<b>Total current assets</b>		<b>14,811.98</b>	<b>9,029.40</b>
<b>Total assets</b>		<b>22,944.15</b>	<b>13,768.15</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	14(a)	2,202.09	1,633.88
Other equity	14(b)	14,118.97	5,814.25
<b>Total equity</b>		<b>16,321.06</b>	<b>7,448.13</b>
<b>LIABILITIES</b>			
<b>I. Non-Current liabilities</b>			
Financial liabilities			
(a) Borrowings	15	50.39	60.40
(b) Lease Liabilities	31	<b>1,093.36</b>	<b>546.20</b>
Provisions	19(a)	340.77	479.46
Deferred tax liabilities	13(a)	318.11	-
<b>Total non-current liabilities</b>		<b>1,802.63</b>	<b>1,086.06</b>

# Consolidated Balance Sheet (Contd.)

As at March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
<b>II. Current liabilities</b>			
Financial liabilities			
(a) Borrowings	16	9.65	1,473.61
(b) Trade payables	17		
- Total outstanding dues of micro enterprises and small enterprises		102.65	27.96
- Total outstanding dues of creditors other than micro enterprises and small enterprises		1,050.49	689.02
(c) Lease Liabilities	31	716.41	429.73
(d) Other financial liabilities	18	2,031.56	1,503.76
Provisions	19(b)	151.97	137.38
Income Tax Liabilities	13(b)	23.02	-
Contract Liabilities	20(a)	155.63	294.81
Other current liabilities	20(b)	579.08	677.69
<b>Total current liabilities</b>		<b>4,820.46</b>	<b>5,233.96</b>
<b>Total liabilities</b>		<b>6,623.09</b>	<b>6,320.02</b>
<b>Total equity and liabilities</b>		<b>22,944.15</b>	<b>13,768.15</b>

The above consolidated balance sheet should be read in conjunction with the accompanying notes.  
This is the consolidated balance sheet referred in our report of even date.

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

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

**Neeraj Sharma**  
Partner  
Membership No.: 108391

**Harish Mehta**  
Executive  
Chairman  
DIN: 00153549

**Devanand Ramandasani**  
Chief Financial Officer

Place : Mumbai  
Date : May 13, 2022

**Rahul Rathi**  
Audit Committee Chairman  
DIN: 00966359

Place : Mumbai  
Date : May 13, 2022

**Dimple Chauhan**  
Company Secretary  
M. No: A51595

Place : Mumbai  
Date : May 13, 2022

# Consolidated Statement of profit and loss

For the year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Notes	For the year March 31, 2022	For the year March 31, 2021
Revenue from operations	21	30,726.87	24,036.66
Other income (net)	22	2,153.11	533.52
<b>Total Income</b>		<b>32,879.98</b>	<b>24,570.18</b>
<b>Expenses</b>			
Purchase of Software Licenses	23	1.07	174.29
Employee benefits expense	24	23,881.52	18,897.20
Finance costs	25	100.56	232.38
Depreciation and amortisation expense	26	1,010.51	1,044.47
Other expenses	27	4,703.36	3,240.57
<b>Total expenses</b>		<b>29,697.02</b>	<b>23,588.91</b>
<b>Profit before tax</b>		<b>3,182.96</b>	<b>981.27</b>
<b>Income tax expense</b>			
Current tax	13(b)	390.70	373.56
Deferred tax	13(a)	423.86	(126.08)
<b>Total tax expense</b>		<b>814.56</b>	<b>247.48</b>
<b>Profit for the year</b>		<b>2,368.40</b>	<b>733.79</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Remeasurement of post-employment benefit obligations	19(b)	(65.28)	14.41
Income tax relating to these items	13(b)	16.43	(3.63)
Items that may be reclassified to profit or loss			
Exchange differences on foreign operations	14(b)	(15.43)	(39.67)
Income tax relating to these items		-	-
<b>Total other comprehensive income for the year, net of tax</b>		<b>(64.28)</b>	<b>(28.89)</b>
<b>Total comprehensive income for the year</b>		<b>2,304.12</b>	<b>704.90</b>
<b>Earnings per share</b>			
Basic	28	12.62	4.52
Diluted	28	12.17	4.35

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

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

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

**Neeraj Sharma**  
Partner  
Membership No.: 108391

**Harish Mehta**  
Executive  
Chairman  
DIN: 00153549

**Jigar Mehta**  
Managing Director  
DIN: 06829197

**Devanand Ramandasani**  
Chief Financial Officer

Place : Mumbai  
Date : May 13, 2022

**Rahul Rathi**  
Audit Committee Chairman  
DIN: 00966359

**Dimple Chauhan**  
Company Secretary  
M. No A51595

Place : Mumbai  
Date : May 13, 2022

Place : Mumbai  
Date : May 13, 2022

# Consolidated statement of changes in equity

For the year ended March 31, 2022

## A Equity share capital

Particulars	Notes	Amount	Notes
<b>As at April 1, 2020</b>		<b>1,604.26</b>	
Change in equity share capital	14(a)	29.62	
<b>As at March 31, 2021</b>		<b>1,633.88</b>	
Change in equity share capital	14(a)	568.21	
<b>As at March 31, 2022</b>		<b>2,202.09</b>	

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Notes	Securities premium account	Retained Earnings	Share option outstanding account	Foreign Currency Translation Reserve	Share Application Money pending allotment	Money received against Share Warrants	Total
<b>As at April 1, 2020</b>		1,704.24	2,914.50	326,77	251,43	5.74	-	5,202.68
Profit for the year		-	73,379	-	-	-	-	73,379
Other Comprehensive Income		-	10,78	-	(39,67)	-	-	(28,89)
<b>Total comprehensive income for the year</b>		-	<b>744.57</b>	-	<b>(39,67)</b>	-	-	<b>704.90</b>
<b>Transactions with owners in their capacity as owners</b>								
Issue of equity shares	38	200.10	-	(200.10)	-	-	-	-
Transfer on account for lapsed and forfeited option	38	-	16.52	(16.52)	-	-	-	-
Employee stock option expenses	38	-	-	153.22	-	-	-	153.22
Dividends paid	14(b)	-	(243.21)	-	-	-	-	(243.21)
Shares allotted against the share application money received	14(b)	-	-	-	(33.79)	-	-	(33.79)
Shares application money received for allotment of shares	14(b)	-	-	-	30.45	-	-	30.45
<b>As at March 31, 2022</b>		<b>1,904.34</b>	<b>3,432.38</b>	<b>263.37</b>	<b>211.76</b>	<b>2.40</b>	-	<b>5,814.25</b>

# Consolidated statement of changes in equity (Contd.)

For the year ended March 31, 2022

Particulars	Notes	Securities premium account	Retained Earnings	Share option outstanding account	Foreign Currency Translation Reserve	Share Application Money pending allotment	(All amounts in ₹ Lakhs, unless otherwise stated)	
							Money received against Share Warrants	Total
Profit for the year	-	-	2,368.40	-	-	-	-	2,368.40
Other Comprehensive Income	-	-	(48.85)	-	(15.43)	-	-	(64.28)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>2,319.55</b>	<b>-</b>	<b>(15.43)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,304.12</b>
<b>Transactions with owners in their capacity as owners</b>								
Issue of equity shares under Employee Stock Option Plan	14(b)	192.14	-	(164.42)	-	-	-	27.72
Issue of equity shares pursuant to Share Warrants	14(b)	6,480.00	-	-	-	-	-	6,480.00
Employee stock option expenses	14(b)	-	-	170.38	-	-	-	170.38
Dividends paid	14(b)	-	(524.78)	-	-	-	-	(524.78)
Deferred tax on share issue expenses	14(b)	-	52.50	-	-	-	-	52.50
Share issue expenses	14(b)	(208.60)	-	-	-	-	-	(208.60)
Money received against Share Warrants	14(b)	-	-	-	-	-	-	7,020.00
Shares allotted against the share application money received	14(b)	-	-	-	(39.22)	(7,020.00)	(7,059.22)	
Shares application money received for allotment of shares	14(b)	-	-	-	-	42.60	-	42.60
<b>As at March 31, 2022</b>		<b>8,367.88</b>	<b>5,279.65</b>	<b>269.33</b>	<b>196.33</b>	<b>5.78</b>	<b>-</b>	<b>14,118.97</b>

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

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

**Neeraj Sharma**  
Partner  
Membership No.: 108391

For Price Waterhouse Chartered Accountants LLP  
Firm Registration Number: 012754N/N5000016

**Jigar Mehta**  
Managing Director  
DIN: 06829197

**Devanand Ramadasani**  
Chief Financial Officer

**Dimple Chauhan**  
Company Secretary

Place : Mumbai  
Date : May 13, 2022

Place : Mumbai  
Date : May 13, 2022

Place : Mumbai  
Date : May 13, 2022

# Consolidated Statement of cash flows

For the year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>A) Cash flows from operating activities</b>		
Profit before income tax	3,182.96	981.27
<b>Adjustments for</b>		
Depreciation and amortisation expense	1,010.51	1,044.47
(Profit) / loss on disposal of property, plant and equipment	20.05	(11.73)
Interest income	(31.73)	(41.58)
Unwinding of discount on security deposit	(15.27)	(22.76)
Employee share based payment expenses	198.10	153.22
Finance costs	100.56	232.38
Income from waiver of loan under Paycheck Protection Program Scheme	(1,503.91)	-
Net gain on termination of lease arrangements	-	(7.66)
Profit on sale of mutual funds	(46.48)	-
Unrealised foreign exchange (gain)/loss	4.50	(19.16)
Provision for Onerous contract	-	17.89
Allowance for doubtful debts	-	19.45
Bad debts written off	4.04	4.85
<b>Operating profit before working capital changes</b>	<b>2,923.33</b>	<b>2,350.64</b>
<b>Changes in operating assets and liabilities</b>		
(Increase)/Decrease in trade receivables	(2,589.53)	870.92
(Increase)/Decrease in other financial assets	39.97	65.06
(Increase)/Decrease in other assets	(333.10)	29.40
(Increase)/Decrease in Contract assets	148.54	(922.51)
(Increase)/Decrease in loans	-	22.76
(Increase)/Decrease in trade payables	435.05	131.26
(Increase)/Decrease in other liabilities	(238.56)	300.33
(Decrease)/Increase in other financial liabilities	458.36	(103.67)
(Increase)/Decrease in employee benefit obligations	(189.50)	159.14
<b>Cash generated from operations</b>	<b>654.56</b>	<b>2,903.33</b>
Net Refund received/(Income taxes paid)	(1,047.46)	390.70
<b>Net cash (outflow)/inflow from operating activities</b>	<b>(392.90)</b>	<b>3,294.03</b>
<b>B) Cash flows from investing activities</b>		
Payments for property, plant and equipment	(2,209.33)	(1,262.96)
Payments for intangible assets	(26.17)	(73.25)
Proceeds from sale of property, plant and equipment	13.25	31.40
Net proceeds from the investments in fixed deposits	(1,025.52)	286.23
Net investment in mutual funds	56.48	(10.00)
Interest received	31.73	41.58
Net cash outflow from investing activities	<b>(3,159.56)</b>	<b>(987.00)</b>

# Consolidated Statement of cash flows (Contd.)

For the year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>C) Cash flows from financing activities</b>		
Interest paid	(114.45)	(218.49)
Principal elements of lease payments	(577.33)	(500.86)
Proceeds from issue of shares against ESOP	28.21	29.62
Proceeds from share application money pending allotment against ESOP	3.38	(3.34)
Proceeds from issue of equity shares/warrants pursuant to preferential allotment	7,020.00	-
Preferential share issue expenses	(208.60)	-
Repayment of borrowings	30.70	(287.81)
Payment of Dividend	(524.78)	(243.21)
<b>Net cash inflow/(outflow) from financing activities</b>	<b>5,657.13</b>	<b>(1,224.09)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>2,104.67</b>	<b>1,082.94</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>2,849.05</b>	<b>1,778.65</b>
Effect of foreign exchange on cash and cash equivalents	(2.20)	(12.54)
<b>Cash and cash equivalents at the end of the period</b>	<b>4,951.52</b>	<b>2,849.05</b>

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

	As at March 31, 2022	As at March 31, 2021
Cash and cash equivalents	4,951.52	2,849.05
<b>Balances as per statement of cash flows</b>	<b>4,951.52</b>	<b>2,849.05</b>

The above statement of cash flows is prepared under Indirect Method of Ind AS 7 - Statement of cash flows.

Non-cash financing and investing activities

- Acquisition of right-of-use assets - ₹ 1,637.82 Lakhs (March 31, 2021 - ₹ 29.94 Lakhs) (Refer Note 31)

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

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

For Price Waterhouse Chartered Accountants LLP  
Firm Registration Number: 012754N/N500016For and on behalf of the Board of Directors of  
Onward Technologies LimitedNeeraj Sharma  
Partner  
Membership No.: 108391Harish Mehta  
Executive  
Chairman  
DIN: 00153549Jigar Mehta  
Managing Director  
DIN: 06829197Devanand Ramandasani  
Chief Financial OfficerPlace : Mumbai  
Date : May 13, 2022Rahul Rathi  
Audit Committee Chairman  
DIN: 00966359Place : Mumbai  
Date : May 13, 2022Dimple Chauhan  
Company SecretaryPlace : Mumbai  
Date : May 13, 2022

## Notes to the Consolidated Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

### Background:

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

### 1. Significant accounting policies:

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

#### (a) Interest in Subsidiaries

Sr. No.	Name of the entity	% of Holding		Country of Incorporation
		March 31, 2022	March 31, 2021	
1	Onward Technologies Inc.	100%	100%	United States of America
2	Onward Technologies GmbH	100%	100%	Germany
3	Onward Technologies Canada Inc.	100%	N.A.	Canada
4	Onward Technologies B.V.	100%	N.A.	Netherland
5	Onward Properties Private Limited*	N.A.	100%	India
6	OT Park Private Limited (formerly known as NV Pune Technology Park Private Limited)	100%	N.A.	India

#### (b) Basis of preparation

##### (i) Compliance with Ind AS

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

The Board of Directors have authorised these financial statements for issue on May 13, 2022.

##### (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.
- Share based payments

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 realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

## **Notes to the Consolidated Financial Statements**

(All amounts in ₹ Lakhs, unless otherwise stated)

### **(iii) New and amended standards adopted by the Group**

The group has applied the following amendments to Ind AS for the first time for their annual reporting period commencing 1 April 2020:

- Extension of COVID-19 related concessions – amendments to Ind AS 116
- Interest rate benchmark reform – amendments to Ind AS 109, Financial Instruments, Ind AS 107, Financial Instruments: Disclosures, Ind AS 104, Insurance Contracts and Ind AS 116, Leases.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods

**(iv)** The Ministry of Corporate Affairs has vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective 1 April 2022. These amendments are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

**(v)** The Ministry of Corporate Affairs amended the Schedule III to the Companies Act, 2013 on 24 March 2021 to increase the transparency and provide additional disclosures to users of financial statements. These amendments are effective from 1 April 2021.

Consequent to above, the Group has changed the classification/presentation of (i) current maturities of long-term borrowings (ii) security deposits, in the current year. The current maturities of long-term borrowings (including interest accrued) has now been included in the "Current borrowings" line item. Previously, current maturities of long-term borrowings and interest accrued were included in 'other financial liabilities' line item.

Further, security deposits (which meet the definition of a financial asset as per Ind AS 32) have been included in 'other financial assets' line item. Previously, these deposits were included in 'loans' line item.

The Group has reclassified comparative amounts to conform with current year presentation as per the requirements of Ind AS 1. The impact of such classifications is summarised below:

<b>Balance sheet (extract)</b>	<b>March 31, 2021 (as previously reported)</b>	<b>Increase/ (Decrease)</b>	<b>March 31, 2021 (restated)</b>
Other financial liabilities (current)	1,512.65	(8.89)	1,503.76
Current borrowings	1,464.72	8.89	1,473.61
Loans (non-current)	252.64	(252.64)	-
Other financial assets (non-current)	51.26	252.64	303.90

### **(c) Principles of Consolidation**

#### **(i) Subsidiaries**

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

## Notes to the Consolidated Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

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

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

### **(d) Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker are the Board of Directors. The Group has only one operating segment which is Engineering Design and IT services. Accordingly, separate segment information is not required to be disclosed.

### **(e) Foreign currency translation**

#### **(i) Functional and presentation currency**

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Indian rupee (₹), 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 recognised 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 recognised 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 recognised 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.

### **(f) Revenue recognition**

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

## **Notes to the Consolidated Financial Statements**

(All amounts in ₹ Lakhs, unless otherwise stated)

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

- i. identify contracts with customers
- ii. identify the separate performance obligation
- iii. determine the transaction price of the contract
- iv. allocate the transaction price to each of the separate performance obligations, and
- v. recognise the revenue as each performance obligation is satisfied.

### **a. Revenue recognition policy**

The Group derives revenue primarily from engineering design services, IT services and sale of licenses. Amounts disclosed as revenue are net of trade allowances, rebates, discounts, goods and service taxes, value added taxes and other amounts collected on behalf of third parties.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control over a product or a service to a customer and Group expects to receive consideration in exchange for those products or services. The method for recognising revenues and costs depends on the nature of the services rendered. The Group estimates its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. The Group assesses for the timing of revenue recognition in case of each distinct performance obligation. The Group first assesses whether the revenue can be recognised over time as it performs if any of the following criteria is met:

- (a) The customer simultaneously consumes the benefits as the Group performs, or
- (b) The customer controls the work-in-progress, or
- (c) The Group's performance does not create an asset with alternative use to the Group and the Group has right to payment for performance completed till date

If none of the criteria above are met, the Group recognised revenue at a point-in-time.

The point-in-time is determined when the control of the goods or services is transferred which is generally determined based on when the significant risks and rewards of ownership are transferred to the customer. Apart from this, the Group also considers its present right to payment, the legal title to the goods, the physical possession and the customer acceptance in determining the point in time where control has been transferred.

#### **(i) Sale of services**

##### **a) Time and material contracts:**

Revenues and costs relating to time and materials contracts are recognised as the related services are rendered.

##### **b) Fixed- price contracts:**

For fixed price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. This is determined based on the actual costs incurred to the total estimated cost to complete the performance obligation in context of the contract.

Estimates of revenues, costs or extent of progress towards completion are revised if circumstances change. Any resulting increase or decrease in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

## Notes to the Consolidated Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

### (ii) Revenue from sale of user licenses/software products:

Revenue from the sale of user licenses for software applications is recognised at point in time on transfer of the title in the user license. Revenue is recognised on principal basis if the group controls a promised good or service before the entity transfers the good or service to a customer.

Revenues in excess of invoicing are classified as contract assets (referred as unbilled revenue) while invoicing in excess of revenues and advance amount received from customers which are classified as contract liabilities (referred to as unearned revenues and advance from customers).

Revenue from sale of service is derived from service over the period of time and Revenue from Sale of traded software licenses is derived from services at a point in time'.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

### (iii) Other Income

Dividend income is recognised 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 recognised on time proportionate basis taking into account the amount outstanding and the rate applicable. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset.

### (g) Government Grant

Grants from the government are recognised 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 recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented with other income.

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

### (h) Income tax

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

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

## **Notes to the Consolidated Financial Statements**

(All amounts in ₹ Lakhs, unless otherwise stated)

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 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 liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

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

### **(i) Leases**

#### **As a lessee**

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

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

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

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

## Notes to the Consolidated Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

To determine the incremental borrowing rate, the Group:

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

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

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

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

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

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

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

### **As a lessor**

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

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

### **(j) Impairment of assets**

The management periodically assesses, using external and internal sources, whether there is an indication that an asset may be impaired. If an asset is impaired, the Group 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.

### **(k) Cash and cash equivalents**

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

## **Notes to the Consolidated Financial Statements**

(All amounts in ₹ Lakhs, unless otherwise stated)

### **(l) Trade receivables**

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

### **(m) Borrowing costs**

General and specific 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.

### **(n) Investments and other Financial assets**

#### **(i) Classification**

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

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

Regular way purchases and sales of financial assets are recognised on trade-date, being the date on which the group commits to purchase or sale the financial asset.

#### **(iii) 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 statement of profit and loss.

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:

- 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

## Notes to the Consolidated Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

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 Group subsequently measures equity investment at fair value. The Group's Management elects to present fair value gains and losses on equity investments in other comprehensive income on an instrument-by-instrument basis.

#### **(iv) Impairment of financial assets**

The Group 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.

For trade receivables, the Group 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.

#### **(v) Derecognition of financial assets**

A financial asset is derecognised 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 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 Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

#### **(o) Derivatives**

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

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

#### **(p) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the 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 Group or the counterparty.

#### **(q) Property, plant and equipment**

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

## Notes to the Consolidated Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

Subsequent costs are included in the asset's carrying amount or recognised 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 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 calculated using straight –line method to allocate their cost, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements, the shorter lease term as follows:

<b>Class of asset</b>	<b>Estimated economic useful life in years</b>
Computers & networking	3 - 6 years
Furniture & Fixtures	7 - 10 years
Office Equipment	5 - 7 years
Electrical equipments	10 years
Vehicles	8 years
Building*	40 years

\* Useful lives have been determined based on technical evaluation done by the management's expert which are lesser than those specified by Schedule II to the Companies Act; 2013, in order to reflect the actual usage of the assets.

Leasehold improvements are depreciated over shorter of their useful life or the lease term, unless the entity expects to use the assets beyond the lease term.

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

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

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

### Transition to Ind AS

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

### (r) 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 amortised on the straight-line method as follows:

<b>Asset</b>	<b>Useful life</b>
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 recognised as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

## Notes to the Consolidated Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

### (s) Trade and other payables

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

### (t) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any differences between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all 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 capitalised as a prepayment for liquidity services and amortised 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 recognised 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.

### (u) Provisions and contingent liabilities

Provisions are recognised 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 recognised for future operating losses. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

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

### (v) Employee Benefits

#### (i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are 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 the Consolidated Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

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

### (iii) Post-employment obligations

The Group operates the following post-employment schemes:

- (a) Defined benefit plan – gratuity
- (b) Defined contribution plans - provident fund, employee state insurance scheme.

#### (a) Defined benefit plan - 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 recognised 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 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

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

## Notes to the Consolidated Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

### (iv) Share-based payments

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

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

The total expense is recognised 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 recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

### (v) Bonus Plan

The group recognises a liability and an expense for bonuses. The group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

### (w) Contributed equity

Equity shares are classified as equity.

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

### (x) Dividends

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

### (y) Earnings per share

#### (i) Basic earnings per share

Basic earnings per share is calculated by dividing

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

#### (ii) Diluted earnings per share

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

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

### (z) Rounding of amounts:

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

### Notes to the Consolidated Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Leasehold Improvements	Furniture & Fixtures	Vehicles (refer note 1 below)	Office Equipment	Electrical Equipments	Computers	Building	Total
<b>Opening gross carrying amount as on April 1, 2020</b>	<b>470.22</b>	<b>396.00</b>	<b>141.86</b>	<b>153.99</b>	<b>15.66</b>	<b>827.11</b>	<b>-</b>	<b>2,004.84</b>
Additions	-	3.55	76.38	1.24	-	142.45	1,040.68	1,264.30
Disposals	(77.83)	(20.34)	(54.76)	(23.69)	-	(38.37)	-	(214.99)
Effect of foreign currency exchange differences	(1.45)	(2.82)	-	(0.33)	-	(1.11)	-	(5.71)
<b>Gross carrying amount as on March 31, 2021</b>	<b>390.94</b>	<b>376.39</b>	<b>163.48</b>	<b>131.21</b>	<b>15.66</b>	<b>930.08</b>	<b>1,040.68</b>	<b>3,048.44</b>
Accumulated depreciation	302.91	164.15	75.55	70.17	8.35	582.11	-	1,203.24
Charge for the year	78.00	48.23	22.35	29.19	1.71	140.41	11.09	330.98
Disposals	(68.80)	(16.51)	(51.28)	(20.96)	-	(37.78)	-	(195.33)
Effect of foreign currency exchange differences	(0.68)	(2.71)	-	(0.22)	-	(0.74)	-	(4.35)
<b>Closing accumulated depreciation as at March 31, 2021</b>	<b>311.43</b>	<b>193.16</b>	<b>46.62</b>	<b>78.18</b>	<b>10.06</b>	<b>684.00</b>	<b>11.09</b>	<b>1,334.54</b>
<b>Net carrying amount as on March 31, 2021</b>	<b>79.51</b>	<b>183.23</b>	<b>116.86</b>	<b>53.03</b>	<b>5.60</b>	<b>246.08</b>	<b>1,029.59</b>	<b>1,713.90</b>
Particulars	Leasehold Improvements	Furniture & Fixtures	Vehicles (refer note 1 below)	Office Equipment	Electrical Equipments	Computers	Building	Total
<b>Opening gross carrying amount as on April 1, 2021</b>	<b>390.94</b>	<b>376.39</b>	<b>163.48</b>	<b>131.21</b>	<b>15.66</b>	<b>930.08</b>	<b>1,040.68</b>	<b>3,048.44</b>
Additions	849	34.76	-	30.40	5.97	438.92	1,755.34	2,273.88
Disposals	(0.03)	(11.77)	-	(19.71)	(0.42)	(148.35)	-	(180.28)
Effect of foreign currency exchange differences	1.76	3.44	-	0.39	-	1.30	-	6.89
<b>Gross carrying amount as on March 31, 2022</b>	<b>401.16</b>	<b>402.82</b>	<b>163.48</b>	<b>142.29</b>	<b>21.21</b>	<b>1,221.95</b>	<b>2,796.02</b>	<b>5,148.93</b>
Accumulated depreciation	311.43	193.16	46.62	78.18	10.06	684.00	11.09	1,334.54
Charge for the year	52.90	35.07	20.43	21.06	1.22	158.48	25.89	315.05
Disposals	(0.03)	(3.25)	-	(13.97)	(0.19)	(145.24)	-	(162.68)
Effect of foreign currency exchange differences	1.07	2.35	-	0.32	-	0.83	-	4.57
<b>Closing accumulated depreciation as at March 31, 2022</b>	<b>365.37</b>	<b>227.33</b>	<b>67.05</b>	<b>85.59</b>	<b>11.09</b>	<b>698.07</b>	<b>36.98</b>	<b>1,491.48</b>
<b>Net carrying amount as on March 31, 2022</b>	<b>35.79</b>	<b>175.49</b>	<b>96.43</b>	<b>56.70</b>	<b>10.12</b>	<b>523.88</b>	<b>2,759.04</b>	<b>3,657.45</b>

Notes:

1 Refer note 15 for hypothecation of charge on vehicle.

2 Refer to note 29(b) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

## Notes to the Consolidated Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

### 4 Intangible assets

Particulars	Computer Software	Total	Intangible assets under development
<b>Opening gross carrying amount as on April 1, 2020</b>	<b>1,184.34</b>	<b>1,184.34</b>	<b>-</b>
Additions	153.15	153.15	36.30
Disposals	(3.96)	(3.96)	-
Capitalised during the year	-	-	(28.80)
Effect of foreign currency exchange differences	-	-	-
<b>Gross carrying amount as on March 31, 2021</b>	<b>1,333.53</b>	<b>1,333.53</b>	<b>7.50</b>
<b>Accumulated Amortisation</b>			
Balance as at April 1, 2020	775.81	775.81	-
Amortisation charge for the year	173.73	173.73	-
Disposals	(3.96)	(3.96)	-
Effect of foreign currency exchange differences	0.07	0.07	-
<b>Closing accumulated amortisation as at March 31, 2021</b>	<b>945.66</b>	<b>945.66</b>	<b>-</b>
<b>Net carrying value as on March 31, 2021</b>	<b>387.87</b>	<b>387.87</b>	<b>7.50</b>

Particulars	Computer Software	Total	Intangible assets under development
<b>Opening gross carrying amount as on April 1, 2021</b>	<b>1,333.53</b>	<b>1,333.53</b>	<b>7.50</b>
Additions	49.38	49.38	-
Disposals	(45.98)	(45.98)	-
Capitalised during the year	-	-	(7.50)
Effect of foreign currency exchange differences	0.66	0.66	-
<b>Gross carrying amount as on March 31, 2022</b>	<b>1,337.59</b>	<b>1,337.59</b>	<b>-</b>
<b>Accumulated Amortisation</b>			
Balance as at April 1, 2021	945.66	945.66	-
Amortisation charge for the year	157.48	157.48	-
Disposals	(30.28)	(30.28)	-
Effect of foreign currency exchange differences	0.66	0.66	-
<b>Closing accumulated amortisation as at March 31, 2022</b>	<b>1,073.53</b>	<b>1,073.53</b>	<b>-</b>
<b>Net carrying value as on March 31, 2022</b>	<b>264.06</b>	<b>264.06</b>	<b>-</b>

#### Notes:

- 1 Intangible assets under development mainly comprises of software under the process of implementation. As a part of process, management records the amount yet to be capitalised in Intangible assets under development.

## Notes to the Consolidated Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

### 5 Investment - Current

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Investment in mutual funds (Unquoted)</b>		
Investment in mutual funds		
HDFC Liquid fund - DP - Growth Option Nil units (March 31, 2021 : 123.99 units)	-	5.00
HDFC Overnight fund - DP - Growth Option Nil units (March 31, 2021 : 164.01 units)	-	5.00
<b>Total</b>	<b>-</b>	<b>10.00</b>

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Total current investments</b>	<b>-</b>	<b>10.00</b>
Aggregate amount of unquoted investments	-	10.00
Aggregate amount of impairment in the value of investments	-	-

### 6 Others financial assets - non-current

Non-current	As at March 31, 2022	As at March 31, 2021
Balances held as security against bank borrowings	82.10	51.26
Security deposits	197.65	252.64
<b>Total</b>	<b>279.75</b>	<b>303.90</b>

### 7 Trade receivables

Particulars	As at March 31, 2022	As at March 31, 2021
Trade Receivables	6,656.37	4,124.13
Less: Loss allowance	-	(41.29)
<b>Total</b>	<b>6,656.37</b>	<b>4,082.84</b>

#### Break-up of security details

Particulars	As at March 31, 2022	As at March 31, 2021
Trade receivable considered good - Secured	-	-
Trade receivable considered good - Unsecured	6,656.37	4,124.13
Trade receivable which have significant increase in credit risk	-	-
Trade receivable - credit impaired	-	-
Less: Loss allowance	-	(41.29)
<b>Total</b>	<b>6,656.37</b>	<b>4,082.84</b>

## Notes to the Consolidated Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

### Ageing of trade receivables as at March 31, 2022:

Particulars	Not due	Outstanding for following periods from due date					Total
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables							
- Considered good and Doubtful	5,477.54	1,171.20	7.52	0.11	-	-	6,656.37
- Significant increase in credit risk	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-
Disputed trade receivables							
- Considered good and Doubtful	-	-	-	-	-	-	-
- Significant increase in credit risk	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-

### Ageing of trade receivables as at March 31, 2021:

Particulars	Not due	Outstanding for following periods from due date					Total
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables							
- Considered good and Doubtful	3,185.21	903.28	30.28	5.36	-	-	4,124.13
- Significant increase in credit risk	-	-	-	-	-	-	-
- Credit impaired	-	(5.65)	(30.28)	(5.36)	-	-	(41.29)
Disputed trade receivables							
- Considered good and Doubtful	-	-	-	-	-	-	-
- Significant increase in credit risk	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-

## 8 Cash and cash equivalents

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Cash in hand</b>	0.61	0.61
Balances with banks		
In current accounts	3,938.94	2,848.44
Deposits with maturity less than three months	1,011.97	-
<b>Total</b>	<b>4,951.52</b>	<b>2,849.05</b>

## Notes to the Consolidated Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

### 9 Other Bank balances

Particulars	As at March 31, 2022	As at March 31, 2021
<b>In earmarked accounts</b>		
Balances held as security against borrowings	63.17	85.79
Deposits with maturity more than three months, but less than twelve months	1,012.90	-
Earmarked balances with banks*	16.89	12.49
<b>Total</b>	<b>1,092.96</b>	<b>98.28</b>

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

### 10(a) Contract Assets

Particulars	As at March 31, 2022	As at March 31, 2021
Contract Asset relating to Mechanical Engineering Design and IT consulting contracts		
- Unbilled Revenue	1,191.28	1,261.78
- Cost incurred to fulfil the contract	-	78.32
<b>Total</b>	<b>1,191.28</b>	<b>1,340.10</b>

#### Details of contract assets

Particulars	As at March 31, 2022	As at March 31, 2021
Unbilled Revenue	1,191.28	1,261.78
Cost incurred to fulfilled the contract	-	78.32
<b>Total</b>	<b>1,191.28</b>	<b>1,340.10</b>

#### Contract assets - Unbilled revenue

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Opening balance	1,261.78	402.22
Changes on account of:		
Invoices raised during the year	(1,261.78)	(402.22)
Work performed, invoices yet to be raised	1,191.28	1,261.78
<b>Total</b>	<b>1,191.28</b>	<b>1,261.78</b>

### 10(b) Others financial assets - current

Particulars	As at March 31, 2022	As at March 31, 2021
Derivative financial instrument		
- Foreign exchange forward contracts	39.89	9.68
<b>Total</b>	<b>39.89</b>	<b>9.68</b>

## Notes to the Consolidated Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

### 11 Other non-current assets

Particulars	As at March 31, 2022	As at March 31, 2021
Prepaid expenses	108.93	2.58
<b>Total</b>	<b>108.93</b>	<b>2.58</b>

### 12 Other current assets

Particulars	As at March 31, 2022	As at March 31, 2021
Prepaid expenses	419.80	288.00
Interest receivable on income tax refund	18.73	-
Export Incentives Receivable	132.63	206.33
Research and Development expenditure credit receivable	89.23	95.84
Others*	203.71	49.28
<b>Total</b>	<b>864.10</b>	<b>639.45</b>

\*Others include advances paid to suppliers and employees.

### 13(a) Deferred tax assets (net)

The balance of deferred tax comprises temporary differences attributable to:

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Tax Credits available</b>		
Tax Losses	-	93.03
<b>Deferred tax assets</b>		
Defined Benefit Obligation	121.58	158.61
Allowance for Doubtful debts	-	10.87
Disallowance u/s 43B	8.08	8.94
Lease Liabilities	33.70	29.01
Property, plant and equipment and intangible assets	34.31	35.44
Share issue expenses	42.00	-
Others	75.20	16.29
	<b>314.87</b>	<b>352.19</b>
<b>Deferred tax liability</b>		
Property, plant and equipment and intangible assets	18.30	19.23
Fair value gain on Foreign exchange Forward contracts	10.04	2.44
Others	4.71	-
	<b>33.05</b>	<b>21.67</b>
<b>Total deferred tax assets (net)</b>	<b>281.82</b>	<b>330.52</b>

## Notes to the Consolidated Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

The balance of deferred tax comprises temporary differences attributable to:

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Deferred tax liability</b>		
Property, plant and equipment and intangible assets	14.78	-
Undistributed earnings	303.32	-
	<b>318.10</b>	-
<b>Total deferred tax (liabilities) (net)</b>	<b>(318.10)</b>	-

**Note:** Disclosed the movement of deferred tax asset and liabilities separately as the Group does not have legal right to offset the same.

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

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
MAT Entitlement	-	(34.82)
Tax Losses	-	(94.32)
Defined Benefit Obligation	(52.59)	56.99
Allowance for Doubtful debts	(10.87)	5.30
Disallowance u/s 43B	(0.86)	(11.51)
Lease Liabilities	0.17	4.80
Others	(5.24)	5.08
Property, plant and equipment and intangible assets	(1.13)	10.44
Share Warrants issue expenses	(10.50)	-
Fair value gain on Preference Shares	-	22.20
Fair value gain on Foreign exchange Forward contracts	(10.04)	(2.44)
Others	(5.24)	4.54
<b>- Foreign subsidiaries</b>		
Tax Losses	(95.92)	91.82
Lease Liabilities	4.51	(0.89)
Defined Benefit Obligation	(1.17)	9.52
Property, plant and equipment and intangible assets	1.53	8.27
Undistributed earnings	(303.32)	42.31
Others	66.81	8.79
<b>Total</b>	<b>(423.86)</b>	<b>126.08</b>

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

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Share issue expenses	52.50	-
<b>Total</b>	<b>52.50</b>	<b>-</b>

## Notes to the Consolidated Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

### 13(b) Taxation

#### Income tax assets /(Income tax liabilities)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Balance		
- Income tax liabilities (Current)	-	(54.45)
- Income tax assets (Non-Current)	1,113.03	1,932.23
Add : Current tax payable for the year	(390.70)	(373.56)
Add/ (Less) : (Refund Received)/ Taxes paid	1,047.46	(390.70)
On account of Exchange differences on translation of foreign operations	11.61	(0.49)
Closing balance		
- Income tax liabilities (Current)	(23.02)	-
- Income tax assets (Non-Current)	1,788.56	1,113.03
- Income tax assets (Current)	15.86	-

#### Income Tax Expenses

The major components of income tax expense for the year ended March 31, 2022 and March 31, 2021

Profit and Loss section	Year ended March 31, 2022	Year ended March 31, 2021
<b>Current income tax charge</b>		
Current income tax		
-Current tax on profit for the current year	338.06	479.63
-Adjustments for current tax of prior periods	52.64	(106.07)
Deferred tax	423.86	(126.08)
<b>Income tax expense reported in the consolidated statement of profit or loss</b>	<b>814.56</b>	<b>247.48</b>
 <b>Other comprehensive income section</b>		
Deferred tax related to items recognised in OCI during the year	16.43	(3.63)
<b>Income tax charged to OCI</b>	<b>16.43</b>	<b>(3.63)</b>

## Notes to the Consolidated Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

**Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate for March 31, 2022 and March 31, 2021**

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Accounting profit before tax	3,182.96	981.27
Tax at Indian income tax rate of 25.17% (March 31, 2021: 25.17%)	801.09	246.97
Adjustments in respect of current income tax of previous years	52.64	(18.71)
Difference in tax rates	5.96	(36.69)
Deferred tax expenses/(reversal) on undistributed earnings	303.32	(42.31)
Tax Effects of amounts which are not deductible (taxable) in calculating taxable income	4.13	11.08
Deferred tax asset not recognized on losses incurred by subsidiaries	28.96	-
Tax effect of Change in tax rate	-	17.37
Write off of MAT	-	34.82
Tax effect on exempted income	(380.77)	-
Others	(0.77)	34.95
<b>Total</b>	<b>814.56</b>	<b>247.48</b>
Income tax expense reported in the statement of profit or loss	814.56	247.48

### 14(a) Equity share capital

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Authorised share capital:</b>		
33,620,000 (March 31, 2021 : 33,620,000) Equity shares of ₹ 10 each	3,362.00	3,362.00
10,000,000 (March 31, 2021 : 10,000,000) Preference shares of ₹ 10 each	1,000.00	1,000.00
1,000,000 (March 31, 2021 : 1,000,000) unclassified shares of ₹ 10 each	100.00	100.00
<b>Total</b>	<b>4,462.00</b>	<b>4,462.00</b>
<b>Issued, subscribed and paid up :</b>		
22,020,870 (March 31, 2021 : 16,338,770) Equity Shares of ₹ 10 each	2,202.09	1,633.88
<b>Total</b>	<b>2,202.09</b>	<b>1,633.88</b>

#### (i) Reconciliation of number of equity shares issued

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Issued, subscribed and paid up</b>		
Shares outstanding at the beginning of the year (Nos.)	16,338,770	16,042,570
Shares issued during the year(Nos.) (Refer Note 38)	5,682,100	296,200
<b>Shares outstanding at the end of the year</b>	<b>22,020,870</b>	<b>16,338,770</b>

## Notes to the Consolidated Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

### (ii) Reconciliation of issued equity share capital

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Issued, subscribed and paid up</b>		
Shares outstanding at the beginning of the year	1,633.88	1,604.26
Shares issued during the year	568.21	29.62
<b>Shares outstanding at the end of the year</b>	<b>2,202.09</b>	<b>1,633.88</b>

### (iii) Terms/ rights attached to equity shares

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

723,600 (March 31, 2021 : 853,900) equity shares are outstanding under ESOP 2009 and ESOP 2019 scheme as at balance sheet date; each share being fully paid equity share of ₹ 10 each. Refer note 38 for further details of the ESOP scheme.

### (iv) Shares held by holding Company

Particulars	As at March 31, 2022	As at March 31, 2021
Onward Network Technologies Private Limited (Nos.)	8,388,983	8,388,983

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

Name of the shareholder	As at March 31, 2022		As at March 31, 2021	
	% holding	No. of shares	% holding	No. of shares
Onward Network Technologies Private Limited	38.10%	8,388,983	51.34%	8,388,983
Infinity Direct Holdings	24.52%	5,400,000	-	-

### (vi) i) Details of shareholding of promoters as on March 31, 2022

Name of Promoters	Number of shares	Percentage of total number of shares	Percentage of change during the year
Harish Shantilal Mehta	216,528	0.98%	-25.80%
Jigar Harish Mehta	576,299	2.62%	-25.80%

### ii) Details of shareholding of promoters as on March 31, 2021

Name of Promoters	Number of shares	Percentage of total number of shares	Percentage of change during the year
Harish Shantilal Mehta	2,16,528	1.33%	-1.81%
Jigar Harish Mehta	5,76,299	3.53%	-1.81%

## Notes to the Consolidated Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

## 14(b) Other equity

Particulars	As at March 31, 2022	As at March 31, 2021
Reserves and Surplus		
Securities premium account		
Opening Balance	1,904.34	1,704.24
Add : Additions on account of exercise of options under Employee Stock Option Plan	192.14	200.10
Add: Additions on account of issue of subscription shares pursuant to Share Warrants	6,480.00	-
Less: Share Warrants issue expenses	(208.60)	-
Closing Balance	<b>8,367.88</b>	<b>1,904.34</b>
Share option outstanding account		
Opening Balance	263.37	326.77
Less : Employee stock options exercised	(164.42)	(200.10)
Less: Transfer on account for lapsed and forfeited option	-	(16.52)
Add : Employee stock option expenses	170.38	153.22
Closing Balance	<b>269.33</b>	<b>263.37</b>
Foreign currency translation reserve		
Opening Balance	211.76	251.43
Gain on translation of foreign currency balances	(15.43)	(39.67)
Closing Balance	196.33	211.76
Share Application Money pending allotment		
Opening Balance	2.40	5.74
Less : Shares allotted against the share application money received	(39.22)	(33.79)
Add : Shares application money received for allotment of shares	42.60	30.45
Closing Balance	<b>5.78</b>	<b>2.40</b>
Money received against Share Warrants		
Opening Balance	-	-
Add: Additions during the year	7,020.00	-
Less: Shares allotted against Share Warrants	(7,020.00)	-
Closing Balance	-	-
Retained earnings		
Opening balance	3,432.38	2,914.50
Net profit for the year	2,368.40	733.79
	<b>5,800.78</b>	<b>3,648.29</b>
Add: Transfer on account for lapsed and forfeited option	-	16.52
Add: Deferred tax on warrant issue expenses	52.50	
Less: Dividend paid (Refer Note 35)	(524.78)	(243.21)
Items of other comprehensive income recognised directly in retained earnings		
Re-measurements of post-employment benefit obligations (net of tax)	(48.85)	10.78
	<b>5,279.65</b>	<b>3,432.38</b>
<b>Total</b>	<b>14,118.97</b>	<b>5,814.25</b>

## Notes to the Consolidated Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

### Nature and purpose of reserves

#### Securities premium account

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

#### Share option outstanding account

The share option outstanding account is used to record the fair value of options as on grant date issued to employees under the Employee stock option scheme. The amounts recorded in share options outstanding account are transferred to share capital and share premium upon exercise of stock options by employees.

#### Foreign currency translation reserve

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

#### Share Application Money pending allotment

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

#### Retained earnings

Retained earnings comprise of the Group's undistributed earnings after taxes, kept aside to meet future (known or unknown) obligations.

#### Money received against Share Warrants

The money received against Share Warrants is on account of following transaction:

The Holding company had entered into an agreement on May 27, 2021 to make preferential allotment to Infinity Direct Holdings (the "investor"). As per the agreement, the Holding company, during the quarter ended June 30, 2021, had issued 1,100,000 equity shares each fully paid-up at a price of ₹ 130 (inclusive of face value of ₹ 10 each) per share for cash and 4,300,000 share warrants, each warrant convertible into one equity share of the Holding company, at a price per warrant of ₹ 130 (inclusive of face value of ₹ 10 each), convertible within 18 months from the date of allotment of such warrants. The Holding company received an approval from the shareholders in extra ordinary general meeting for such preferential allotment. During the quarter ended December 31, 2021, the Holding company has converted 4,300,000 share warrants into one equity share against each warrant. All the incidental expenses net of tax related to this preferential allotment amounting to ₹ 156.10 Lakhs had been adjusted against other equity.

## 15 Non-current borrowings

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Secured</b>		
<b>Term Loans from financial institutions</b>		
Vehicle loan	60.04	69.29
Total Non-Current Borrowings	60.04	69.29
Less : Current maturities of long term borrowings (included in Note 16)	9.65	8.89
<b>Total</b>	<b>50.39</b>	<b>60.40</b>

## Notes to the Consolidated Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

### (i) Terms of repayment for non-current borrowings

Particulars	Maturity Date	Terms of repayment	Coupon/ Interest rate
<b>Secured</b>			
Term Loans from financial institutions			
Vehicle Loans The borrowing is hypothecated against the Vehicle.	Repayable in 48 instalments beginning from March 4, 2021.	Monthly Instalments	8.21%

### 16 Current borrowings

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Secured</b>		
Current maturities of long term borrowings	9.65	8.89
<b>Unsecured</b>		
Paycheck Protection Program Scheme (Refer note (ii) below)	-	1,464.72
<b>Total</b>	<b>9.65</b>	<b>1,473.61</b>

i) Particulars	Name of the Company	Terms of repayment	Coupon/ Interest rate
Loans repayable on demand			
<b>Secured</b>			
From Banks			
Cash credit (Refer note below)			
HSBC Bank	Onward Technologies Limited	Payable on Demand	T-Bill+5.05%
ICICI Bank	Onward Technologies Limited	Payable on Demand	MCLR 6M+1%
PNC Bank	Onward Technologies Inc	Payable on Demand	LIBOR +2.75%

#### Security details for Overdraft facility availed

Secured by the Term deposits amounting to ₹ 104.73 Lakhs with Bank as on March 31, 2022 and has exclusive charge on all present and future Current assets including Stocks and Book debts.

Above facility is secured against overall charge on current assets and margin money deposit with the bank in the form of fixed deposit

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

- ii) The Group had obtained a loan under Paycheck Protection Program ("PPP") in the USA. Total amount of ₹ 1,503.91 Lakhs of such loan including interest accrued thereon was disclosed as borrowing. The Group's application for forgiveness of such loan and the interest thereon is approved by the Small Business Authorities (SBA) on June 24, 2021. Accordingly, entire amount of such loan outstanding has been credited to Profit and Loss account and has been disclosed as "Other Income".

## Notes to the Consolidated Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

The Group has obtained overdraft facility from banks and on the basis of security of current assets. However, the facility was not utilised during the year. The quarterly returns or statements of current assets filed by the Group with banks are not materially misstated with the books of accounts due to exclusion of intercompany balances, the period end closing entries and timing differences. Below are the details:

Quarter ended	Particulars of securities provided	Amount as per books of account		Amount as reported in the quarterly statement		Amount of difference	
		Revenue (for the YTD)	Trade Receivables	Revenue	Trade Receivables (w/o related party)	Revenue	Trade Receivables
Jun-21	Current Assets	5,157.19	6,329.20	5,158.71	2,840.74	(1.52)	3,488.46
Sep-21	Current Assets	10,829.78	4,390.59	10,829.80	3,218.55	(0.02)	1,172.04
Dec-21	Current Assets	16,872.48	4,702.23	16,785.56	3,213.55	86.92	1,488.68
Mar-22	Current Assets	23,194.12	4,611.65	23,439.50	4,115.88	(245.38)	495.77

### Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for March 31, 2022 and March 31, 2021

	March 31, 2022	March 31, 2021
Cash and cash equivalents	4,951.52	2,849.05
Other Bank Balances (excluding earmarked balances with banks)	227.37	137.05
Current and Non-current borrowings	(69.69)	(1,542.90)
Lease Liabilities	(1,809.77)	(975.93)
Interest accrued	-	(13.89)
<b>Net Cash/(Debt)</b>	<b>3,299.43</b>	<b>453.38</b>

Particulars	Other assets		Liabilities from financing activities	
	Cash and Cash Equivalents	Other Bank Balance	Borrowings	Lease Obligation
<b>Net debt as on March 31, 2020</b>	<b>1,778.65</b>	<b>425.50</b>	<b>(1,812.80)</b>	<b>(1,658.99)</b>
Additions to lease liabilities	-	-	-	(29.19)
Termination of lease arrangements	-	-	-	208.58
Cash flows	1,082.94	(288.45)	281.13	500.86
Effect of foreign exchange on cash and cash equivalents	(12.54)	-	(11.23)	2.81
Interest expenses	-	-	(113.85)	(118.53)
Interest paid	-	-	99.96	118.53
<b>Net debt as on March 31, 2021</b>	<b>2,849.05</b>	<b>137.05</b>	<b>(1,556.79)</b>	<b>(975.93)</b>

## Notes to the Consolidated Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Other assets		Liabilities from financing activities	
	Cash and Cash Equivalents	Other Bank Balance	Borrowings	Lease Obligation
Additions to lease liabilities	-	-	-	(1,637.82)
Cash flows	2,102.47	90.32	1,473.21	577.33
Effect of foreign exchange on cash and cash equivalents	-	-	-	226.65
Interest expenses	-	-	(7.63)	(92.93)
Interest paid	-	-	21.52	92.93
<b>Net debt as on March 31, 2022</b>	<b>4,951.52</b>	<b>227.37</b>	<b>(69.69)</b>	<b>(1,809.77)</b>

### 17 Trade payables

Particulars	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of micro enterprises and small enterprises	102.65	27.96
Total outstanding dues of creditors other than micro enterprises and small enterprises		
(i) Others	1,050.49	689.02
<b>Total</b>	<b>1,153.14</b>	<b>716.98</b>

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

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Principal amount due to micro and small suppliers registered under the MSMED Act and remaining unpaid as at year end	96.67	23.69
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	5.98	4.27
Principal amounts paid to micro and small suppliers registered under the MSMED Act, beyond the appointed day during the year	350.01	180.10
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	1.71	1.56
Further interest remaining due and payable for earlier years	4.27	2.71

#### Note:

The above information is based on the information available with the Company about the registrations of the vendors as micro or small enterprises under the MSMED Act, 2006

## Notes to the Consolidated Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

### Ageing of trade payables as at March 31, 2022:

Particulars	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade payables						
- MSME	36.10	66.55	-	-	-	102.65
- Others	852.87	185.64	6.09	5.89	-	1,050.49
Disputed trade payables						
- MSME	-	-	-	-	-	-
- Others	-	-	-	-	-	-

### Ageing of trade payables as at March 31, 2021:

Particulars	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade payables						
- MSME	27.76	0.20	-	-	-	27.96
- Others	555.03	118.18	0.13	15.68	-	689.02
Disputed trade payables						
- MSME	-	-	-	-	-	-
- Others	-	-	-	-	-	-

### 18 Other financial liabilities - current

Particulars	As at March 31, 2022	As at March 31, 2021
Capital creditors	188.06	105.49
Unpaid Dividend	16.89	12.49
Interest accrued	-	13.89
Employee benefit payable	1,826.61	1,371.89
<b>Total</b>	<b>2,031.56</b>	<b>1,503.76</b>

### 19(a) Non-current provisions

Particulars	As at March 31, 2022	As at March 31, 2021
Employee related provisions		
- Provision for Gratuity	204.78	335.93
- Provision for compensated absences	135.99	143.53
<b>Total</b>	<b>340.77</b>	<b>479.46</b>

### 19(b) Current provisions

Particulars	As at March 31, 2022	As at March 31, 2021
Employee related provisions		
- Provision for Gratuity	28.09	38.04
- Provision for compensated absences	123.88	81.45
Other provisions		
- Provision for Onerous contract (refer note (D) below)	-	17.89
<b>Total</b>	<b>151.97</b>	<b>137.38</b>

## Notes to the Consolidated Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

### 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 specified by regulatory authorities from time to time. 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 ₹ 844.63 Lakhs (March 31, 2021 - ₹ 514.50 Lakhs).

- (ii) The expense recognised during the period towards defined contribution plan of Employee State Insurance Corporation, social security and Labour welfare fund is ₹ 22.27 Lakhs (March 31, 2021 - ₹ 37.89 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.

- 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
<b>April 1, 2020</b>	374.64	(27.60)	347.04
Current service cost	71.35	-	71.35
Past service cost	-	-	-
Mortality Charges	-	-	-
Interest expense/(income)	23.95	(1.76)	22.19
<b>Total amount recognised in Profit or Loss</b>	<b>95.30</b>	<b>(1.76)</b>	<b>93.54</b>
Return on plan assets	-	4.00	4.00
(Gain)/loss from experience change	(37.98)	-	(37.98)
(Gain)/loss from demographic change	(10.33)	-	(10.33)
(Gain)/loss from change in financial assumption	29.90	-	29.90
<b>Total amount recognised in Other Comprehensive Income</b>	<b>(18.41)</b>	<b>4.00</b>	<b>(14.41)</b>
Employer contributions	-	(45.88)	(45.88)
Benefits paid	(60.07)	53.75	(6.32)
<b>March 31, 2021</b>	<b>391.46</b>	<b>(17.49)</b>	<b>373.97</b>

## Notes to the Consolidated Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
<b>April 1, 2021</b>	391.46	(17.49)	373.97
Current service cost	85.75	-	85.75
Past service cost	-	-	-
Mortality Charges	-	-	-
Interest expense/(income)	24.64	(1.10)	23.54
<b>Total amount recognised in Profit or Loss</b>	<b>110.39</b>	<b>(1.10)</b>	<b>109.29</b>
Return on plan assets	-	10.27	10.27
(Gain)/loss from experience change	50.59	-	50.59
(Gain)/loss from demographic change	-	-	-
(Gain)/loss from change in financial assumption	4.42	-	4.42
<b>Total amount recognised in Other Comprehensive Income</b>	<b>55.01</b>	<b>10.27</b>	<b>65.28</b>
Employer contributions	-	(230.00)	(230.00)
Benefits paid	(117.37)	31.71	(85.66)
<b>March 31, 2022</b>	<b>439.49</b>	<b>(206.61)</b>	<b>232.88</b>

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

Particulars	As at March 31, 2022	As at March 31, 2021
Present value of funded obligation	439.49	391.46
Fair value of plan assets	(206.61)	(17.49)
<b>Deficit</b>	<b>232.88</b>	<b>373.97</b>

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

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

### III Significant estimates

The significant actuarial assumptions were as follows :

Particulars	As at March 31, 2022	As at March 31, 2021
Discount rate	6.20%	6.30%
Salary growth rate for First year	5.00%	5.00%
Thereafter	5.00%	5.00%
Expected return on plan assets	-	-
Withdrawal rate		
Service greater than 4 years	5.00%	5.00%
Service less than 4 years	40.00%	40.00%
Expected average remaining working lives of employees (in years)	5.18	7.02

## Notes to the Consolidated Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

### IV Sensitivity of actuarial assumptions

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

Particulars	Impact on defined benefit obligation	
	As at March 31, 2022	As at March 31, 2021
<b>Discount rate</b>		
1% increase	(41.27)	(37.30)
1% decrease	48.23	44.04
<b>Salary growth rate</b>		
1% increase	46.93	43.01
1% decrease	(41.19)	(37.00)
<b>Withdrawal rate</b>		
1% increase	(1.96)	(2.55)
1% decrease	1.47	3.17

The above sensitivity analysis is based on a change in an assumption while holding all the other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

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

Particulars	As at March 31, 2022		As at March 31, 2021
Less than a year	28.09	38.04	
Between 2 to 5 years	128.91	101.32	
Between 6 to 10 years	166.54	147.94	
More than 10 years	605.10	580.99	
<b>Total</b>	<b>928.64</b>	<b>868.29</b>	

The weighted duration of the defined benefit obligation is 10 years. (March 31, 2021 : 11 years)

The Group expects to contribute ₹ 335.99 Lakhs (March 31, 2021 ₹ 120.00 Lakhs) during the next year towards planned assets.

### VI The major categories of plan assets are as follows:

Particulars	As at March 31, 2022		As at March 31, 2021
Funds managed by insurer	100%	100%	

### VII Risk Exposure

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the Company is exposed to various risks in providing the above gratuity benefit which are as follows:

## Notes to the Consolidated Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

**Interest Rate risk:** The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

**Liquidity Risk:** This is the risk that the Company is not able to meet the short-term gratuity payouts. This may arise due to non availability of enough cash / cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

**Salary Escalation Risk:** The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's ability.

**Demographic Risk:** The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

**Regulatory Risk:** Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts (e.g. Increase in the maximum limit on gratuity of ₹ 20,00,000). Note: The above is a standard list of risk exposures in providing the gratuity benefit. The Company is advised to carefully examine the above list and make suitable amendments (including adding more risks, if relevant) to the same before disclosing the above in its financial statements.

### C Leave Encashment

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

Particulars	As at March 31, 2022	As at March 31, 2021
Current leave obligations expected to be settled within the next 12 months	123.88	81.45

### D Code on Social Security

The Code on Social Security, 2020 ('Code'), pertaining to employee benefits during employment and post-employment, received Presidential assent in September 2020. The ministry of Labour and employment has released draft rules for the code on Social security, 2020 on November 13, 2020. The new code may impact the existing employee benefit obligations of the Group. The Company will assess the impact and recognise it in its financial statements in the period in which the Code becomes effective and the related rules are notified.

### E Provision for Onerous contract

This provision for onerous contract is recognized when the expected benefits to be derived by the Company from a revenue contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract.

	Movement during the year
<b>As at April 1, 2021</b>	17.89
Charged to profit or loss	
- additional provisions recognised	-
Amounts used during the year	17.89
<b>As at March 31, 2022</b>	-

## Notes to the Consolidated Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

### 20(a) Contract liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Advances from customers	-	-
Deferred Revenue	137.16	283.17
Others	18.47	11.64
<b>Total</b>	<b>155.63</b>	<b>294.81</b>

Movement in contract liabilities

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2021
Opening balance	294.81	48.85
Changes on account of:		
Consideration received from customer - work yet to be performed	18.47	11.64
Revenue recognised in the year that was included in advance from customers	(294.81)	(48.85)
Invoicing done but revenue to be recognised	137.16	283.17
<b>Total</b>	<b>155.63</b>	<b>294.81</b>

### 20(b) Other current liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Statutory dues payable	579.08	677.69
<b>Total</b>	<b>579.08</b>	<b>677.69</b>

## Notes to the Consolidated Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

### 21 Revenue from operations

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>Revenue from Contract with Customers</b>		
<b>Sale of services</b>		
- Professional and consultancy services	30,720.48	23,794.43
<b>Sale of products</b>		
- Software products	6.39	242.23
<b>Revenue from operations</b>	<b>30,726.87</b>	<b>24,036.66</b>

#### a) Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers by geographical region type. The Group believe that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors

Revenue from customers	Year Ended March 31, 2022	Year Ended March 31, 2021
India	16,652.54	12,820.45
Outside India	14,074.33	11,216.21
<b>Total</b>	<b>30,726.87</b>	<b>24,036.66</b>

#### b) Reconciliation of revenue recognised with contract price

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Contract Price	30,745.34	24,048.30
Adjustment for:- Expected Sales reversal	(18.47)	(11.64)
<b>Revenue from continuing operations</b>	<b>30,726.87</b>	<b>24,036.66</b>

#### c) Aggregate amount of transaction price allocated to contract that are partially unsatisfied as at reporting date

	Year Ended March 31, 2022	Year Ended March 31, 2021
Aggregate amount of transaction price allocated to contracts that are unsatisfied as at reporting date	66.73	1,302.51

#### Note:

Management expects that entire transaction price allocated to the unsatisfied contracts as of March 31, 2022, will be recognised as revenue during the next reporting period. All other contracts are for period of one year or less or are billed based on time incurred. As permitted under Ind AS 115, the transaction price allocated to these unsatisfied contracts is not disclosed.

## Notes to the Consolidated Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

### 22 Other income

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Interest income from financial assets carried at amortised cost		
- Interest on bank deposits	31.73	41.58
- Interest income on security deposits	15.27	22.76
Interest on income tax refunds	12.00	89.34
Net profit on disposal of property, plant and equipment	-	11.73
Net gain on foreign currency transactions and translations	47.85	49.68
Profit on sale of mutual funds	46.48	-
Government grant (Refer note below)	96.55	279.57
Net gain on termination of lease arrangements	-	7.66
Waiver of loan under Paycheck Protection Plan Scheme (Refer note 16(ii))	1,503.91	-
Provision for doubtful debts written back	39.32	-
Miscellaneous income (Refer note below (ii))	360.00	31.20
<b>Total</b>	<b>2,153.11</b>	<b>533.52</b>

**Note:**

- i) Based on its assessment and precedence for research and development expenditure credit available in the United Kingdom, the Group has recognised for such incentive on accrual basis for the current year to the extent of ₹ 89.23 Lakhs as it is confident that such grant will be received. The Group is in the process of filing claim with the Authorities. There are no unfulfilled conditions for such grant.
- ii) The Group had assessed it's eligibility under the Employee Retention Credit relief available under The Coronavirus Aid, Relief and Economic Security Act (CARES Act) introduced by the USA Government and accordingly concluded that such benefit should be recorded once benefit is received from the Government. During the year ended March 31, 2022, the Group has recovered ₹ 294.42 Lakhs relating to previous year which has been disclosed as other income. The Group has also received ₹ 1,012.17 Lakhs as credit towards salary cost of current year which has been netted against such expenses. Such scheme has been discontinued with effect from September 30, 2021 as per recent notification from the Government.

### 23 Purchase of Software Licenses

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Purchase of Software Licenses	1.07	174.29
<b>Total</b>	<b>1.07</b>	<b>174.29</b>

### 24 Employee benefits expense

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Salaries and bonus (Refer below note)	22,323.04	17,829.39
Gratuity Expenses (Refer note 19)	109.29	93.54
Contributions to provident and other funds (Refer note 19)	866.90	552.39
Social security and other benefit plans for overseas employees	293.36	241.81
Employee share based payment expense (Refer note 38)	170.38	153.22
Staff welfare expenses	118.55	26.85
<b>Total</b>	<b>23,881.52</b>	<b>18,897.20</b>

The Group continues to evaluate eligibility for benefits announced by the Governments in countries where it operates. During the year ended as on March 31, 2022, the Group has recognised benefits amounting to ₹ 1,052.52 Lakhs (March 31, 2021: ₹ 87.29 Lakhs) against the employee benefits expense.

## Notes to the Consolidated Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

### 25 Finance costs

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Interest on borrowings	7.63	106.41
Interest on Lease Liabilities	92.93	118.53
Other borrowing cost	-	7.44
<b>Total</b>	<b>100.56</b>	<b>232.38</b>

### 26 Depreciation and amortization expense

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Depreciation on property, plant and equipment	315.05	330.98
Amortisation of intangible assets	157.48	173.73
Depreciation of right-of-use Assets	537.98	539.76
<b>Total</b>	<b>1,010.51</b>	<b>1,044.47</b>

### 27 Other expenses

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Water power and fuel	143.23	143.09
Rent	198.16	124.75
Software Expenses	583.34	415.37
Director sitting fees (Refer note 30)	35.11	26.00
Allowance for doubtful debts	-	19.45
Write off of other receivables (Refer below note)	71.19	
Bad Debts written off	4.04	4.85
Communication	79.05	78.98
Net loss on disposal of property, plant and equipment	20.05	-
Rates and taxes	34.43	31.24
Insurance	128.62	100.87
Repairs and maintenance		
- Buildings	105.37	59.38
- Others	78.78	42.84
Travelling and conveyance	536.52	355.14
Legal and professional charges	2,319.34	1,505.32
Payment to auditors (Refer note 27(a))	37.83	25.50
Advertisement and sales promotion	20.11	13.17
Office Expenses	79.76	66.14
Marketing Expenses	3.37	2.88
Net loss on foreign currency transactions and translations	5.41	-
CSR Expenditure (Refer note 27(b))	27.36	18.39
Miscellaneous Expenses	192.29	207.21
<b>Total</b>	<b>4,703.36</b>	<b>3,240.57</b>

The Group had recognised export incentives amounting to ₹ 203.82 Lakhs under the Service Exports from India Scheme, 2015 (SEIS Scheme) for the services exported till March 31, 2020. During the quarter ended June 30, 2021, in the view of uncertainty on account of delay in announcement by government about the specific details to claim such benefits, the Group had recognised provision against such receivables. However, such provision has been reversed in the current quarter amounting to ₹ 132.62 Lakhs to the extent of scripts received. The net impact on the statement of profit and loss is ₹ 71.19 Lakhs for the year.

## Notes to the Consolidated Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

### 27(a) Payment to auditors

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>As auditor</b>		
Statutory Audit	20.60	15.00
Limited reviews	8.00	6.00
<b>In other capacities</b>		
Fees for other services	8.75	3.90
Reimbursement of out of pocket expenses	0.48	0.60
<b>Total</b>	<b>37.83</b>	<b>25.50</b>

### 27(b) Corporate Social Responsibility (CSR)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Amount spent during the year on various projects	27.36	18.39
Amount required to be spent as per Section 135 of Companies Act, 2013	27.36	18.39
Amount spent during the year on:		
(i) Construction of an asset	-	-
(ii) on purposes other than (i) above	27.36	18.39
Accrual towards unspent obligations in relation to:		
- Ongoing Project	-	-
- Other than ongoing Project	-	-

**Note:**

There are no ongoing CSR projects or excess/short expense to be incurred as on balance sheet date. Therefore, relevant disclosures are not given.

### 28 Earnings per share (EPS)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>(a) Basic earnings per share</b>		
Net Profit attributable to equity shareholders of the company	2,368.40	733.79
Weighted average number of equity shares	18,764,878	16,233,960
<b>Basic earnings per share</b>	<b>12.62</b>	<b>4.52</b>
<b>(b) Diluted earnings per share</b>		
Net Profit attributable to equity shareholders of the company	2,368.40	733.79
Weighted average number of Equity Shares (including potential shares) - Refer note (c) below	19,459,632	16,879,908
<b>Diluted earnings per share</b>	<b>12.17</b>	<b>4.35</b>
<b>(c) Weighted Average number of shares used as denominator</b>		
Weighted average number of equity shares used as a denominator in calculating basic earnings per share	18,764,878	16,233,960
Adjustments for calculating diluted earnings per share :		
Options	694,755	645,948
<b>Weighted average number of equity shares and potential shares used as a denominator in calculating diluted earnings per share</b>	<b>19,459,632</b>	<b>16,879,908</b>

## Notes to the Consolidated Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

### 29 Contingencies and commitments

#### a) Contingent liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Claims against the Company not acknowledged as debts		
Income-tax matters	-	861.35
<b>Total</b>	<b>-</b>	<b>861.35</b>

#### b) Capital commitments

- i) Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for is ₹ 15.34 Lakhs (March 31, 2021 : ₹ 25.63).

### 30 Related party transactions

#### a. Parent Entity:

Sr. No.	Name of the entity	Place of business/ Country of Incorporation	Ownership Interest		Relationship
			March 31, 2022	March 31, 2021	
1	Onward Network Technologies Private Limited	India	38.10%	51.34%	Ultimate Holding Company

#### b. Subsidiaries:

Interests in Subsidiaries are set out in note 36.

#### c. Fellow Subsidiaries:

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

#### d. Key Management Personnel:

- 1 Mr. Harish Mehta (Executive Chairman)
- 2 Mr. Jigar Mehta (Managing Director)
- 3 Mrs. Prachi Mehta (Director)
- 4 Mr. Parish Meghani (Independent Director)
- 5 Mr. Rahul Rathi (Independent Director)
- 6 Ms. Dimple Chauhan (Company Secretary)
- 7 Mr. Devanand Ramandasani (Chief Financial Officer) - (w.e.f. October 23, 2019)
- 8 Mr. Jay Sonawala (Independent Director) - (w.e.f July 21, 2020)
- 9 Mr. Subrata Kumar Mitra (Independent Director) - (w.e.f July 21, 2020)
- 10 Mr. Pranay Vakil (Independent Director) - (Upto July 20, 2020)
- 11 Mr. Nandkumar Pradhan (Independent Director) - (Upto July 20, 2020)
- 12 Mr. Harsha Raghavan (Additional Independent Director) - (w.e.f June 30, 2021)

#### e. Other related Parties

- 1 Onward Foundation

## Notes to the Consolidated Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

Nature of transaction	Holding Company		Fellow subsidiaries		Key management personnel		Other
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	
Rent paid	34.81	63.59	-	-	-	-	
Reimbursement of Expenses received	-	-	0.05	-	-	-	
Reimbursement of Expenses paid	6.83	3.49	-	0.05	-	-	
Reimbursement of CSR Expenses	-	-	-	-	-	-	
Employee benefits	-	-	-	540.15	439.55	-	
Long term employee benefits (Refer Note 1)	-	-	-	5.62	0.15	-	
Post -employment benefits (Refer Note 2)	-	-	-	11.56	0.48	-	
Purchase of property, plant and equipment (Refer note 3)	-	1,031.16	-	-	-	-	
Employee share-based payments	-	-	-	3.79	7.94	-	
Director sitting fees	-	-	-	35.11	26.00	-	

Note:

- 1 Amount included Reversal of provision made in previous year.
- 2 Amount excludes payment of gratuity made during the year, provided in earlier years amounting to ₹ Nil (March 31, 2021: Nil)
- 3 During the previous year, the Group had acquired office premises from its holding company, Onward Network Technologies Private Limited, as per the agreement dated September 29, 2020 for an agreed consideration amounting to ₹ 1,083.65 Lakhs payable as per agreed tenure. The transaction was approved by the shareholders through postal ballot on September 27, 2020. During the previous year, the Group had settled the outstanding amount considering the present value of remaining payments. The Audit Committee and Board of Directors had approved the early payment. The amount disclosed above is net of interest expense on deferred payment and present value gain due to early payment. The interest expense is debited to profit and loss account, as a part of financing cost amounting to ₹ 11.73 Lakhs.
- 4 During the quarter ended December 31, 2021, the Group had acquired 100% equity of OT Park Private Limited (erstwhile "NV Pune Technology Park Private Limited") ("OTPPPL") on December 01, 2021 for a purchase consideration including incidental expenses of ₹ 1,719.90 Lakhs. OTPPL owns single immovable property and therefore entire purchase consideration is allocated to the immovable property. Accordingly, this transaction is recorded as an asset acquisition net of incidental assets and liabilities acquired. All the inter company transactions that occurred post the acquisition date have been eliminated.

## Notes to the Consolidated Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

	Nature of transaction	Holding Company	Fellow subsidiaries	Key management personnel
		March 31, 2022	March 31, 2021	March 31, 2022
	Salary and Allowance payable	-	-	-
	Deposit	-	11.70	-

### III Terms and conditions for outstanding balances

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

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

All outstanding balances are unsecured and payable in cash.

## Notes to the Consolidated Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

### 31 Leases :

#### (i) Amounts Recognised in the balance sheet :

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Right-of-use assets</b>		
Buildings	1,751.60	879.45
<b>Lease Liabilities</b>		
Current	716.41	429.73
Non Current	1,093.36	546.20
<b>Total</b>	<b>1,809.77</b>	<b>975.93</b>

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

#### (ii) Additions to Right of use assets

Additions to the right-of-use assets during the year were ₹ 1,637.82 Lakhs (31 March 2021: ₹ 29.94 Lakhs).

#### (iii) Amounts Recognised in the Statement of Profit and Loss

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest Expenses (included in finance cost)	92.93	118.53
Expense relating to short-term leases (included in other expenses)	198.16	124.75
Depreciation of right-of-use Assets	537.98	539.76
<b>Total</b>	<b>829.07</b>	<b>783.04</b>

The total cash outflow for leases for the year ended March 31, 2022 was ₹ 577.33 Lakhs (March 31, 2021 : ₹ 500.86 Lakhs).

### 32 Fair value measurements

#### Financial instruments by category

Particulars	March 31, 2022		March 31, 2021	
	FVPL	Amortised cost	FVPL	Amortised cost
<b>Financial assets</b>				
Trade receivables	-	6,656.37	-	4,082.84
Cash and cash equivalents	-	4,951.52	-	2,849.05
Other bank balances	-	1,372.71	-	402.18
Derivative financial assets	39.89	-	9.68	-
Contract assets	-	1,191.28	-	1,340.10
Other financial assets	-	279.75	-	303.90
Investments in mutual fund	-	-	10.00	-
<b>Total financial assets</b>	<b>39.89</b>	<b>14,451.63</b>	<b>19.68</b>	<b>8,978.07</b>
<b>Financial liabilities</b>				

## Notes to the Consolidated Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	March 31, 2022		March 31, 2021	
	FVPL	Amortised cost	FVPL	Amortised cost
Borrowings	-	60.04	-	1,534.01
Trade payables	-	1,153.14	-	716.98
Capital Creditors	-	188.06	-	105.49
Interest accrued	-	-	-	13.89
Employee benefit payable	-	1,826.61	-	1,371.89
Unpaid Dividend	-	16.89	-	12.49
<b>Total financial liabilities</b>	<b>-</b>	<b>3,244.74</b>	<b>-</b>	<b>3,754.75</b>

### 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
<b>At March 31, 2022</b>				
<b>Financial assets</b>				
Derivative financial instrument not designated as hedges				
Foreign exchange forward contracts	-	39.89	-	39.89
Investments in mutual fund	-	-	-	-
<b>At March 31, 2021</b>				
<b>Financial assets</b>				
Derivative financial instrument not designated as hedges				
Foreign exchange forward contracts	-	9.68	-	9.68
Investments in mutual fund	-	10.00	-	10.00

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

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

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

### ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- Foreign currency forward contracts - the present value of future cash based on the forward exchange rates at the balance sheet date.
- Fair value of market linked mutual funds is determined using Net Asset Value (NAV) report issued by mutual fund house.

## Notes to the Consolidated Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

### iii) Valuation process

Changes in level 2 and level 3 fair values are analysed at the end of each reporting period during the quarterly valuation discussion between the finance team. As part of this discussion the team presents a report that explains the reason for the fair value movements.

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

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

## 33 Financial risk management

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

The Group's senior management oversees the activities to manage these risks. All derivative activities for risk management purposes are carried out by personnel with requisite knowledge, skills and experience. It is the Group's policy that no trading in derivatives for speculative purposes should be undertaken. The Risk Management policies of the Group are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are approved and reviewed regularly by the Board to reflect changes in market conditions and the Group's activities. Management has overall responsibility for the establishment and oversight of the Group's risk management framework. The risks to which Group is exposed and related risk management policies are summarised below.

#### (A) Credit risk

##### (I) Credit risk management

The Group is exposed to credit risk from its operating activities (primarily trade receivables and contract assets) and from deposits with banks and other financial instruments. For banks and other financial institutions, only high rated banks/ financial institutions are accepted. The balances with banks, security deposits are subject to low credit risk and the risk of default is negligible or nil. Hence, no provision considered necessary for expected credit loss for credit risk arising from these financial assets. The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in the credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information, for e.g., external credit rating (to the extent available), actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to borrower's ability to meet its obligations. Refer note 40 for the assessment of impact of COVID - 19 on credit risk.

#### Trade Receivables

The credit risk from customer receivables is recorded and monitored on an ongoing basis. Responsibilities and duties relating to credit risk assessment are governed by an internal directive. This mainly includes factors such as stipulation of payment terms, fixing of credit limits, release of deliveries, and receivables monitoring. The credit risk is considered low given the sound credit ratings and past history of timely payments being made by the customers. Customer specific events/information is considered while assessing the adequacy of provision as on balance sheet date.

#### Reconciliation of loss allowance provision

Loss allowance on April 1, 2020	21.84
Additional loss allowance provision made	19.45
<b>Loss allowance on March 31, 2021</b>	<b>41.29</b>
Provision Written back	(39.32)
Provision utilised	(1.97)
<b>Loss allowance on March 31, 2022</b>	<b>-</b>

## Notes to the Consolidated Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

### Financial assets at fair value through profit or loss

The Group is also exposed to credit risk in relation to investments in mutual fund that are measured at fair value through profit or loss. The maximum exposure at the end of the reporting period is the carrying amount of these investments ₹ Nil (31 March 2021: ₹ 10 Lakhs)

#### (B) Liquidity risk

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

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

#### (I) Financing arrangements

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

Particulars	As at March 31, 2022	As at March 31, 2021
Floating rate		
- Expiring within one year (bank overdraft and other facilities)	1,682.65	2,464.72
<b>Total</b>	<b>1,682.65</b>	<b>2,464.72</b>

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

#### (II) Maturities of financial liabilities

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

March 31, 2022	< 1 year	> 1 year
Borrowings	9.65	50.39
Trade Payables	1,153.14	-
Payable for purchase of Property, Plant and Equipment	188.06	-
Lease Liabilities	716.41	1,093.36
Employee Benefit Payable	1,826.61	-
Unpaid Dividend	16.89	-
Interest accrued	-	-
Current Maturities of Long-term Debt	-	-
<b>Total</b>	<b>3,910.76</b>	<b>1,143.75</b>

## Notes to the Consolidated Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

<b>March 31, 2021</b>	<b>&lt; 1 year</b>	<b>&gt; 1 year</b>
Borrowings	1,473.61	60.40
Trade Payables	716.98	-
Payable for purchase of Property, Plant and Equipment	105.49	-
Lease Liabilities	429.73	546.20
Employee Benefit Payable	1,371.89	-
Unpaid Dividend	12.49	-
Interest accrued	13.89	
<b>Total</b>	<b>4,124.08</b>	<b>606.60</b>

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

**(C) Market risk**

**i) Foreign currency risk**

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

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

**i) Foreign currency risk exposure**

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

Particulars	March 31, 2022				March 31, 2021			
	USD	Euro	GBP	CAD	USD	Euro	GBP	NOK
<b>Financial assets</b>								
Trade receivables	2,287.00	287.00	676.00	-	12.74	-	447.80	7.51
Bank balances	-	-	-	-	-	-	87.87	-
<b>Exposure to foreign currency risk (assets)</b>	<b>2,287.00</b>	<b>287.00</b>	<b>676.00</b>	-	<b>12.74</b>	-	<b>535.67</b>	<b>7.51</b>
<b>Derivative instruments*</b>								
Gross outstanding amount of Foreign exchange forward contracts - Sell foreign currency	1,439.00	341.00	430.00	-	455.09	351.92	395.01	-
<b>Financial liabilities</b>								
Trade payables	14.00	59.00	65.00	18.00	11.83	13.57	-	-
<b>Exposure to foreign currency risk (liabilities)</b>	<b>14.00</b>	<b>59.00</b>	<b>65.00</b>	<b>18.00</b>	<b>11.83</b>	<b>13.57</b>	-	-

\* amount disclosed is contract value, computed using forward rate, outstanding as on balance sheet date. These contracts have been marked to market as on balance sheet date and recorded accordingly.

## Notes to the Consolidated Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

### ii) Sensitivity

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

Particulars	Impact on Profit after tax	
	March 31, 2022	March 31, 2021
<b>USD sensitivity</b>		
₹/USD - Increase by 5% (31 March 2020 - 5%)	113.65	0.05
₹/USD - Decrease by 5% (31 March 2020 - 5%)	(113.65)	(0.05)
<b>EURO sensitivity</b>		
₹/Euro - Increase by 5% (31 March 2020 - 5%)	11.40	(0.68)
₹/Euro - Decrease by 5% (31 March 2020 - 5%)	(11.40)	0.68
<b>GBP sensitivity</b>		
₹/GBP - Increase by 5% (31 March 2020 - 5%)	30.55	26.78
₹/GBP - Decrease by 5% (31 March 2020 - 5%)	(30.55)	(26.78)
<b>NOK sensitivity</b>		
₹/GBP - Increase by 5% (31 March 2020 - 5%)	-	0.38
₹/GBP - Decrease by 5% (31 March 2020 - 5%)	-	(0.38)
<b>CAD sensitivity</b>		
₹/GBP - Increase by 5% (31 March 2020 - 5%)	(0.90)	-
₹/GBP - Decrease by 5% (31 March 2020 - 5%)	0.90	-
<b>Investment in mutual fund sensitivity</b>		
Mutual fund - Increase by 5% (31 March 2021 - 5%)	-	0.50
Mutual fund - Decrease by 5% (31 March 2021 - 5%)	-	(0.50)

### II) Interest rate risk

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

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

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

Particulars	Weighted Average Interest rate	As at	As at
		March 31, 2022	March 31, 2021
Variable rate borrowings	8.25%	-	-
Fixed rate borrowings	8.21%	60.04	69.29
<b>Total borrowings</b>		<b>60.04</b>	<b>69.29</b>

### (ii) 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.

## Notes to the Consolidated Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

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

Particulars	Impact on Profit after tax	
	March 31, 2022	March 31, 2021
Interest rate - Increase by 50 basis points (50bps) *	-	(4.52)
Interest rate - Decrease by 50 basis points (50bps) *	-	4.52

## 34 Capital Management

### a) Risk management

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital. For the purpose of the Group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximise the shareholders value and ensure that adequate growth capital is available. 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. Management also look for the opportunities to raise the capital for the purpose of future growth.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2022 and March 31, 2021.

The gearing ratios were as follows:

Particulars	Impact on Profit after tax	
	March 31, 2022	March 31, 2021
Net Debt*	-	-
Total Equity	16,321.06	7,448.13
<b>Net Debt to Equity Ratio</b>	<b>0.00%</b>	<b>0.00%</b>

\*Since net debt is negative, it is considered as nil in the table above.

The net debt to equity ratio is stable during the current year.

### (i) Loan Covenants

There are no loan covenants for borrowing outstanding as at balance sheet date.

## 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

Particulars	March 31, 2022	March 31, 2021
i) Equity shares		
Final Dividend for the year ended March 31, 2021 of ₹ 3.00 (March 31, 2020 : ₹ 3.00) per fully paid share	524.78	243.21
ii) Dividends not recognised at the end of reporting period		
The Directors have recommended the payment of a final dividend of ₹ 3 per fully paid equity share (March 31, 2021 ₹ 3 per equity share). This proposed dividend is subject to approval of shareholders in the ensuing annual general meeting.	660.63	490.16

## Notes to the Consolidated Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

### 36 Interest in Other Entities

#### (a) Subsidiaries

The group's subsidiaries as on March 31, 2022 are set below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the holding company and the proportion of ownership interests held equals the voting rights held by the holding company. The country of incorporation or registration is also their principal place of business.

Name of Entity	Place of business/ country of incorporation	Ownership interests held by the Group		Ownership interests held by the non-controlling interests		Principal Activities
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	
		%	%	%	%	
Onward Technologies Inc.	The United States of America	100.00	100.00	-	-	
Onward Technologies GmbH	Germany	100.00	100.00	-	-	Mechanical Engineering
Onward Technologies Canada Inc.	Canada	100.00	N.A.	-	-	Design and IT Services
Onward Technologies B.V.	Netherland	100.00	N.A.	-	-	
Onward Properties Private Limited*	India	N.A.	100.00	-	-	
OT Park Private Limited (formerly known as NV Pune Technology Park Private Limited)	India	100.00	N.A.	-	-	Leasing out of commercial premises

\*Striked off during the year

### 37 Segment reporting

The company has only one operating segment which is Mechanical Engineering Design and IT Services. Accordingly, separated segment information is not required to be disclosed.

#### Geographical Information

Particulars	March 31, 2022	March 31, 2021
<b>(1) Revenue from external customers</b>		
- Within India	16,652.54	12,820.45
- Outside India	14,074.33	11,216.21
<b>Total revenue per statement of profit and loss</b>	<b>30,726.87</b>	<b>24,036.66</b>
The revenue information above is based on the locations of the customers		
<b>(2) Non-current operating assets (refer note below)</b>		
- Within India	5,308.36	2,862.33
- Outside India	364.75	126.39
<b>Total</b>	<b>5,673.11</b>	<b>2,988.72</b>

Note:

Non-current assets for this purpose consist of property, plant and equipment, right to use assets, Intangible assets under development and intangible assets.

#### (3) Revenue from external customers

Revenue from one customer in India amounted to ₹ 4,344.61 Lakhs (31 March 2021: ₹ 2,848.80 Lakhs)

## Notes to the Consolidated Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

### 38 Share-based payments

#### Employee Stock Option Plan

The Holding Company instituted the 2009 plan and 2019 Plan for all eligible employees in pursuance of a special resolution approved by the shareholders at the extraordinary general meeting held on August 31, 2009 and July 25, 2019 respectively. Schemes cover grant of options to specified permanent employees of the Company as well as its subsidiaries.

Pursuant to schemes, the Company has granted options each to eligible employees at an exercise price of ₹ 10 per equity share of ₹ 10 each and of ₹ 20 per equity share of ₹ 10 each respectively for 2009 and 2019 Plan. Under the term of schemes, the vesting period shall commence on the expiry of one year from the date of grant of the options to the employees and it will be spread equally over 4 years. Total option will be vested equally over the period of four years on last day of each year.

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

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

Particulars	March 31, 2022	March 31, 2022	March 31, 2021	March 31, 2021
	No. of Options	Average exercise price per share option (₹)	No. of Options	Average exercise price per share option (₹)
Opening Balance	213,475	14.17	229,500	12.06
Granted during the year	65,500	20.00	70,000	20.00
Forfeited/ cancelled during the year	1,375	10.00	2,425	10.00
Lapsed during the year	24,875	16.90	18,525	12.67
Exercised during the year*	71,825	13.01	65,075	10.95
Outstanding as at the end of the year	180,900	17.46	213,475	14.17
Vested and exercisable (shares)	10,500	15.56	46,500	14.55
Unvested (shares)	713,100	17.53	807,400	14.15

\*The weighted average share price at the date of exercise of options exercised during the year ended March 31, 2022 was ₹ 242.42 (March 31, 2021 - ₹ 67.25)

## Notes to the Consolidated Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

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

Grant Date	Exercise Date	Exercise Price	Share Options	
			March 31, 2022	March 31, 2021
July 1, 2016	June 30, 2021	10	-	1,875
January 24, 2017	January 23, 2022	10	-	2,500
May 10, 2017	May 9, 2022	10	750	7,925
August 11, 2017	August 10, 2022	10	-	750
April 17, 2018	April 16, 2023	10	7,275	15,550
April 1, 2019	March 31, 2024	10	24,500	39,750
July 15, 2019	July 14, 2024	10	1,250	2,500
September 16, 2019	September 15, 2024	10	6,400	9,600
March 4, 2020	March 3, 2025	10	4,500	6,375
November 18, 2019	November 17, 2024	20	31,975	51,650
March 4, 2020	March 3, 2025	20	-	5,000
May 15, 2020	May 14, 2025	20	7,500	10,000
June 25, 2020	June 24, 2025	20	1,875	2,500
August 28, 2020	August 27, 2025	20	9,375	12,500
October 12, 2020	October 11, 2025	20	18,750	32,500
November 10, 2020	November 9, 2025	20	8,750	10,000
January 12, 2021	January 11, 2026	20	-	2,500
June 10, 2021	June 9, 2026	20	5,000	-
July 19, 2021	July 18, 2026	20	5,000	-
August 25, 2021	August 24, 2026	20	5,000	-
September 11, 2021	September 10, 2026	20	2,500	-
September 21, 2021	September 20, 2026	20	2,500	-
January 14, 2022	January 13, 2027	20	38,000	-
<b>Weighted average remaining contractual life of options outstanding at the end of the period</b>			<b>3.81 years</b>	<b>2.20 years</b>

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.

## Notes to the Consolidated Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

The model inputs for options granted during the year ended March 31, 2022 included :

Particulars	Inputs for the year ended March 31, 2022						
	ESOP 2019	ESOP 2019	ESOP 2019	ESOP 2019	ESOP 2019	ESOP 2019	ESOP 2019
Exercise Price (₹)	20	20	20	20	20	20	20
Grant Date	June 10, 2021	July 19, 2021	August 25, 2021	September 11, 2021	September 21, 2021	October 28, 2021	January 14, 2022
Expiry Date	June 9, 2026	July 18, 2026	August 24, 2026	September 10, 2026	September 20, 2026	October 27, 2026	January 13, 2027
Share Price as on Grant Date (₹)	189.60	270.60	235.60	233.15	224.40	220.95	338.10
Fair value as on Grant Date (₹)	155.80	230.23	198.45	195.67	188.20	185.21	292.02
Expected Volatility (%)	53.47%	52.96%	53.02%	53.03%	53.15%	53.02%	53.26%
Expected Dividend yield (%)	2.64%	2.64%	2.64%	2.64%	2.64%	2.64%	2.64%
Risk free interest rate (%)	4.28%	5.48%	5.66%	4.70%	5.57%	5.84%	5.97%

The model inputs for options granted during the year ended March 31, 2021 included :

Particulars	Inputs for the year ended March 31, 2021					
	ESOP 2019	ESOP 2019	ESOP 2019	ESOP 2019	ESOP 2019	ESOP 2019
Exercise Price (₹)	20	20	20	20	20	20
Grant Date	May 15, 2020	June 25, 2020	August 28, 2020	October 12, 2020	November 10, 2020	January 12, 2021
Expiry Date	May 14, 2025	June 24, 2025	August 27, 2025	October 11, 2025	November 9, 2025	January 11, 2026
Share Price as on Grant Date (₹)	40.45	51.95	62.65	64.55	61.30	106.30
Fair value as on Grant Date (₹)	23.40	32.90	42.80	44.50	41.10	81.50
Expected Volatility (%)	49.10%	49.60%	50.40%	51.10%	51.40%	52.50%
Expected Dividend yield (%)	1.80%	1.80%	1.80%	2.30%	2.30%	2.30%
Risk free interest rate (%)	5.20%	3.70%	2.40%	6.00%	4.90%	4.35%

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

### Expenses arising from share-based payment transactions

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Employee Option Plan	170.38	153.22
<b>Total</b>	<b>170.38</b>	<b>153.22</b>

## Notes to the Consolidated Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

### 39 Additional information required by Schedule III

Name of the entity in the Group	Net assets (total assets minus total liabilities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated other comprehensive income	Amount	As a % of consolidated total comprehensive income	Amount
<b>Parent</b>								
Onward Technologies Limited								
March 31, 2022	90.79%	14,817.10	39.37%	932.48	(76.00%)	(48.85)	38.35%	883.63
March 31, 2021	98.88%	7,364.66	172.63%	1,266.71	(37.35%)	10.79	181.23%	1,277.50
<b>Subsidiaries (group's share)</b>								
Indian								
Onward Properties Private Limited *								
March 31, 2022	-	-	-	-	-	-	-	-
March 31, 2021	-	-	-	-	-	-	-	-
OT Park Private Limited								
March 31, 2022	0.82%	134.31	1.35%	32.04	-	-	1.39%	32.04
March 31, 2021	-	-	-	-	-	-	-	-
Foreign								
Onward Technologies Inc.								
March 31, 2022	19.94%	3,254.10	76.74%	1,817.60	62.40%	40.11	80.63%	1,857.71
March 31, 2021	18.75%	1,396.39	(50.80%)	(372.74)	(163.66%)	(47.28)	(59.59%)	(420.02)
Onward Technologies GmbH								
March 31, 2022	(0.58%)	(95.11)	(0.05%)	(1.23)	3.39%	2.18	0.04%	0.95
March 31, 2021	(1.29%)	(95.98)	3.58%	26.29	(15.06%)	(4.35)	3.11%	21.94
Onward Technologies Canada Inc.								
March 31, 2022	0.50%	81.00	(4.25%)	(100.69)	3.70%	2.38	(4.27%)	(98.31)
March 31, 2021	-	-	-	-	-	-	-	-
Onward Technologies B.V.								
March 31, 2022	0.43%	70.98	(0.55%)	(13.13)	(3.45%)	(2.22)	(0.67%)	(15.35)
March 31, 2021	-	-	-	-	-	-	-	-
Consolidation adjustments								
March 31, 2022	(11.89%)	(1,941.32)	(12.61%)	(298.67)	(90.04%)	(57.88)	(15.47%)	(356.55)
March 31, 2021	(16.34%)	(1,216.94)	(25.41%)	(186.47)	41.36%	11.95	(24.76%)	(174.52)
<b>Total</b>								
<b>March 31, 2022</b>	<b>100.00%</b>	<b>16,321.06</b>	<b>100.00%</b>	<b>2,368.40</b>	<b>100.00%</b>	<b>(64.28)</b>	<b>100.00%</b>	<b>2,304.12</b>
<b>March 31, 2021</b>	<b>100.00%</b>	<b>7,448.13</b>	<b>100.00%</b>	<b>733.79</b>	<b>100.00%</b>	<b>(28.89)</b>	<b>100.00%</b>	<b>704.90</b>

\* Striked off during the year

## Notes to the Consolidated Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

### 40 Impact of COVID-19

The Group has taken into consideration the impact of the known internal and external events arising from COVID-19 pandemic while preparing the financial statements. As a part of such assessment, the Group has considered the recoverability of outstanding trade receivables, contract assets, accounting for benefits received from governments and future cash flow position upto the date of approval of these financial statements. The Group is confident of recoverability of assets as on March 31, 2022. However, the impact assessment of COVID-19 is an ongoing process and it's impact remains uncertain, given the uncertainties associated with its nature and duration. The impact of global health pandemic might be different from that estimated as at the date of approval of these financial results and the Group will continue to closely monitor any significant impact on the Group's financial position.

### 41 Transfer Pricing

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

Management believes that the Company's international transactions, with related parties post March 31, 2022 (last period upto which an Accountants' report has been submitted as required under the Income tax Act, 1961) continue to be at arm's length and that the transfer pricing legislation will not have any impact on these financial statements, particularly on the amount of tax expense and that of provision for taxation.

### 42 Business combination:

During the quarter ended December 31, 2021, the Group had acquired 100% equity of OT Park Private Limited (erstwhile "NV Pune Technology Park Private Limited") ("OTPPL") on December 01, 2021 for a purchase consideration including incidental expenses of ₹ 1,719.90 Lakhs. OTPPL owns single immovable property and therefore entire purchase consideration is allocated to the immovable property. Accordingly, this transaction is recorded as an asset acquisition net off incidental assets and liabilities acquired. All the inter company transactions that occurred post the acquisition date have been eliminated .

### 43 Utilisation of money received against Share Warrants

The Holding company had entered into an agreement on May 27, 2021 to make preferential allotment to Infinity Direct Holdings (the "investor"). As per the agreement, the Holding company, during the quarter ended June 30, 2021, had issued 1,100,000 equity shares each fully paid-up at a price of ₹ 130 (inclusive of face value of ₹ 10 each) per share for cash and 4,300,000 share warrants, each warrant convertible into one equity share of the Holding company, at a price per warrant of ₹ 130 (inclusive of face value of ₹ 10 each), convertible within 18 months from the date of allotment of such warrants. The Holding company received an approval from the shareholders in extra ordinary general meeting for such preferential allotment. During the quarter ended December 31, 2021, the Holding company has converted 4,300,000 share warrants into one equity share against each warrant. All the incidental expenses net of tax related to this preferential allotment amounting to ₹ 156.10 Lakhs had been adjusted against other equity.

Nature of securities viz. Equity share / Preference shares / Convertible Debenture	Purpose for which funds raised	Total Amount Raised / Opening unutilized balance	Amount utilized for the other purpose	Amount utilized for the purpose specified	Un-utilized balance as at Balance sheet date	Remarks
Share Warrants	Organic Growth of the business	2,808.00	-	2,616.29	191.71	
Share Warrants	Investment in infrastructure & subsidiaries	2,808.00	-	2,403.71	404.29	-
Share Warrants	Inorganic Growth of the business	1,404.00	-	-	1,404.00	-
<b>Total</b>		<b>7,020.00</b>	<b>-</b>	<b>5,020.00</b>	<b>2,000.00</b>	<b>-</b>

Note : Above allocation % of fund utilisation will change on the basis of business requirement

## Notes to the Consolidated Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

### 44 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2022.

### 45 Additional regulatory information required by Schedule III

#### (i) Details of benami property held

No proceedings have been initiated on or are pending against the group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

#### (ii) Wilful defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

#### (iii) Relationship with struck off companies

The Group has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

#### (iv) Compliance with number of layers of companies

The Group has complied with the number of layers prescribed under the Companies Act, 2013.

#### (v) Compliance with approved scheme(s) of arrangements

The Group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

#### (vi) Utilisation of borrowed funds and share premium

The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
- provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- provide any guarantee, security or the like on behalf of the ultimate beneficiaries

#### (vii) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

#### (viii) Details of crypto currency or virtual currency

The Group has not traded or invested in crypto currency or virtual currency during the current or previous year.

#### (ix) Valuation of PP&E, intangible asset and investment property

The Group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

## **Notes to the Consolidated Financial Statements**

(All amounts in ₹ Lakhs, unless otherwise stated)

### **(x) Title deeds of immovable properties not held in name of the Group**

The title deeds of all the immovable properties as disclosed in note 3 to the financial statements, are held in the name of the Group.

### **(xi) Utilisation of borrowings availed from banks and financial institutions**

The borrowings obtained by the Group from banks and financial institutions have been applied for the purposes for which such loans were taken.

### **(xii) Loans or advances to specified persons**

There are no loans or advances in the nature of loans granted to promoters, directors, KMPs and the related parties.

**46** Previous year/period figures have been regrouped / rearranged wherever considered necessary.

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

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

**Neeraj Sharma**  
Partner  
Membership No.: 108391

**Harish Mehta**  
Executive  
Chairman  
DIN: 00153549

Place : Mumbai  
Date : May 13, 2022

**Rahul Rathi**  
Audit Committee Chairman  
DIN: 00966359

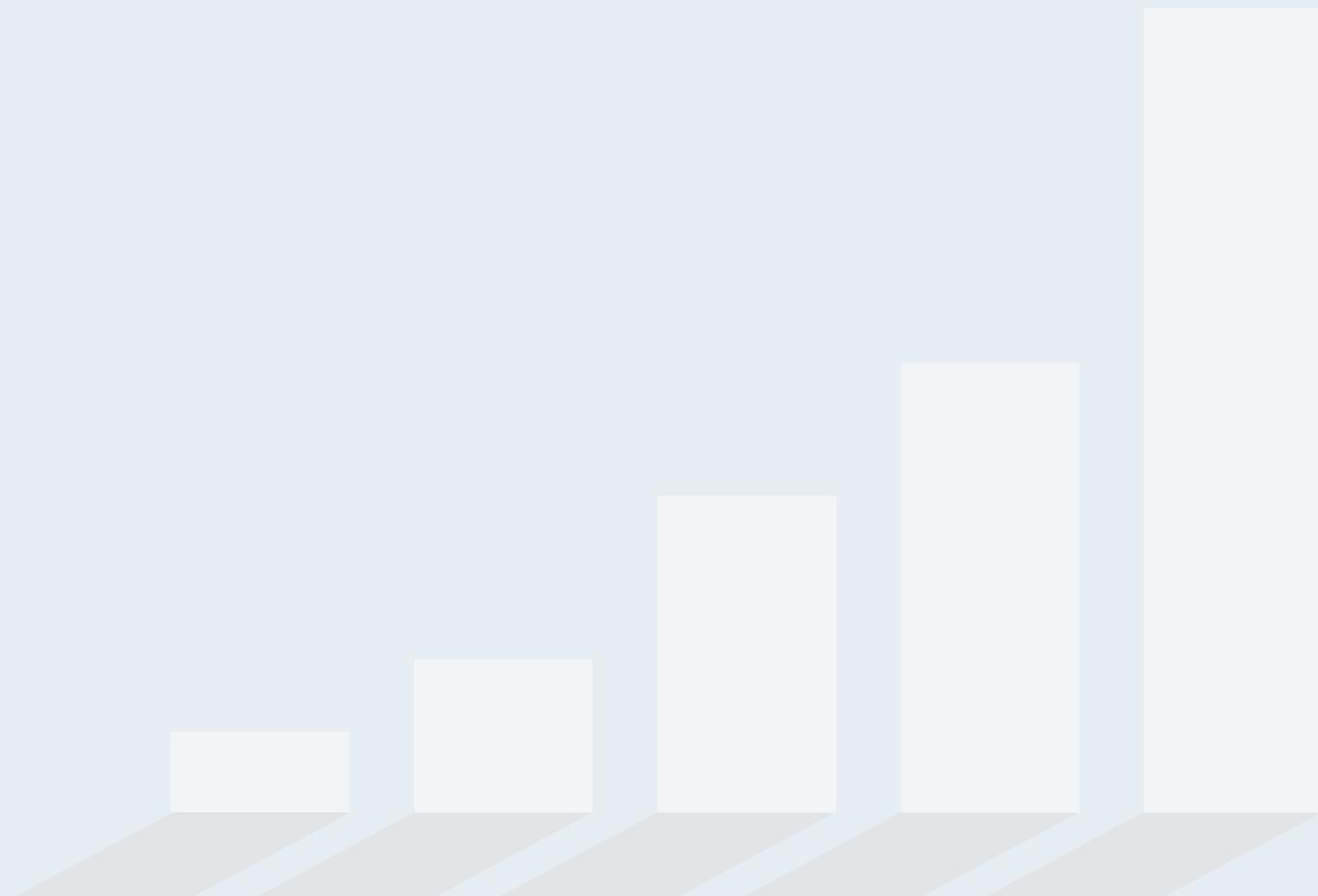
Place : Mumbai  
Date : May 13, 2022

**Jigar Mehta**  
Managing Director  
DIN: 06829197

**Dimple Chauhan**  
Company Secretary

Place : Mumbai  
Date : May 13, 2022

# Standalone Financial



# **Independent Auditors' Report**

**To the Members of Onward Technologies Limited**

## **Report on the Audit of the Standalone financial statements**

### **Opinion**

1. We have audited the accompanying standalone financial statements of Onward Technologies Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

### **Basis for Opinion**

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key audit matters**

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<b>Key audit matter</b>	<b>How our audit addressed the key audit matter</b>
<b>Appropriateness of recognition of revenue:</b>	
<p>Refer note 1(d) and note 21 in the Standalone Ind AS Financial Statements.</p> <p>The Company enters into revenue contracts. Management uses judgement in respect of matters such as identification of performance obligations; allocation of consideration to identified performance obligations and recognition of revenue based on assessment of whether performance obligation is fulfilled over time or at a point in time, as per the requirement of the Ind AS 115, "Revenue from Contracts with Customers".</p> <p>This matter has been determined as a Key Audit Matter, in view of the complexity in application of requirements of Ind AS 115 and significant management judgements and estimates involved in such application. Further, there is an inherent and presumed risk of fraud involved in the revenue recognition.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Obtaining an understanding of and testing the design and operating effectiveness of key controls around the revenue recognition;</li> <li>• Testing of revenue transactions during the year on a sample basis to evaluate the terms of the contracts including timing of transfer of rights and obligations under the contract;</li> <li>• In respect of the contracts tested, evaluating the management's assessment of revenue recognition, ensuring whether the same is in compliance with the requirement of Ind AS 115 and assessing the judgements and assumptions applied by the management based on the actual outcome of delivery of contract;</li> <li>• Verified the inputs used in estimation of revenue to the source data;</li> <li>• Verifying the underlying evidence including terms of contracts, invoice and other source documents;</li> <li>• Evaluating the adequacy of disclosures in the Standalone Financial Statements.</li> </ul> <p>Based on the above procedures performed, we did not find any significant exceptions to management's assessment of revenue recognition.</p>

### Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Responsibilities of management and those charged with governance for the financial statements

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

7. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's responsibilities for the audit of the financial statements**

8. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on other legal and regulatory requirements**

13. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
14. As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including other comprehensive income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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 Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position. Refer Note 29 to the Standalone financial statements.
    - ii. The Company has long term contracts including derivative contracts as at March 31, 2022 for which there are no material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2022.
    - iv.
      - (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 43(vi) to the standalone financial statements);
      - (b) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 43(vi) to the standalone financial statements); and
      - (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
    - v. The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.
15. 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.

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

Mumbai  
May 13, 2022

**Neeraj Sharma**  
Partner  
Membership Number 108391  
UDIN: 22108391AIWZIU4748

## **Annexure A to Independent Auditor's Report**

Referred to in paragraph 14(f) of the Independent Auditor's Report of even date to the members of Onward Technologies Limited on the standalone financial statements for the year ended March 31, 2022

### **Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act**

1. We have audited the internal financial controls with reference to financial statements of Onward Technologies Limited ("the Company") as of March 31, 2022 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 ("the Guidance Note") 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.

### **Auditor's Responsibility**

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

### **Meaning of Internal Financial Controls with reference to financial statements**

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

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

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, 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 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

UDIN: 22108391AIWZIU4748

Mumbai

May 13, 2022

## **Annexure B to Independent Auditor's Report**

Referred to in paragraph 13 of the Independent Auditors' Report of even date to the members of Onward Technologies Limited on the standalone financial statements as of and for the year ended March 31, 2022

- i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.  
(B) The Company is maintaining proper records showing full particulars of Intangible Assets.
- (b) The Property, Plant and Equipment 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 title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Note 3 to the standalone financial statements, are held in the name of the Company.
- (d) The Company has chosen cost model for its Property, Plant and Equipment (including Right of Use assets) and intangible assets. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use assets) or intangible assets does not arise.
- (e) Based on the information and explanations furnished to us, no proceedings have been initiated on (or) are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its financial statements does not arise.
- ii. (a) The Company is in the business of rendering services and, consequently, does not hold any inventory. Therefore, the provisions of clause 3(ii)(a) of the Order are not applicable to the Company.
- (b) During the year, the Company has been sanctioned working capital limits in excess of ₹. 5 crores, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks, which are not in agreement with the unaudited books of accounts due to month end activities and the timing difference between the returns filed and quarterly closure of books of accounts. (Also refer Note 16 to the standalone financial statements)
- iii. (a) The Company has made investments in three companies. The Company has not granted secured or unsecured loans or advances, and has not provided any guarantee or security to the subsidiaries during the year. (Also refer Note 5 to the standalone financial statements)
- (b) In respect of the aforesaid investments, the terms and conditions under which such investments were made are not prejudicial to the Company's interest.
- (c) During the year the Company has not granted any loans/ advances in the nature of loans, hence clause 3(iii)(c) is not applicable to the Company.
- (d) The Company has not granted any loans/advances in the current year hence reporting under Clause 3(iii)(d) is not applicable to the Company.
- (e) There were no loans /advances in nature of loans which fell due during the year and were renewed/ extended. Further, no fresh loans were granted to same parties to settle the existing overdue loans/ advances in nature of loan
- (f) There were no loans/advances in nature of loans which were granted during the year, including to promoters/related parties.

- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the 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 or amounts which are deemed to be deposits 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 employees' state insurance and goods 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, income tax 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 statutory dues referred to in sub-clause (a) which have not been deposited on account of any dispute.
- viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- ix. (a) 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 other borrowings or in the payment of interest to any lender during the year.  
(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Willful Defaulter by any bank or financial institution or government or any government authority.  
(c) In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained. (Also refer Note 43(xi) to the standalone financial statements)  
(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, the Company has not raised funds on short term basis.  
(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.  
(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.  
(b) The Company has made a preferential allotment during the year, in compliance with the requirements of Section 42 and Section 62 of the Act. The funds raised have been used for the purpose for which funds were raised. (Also refer Note 40 to the standalone financial statements)

- (xi) (a) 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, noticed or reported during the year, nor have we been informed of any such case by the Management.
  - (b) 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, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
  - (c) 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, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.
  - xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the standalone financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act.
  - xiv. (a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.  
(b) The reports of the Internal Auditor for the period under audit have been considered by us.
  - xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.
  - xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.  
(b) The Company has not conducted non-banking financial / housing finance] activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.  
(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.  
(d) Based on the information and explanations provided by the management of the Company, the Group does not have any CICs, which are part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.
  - (xvii) The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year
  - (xviii) There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause (xviii) is not applicable.

- (xix) According to the information and explanations given to us and on the basis of the financial ratios (Also refer Note 37 to the standalone financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.
- (xx) (a) In respect of other than ongoing projects, as at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act.
- (b) In respect of ongoing projects, as at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under this clause is not applicable.
- (xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

**For Price Waterhouse Chartered Accountants LLP**

Firm Registration Number: 012754N/N500016

**Neeraj Sharma**

Partner

Membership Number 108391

UDIN: 22108391AIWZIU4748

Mumbai  
May 13, 2022

# Standalone Balance Sheet

As at March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>			
<b>I. Non-current assets</b>			
Property, plant and equipment	3	1,842.46	1,637.71
Intangible assets	4	264.07	387.87
Intangible assets under development	4	-	7.50
Right-of-use-assets	31	1,705.14	829.25
Financial assets			
(a) Investments	5(a)	3,201.75	1,214.21
(b) Other financial assets	6	296.56	278.16
Deferred tax assets	13(a)	213.73	238.15
Income-tax assets (net)	13(b)	1,763.72	1,106.80
Other non-current assets	7	108.93	2.58
<b>Total non-current assets</b>		<b>9,396.36</b>	<b>5,702.23</b>
<b>II. Current assets</b>			
<b>Financial assets</b>			
(a) Investments	5(b)	-	10.00
(b) Trade receivables	8	4,639.30	2,833.79
(c) Cash and cash equivalents	9(a)	3,946.32	1,188.44
(d) Bank balances other than (c) above	9(b)	1,080.46	98.28
(e) Contract assets	10	1,456.95	1,265.74
(f) Other financial assets	11	76.49	19.41
Other current assets	12	840.93	601.94
<b>Total current assets</b>		<b>12,040.45</b>	<b>6,017.60</b>
<b>Total assets</b>		<b>21,436.81</b>	<b>11,719.83</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	14(a)	2,202.09	1,633.88
Other equity	14(b)	12,615.01	5,730.78
<b>Total equity</b>		<b>14,817.10</b>	<b>7,364.66</b>
<b>LIABILITIES</b>			
<b>I. Non-Current liabilities</b>			
Financial liabilities			
(a) Borrowings	15	50.39	60.40
(b) Lease Liabilities	31	1,131.80	546.20
Provisions	19(a)	340.77	461.15
<b>Total non-current liabilities</b>		<b>1,522.96</b>	<b>1,067.75</b>

# Standalone Balance Sheet (Contd.)

As at March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
<b>II. Current liabilities</b>			
Financial liabilities			
(a) Borrowings	16	9.65	8.89
(b) Trade payables	17		
- Total outstanding dues of micro enterprises and small enterprises		102.65	27.96
- Total outstanding dues of creditors other than micro enterprises and small enterprises		869.50	750.63
(c) Lease Liabilities	31	644.04	378.50
(d) Other financial liabilities	18	1,775.71	1,243.46
Provisions	19(b)	107.97	112.27
Contract Liabilities	20(a)	1,032.04	283.17
Other current liabilities	20(b)	555.19	482.54
<b>Total current liabilities</b>		<b>5,096.75</b>	<b>3,287.42</b>
<b>Total liabilities</b>		<b>6,619.71</b>	<b>4,355.17</b>
<b>Total equity and liabilities</b>		<b>21,436.81</b>	<b>11,719.83</b>

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

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

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

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

**Neeraj Sharma**  
Partner  
Membership No.: 108391

**Harish Mehta**  
Executive  
Chairman  
DIN: 00153549

**Jigar Mehta**  
Managing Director  
DIN: 06829197

**Devanand Ramandasani**  
Chief Financial Officer

Place : Mumbai  
Date : May 13, 2022

**Rahul Rathi**  
Audit Committee Chairman  
DIN: 00966359

Place : Mumbai  
Date : May 13, 2022

**Dimple Chauhan**  
Company Secretary

Place : Mumbai  
Date : May 13, 2022

# Standalone Statement of profit and loss

For the year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Notes	For the year March 31, 2022	For the year March 31, 2021
Revenue from operations	21	23,439.50	17,266.72
Other income (net)	22	560.01	846.14
<b>Total Income</b>		<b>23,999.51</b>	<b>18,112.86</b>
<b>Expenses</b>			
Purchase of Software Licences	23	1.07	174.29
Employee benefits expense	24	17,615.96	12,190.37
Finance costs	25	101.24	207.94
Depreciation and amortisation expense	26	920.96	928.48
Other expenses	27	4,058.60	2,940.95
<b>Total expenses</b>		<b>22,697.83</b>	<b>16,442.03</b>
<b>Profit before tax</b>		<b>1,301.68</b>	<b>1,670.83</b>
<b>Income tax expense</b>			
Current tax	13(b)	275.85	370.78
Deferred tax	13(a)	93.35	33.34
<b>Total tax expense</b>		<b>369.20</b>	<b>404.12</b>
<b>Profit for the year</b>		<b>932.48</b>	<b>1,266.71</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Remeasurement of post-employment benefit obligations	14(b)	(65.28)	14.41
Income tax relating to these items	13(b)	16.43	(3.62)
<b>Total other comprehensive income for the year, net of tax</b>	<b>14(b)</b>	<b>(48.85)</b>	<b>10.79</b>
<b>Total comprehensive income for the year</b>		<b>883.63</b>	<b>1,277.50</b>
<b>Earnings per share</b>			
Basic	28	4.97	7.80
Diluted	28	4.79	7.50

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

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

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

**Neeraj Sharma**  
Partner  
Membership No.: 108391

**Harish Mehta**  
Executive  
Chairman  
DIN: 00153549

**Jigar Mehta**  
Managing Director  
DIN: 06829197

**Devanand Ramandasani**  
Chief Financial Officer

Place : Mumbai  
Date : May 13, 2022

**Rahul Rathi**  
Audit Committee Chairman  
DIN: 00966359

Place : Mumbai  
Date : May 13, 2022

**Dimple Chauhan**  
Company Secretary

Place : Mumbai  
Date : May 13, 2022

# Standalone statement of changes in equity

For the year ended March 31, 2022

## A Equity share capital

Particulars	Notes	Amount
<b>As at April 1, 2020</b>		<b>1,604.26</b>
Change in equity share capital	14(a)	29.62
<b>As at March 31, 2021</b>		<b>1,633.88</b>
Change in equity share capital	14(a)	568.21
<b>As at March 31, 2022</b>		<b>2,202.09</b>

## B Other Equity

Particulars	Notes	Securities premium account	Retained Earnings	Share option outstanding account	Share application money pending allotment	Money received against Share Warrants	Total
<b>As at April 1, 2020</b>		1,704.24	2,509.86	326.77	5.74	-	4,546.61
Profit for the year	-	-	1,266.71	-	-	-	1,266.71
Other Comprehensive Income	-	-	10.79	-	-	-	10.79
<b>Total comprehensive income for the year</b>		-	<b>1,277.50</b>	-	-	-	<b>1,277.50</b>
Transactions with owners in their capacity as owners							
Issue of equity shares	14(b)	200.10	-	(200.10)	-	-	-
Transfer on account for lapsed and forfeited option	36	-	16.52	(16.52)	-	-	-
Employee stock option expenses	36	-	-	110.11	-	-	110.11
Employee stock option expenses (for employees of subsidiary)	36	-	-	43.11	-	-	43.11
Dividends paid	14(b)	-	(243.21)	-	-	-	(243.21)
Shares allotted against the share application money received	14(b)	-	-	-	(33.79)	-	(33.79)
Shares application money received for allotment of shares	14(b)	-	-	-	30.45	-	30.45
<b>As at March 31, 2021</b>		<b>1,904.34</b>	<b>3,560.67</b>	<b>263.37</b>	<b>2.40</b>	-	<b>5,730.78</b>
Profit for the year	-	-	932.48	-	-	-	932.48
Other Comprehensive Income	-	-	(48.85)	-	-	-	(48.85)
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>883.63</b>	<b>-</b>	<b>-</b>	-	<b>883.63</b>

# Standalone statement of changes in equity (Contd.)

For the year ended March 31, 2022

Particulars	Notes	Securities premium account	Retained Earnings	Share option outstanding account	Share application money pending allotment	Money received against Share Warrants	Total
<b>Transactions with owners in their capacity as owners</b>							
Issue of equity shares under Employee Stock Option Plan	14(b)	192.14	-	(164.42)	-	-	27.72
Issue of equity shares pursuant to share warrants	14(b)	6,480.00	-	-	-	-	6,480.00
Transfer on account for lapsed and forfeited option	36	-	-	-	-	-	-
Employee stock option expenses	36	-	-	115.09	-	-	115.09
Employee stock option expenses (for employees of subsidiary)	36	-	-	55.29	-	-	55.29
Dividends paid	14(b)	-	(524.78)	-	-	-	(524.78)
Deferred tax on warrant issue expenses	14(b)	-	52.50	-	-	-	52.50
Share Warrants issue expenses	14(b)	(208.60)	-	-	-	-	(208.60)
Money received against Share Warrants	14(b)	-	-	-	-	7,020.00	7,020.00
Shares allotted against Share Warrants	14(b)	-	-	-	-	(7,020.00)	(7,020.00)
Shares allotted against the share application money received	14(b)	-	-	-	(39.22)	-	(39.22)
Shares application money received for allotment of shares	14(b)	-	-	-	42.60	-	42.60
<b>As at March 31, 2022</b>		<b>8,367.88</b>	<b>3,972.02</b>	<b>269.33</b>	<b>5.78</b>	<b>-</b>	<b>12,615.01</b>

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/N5000016

**Neeraj Sharma**  
Partner  
Membership No.: 108391

Place : Mumbai  
Date : May 13, 2022

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

**Jigar Mehta**  
Managing Director  
DIN: 06829197

**Rahul Rathi**  
Audit Committee Chairman  
DIN: 00153549

**Dimple Chauhan**  
Company Secretary

Place : Mumbai  
Date : May 13, 2022

**Devanand Ramadasani**  
Chief Financial Officer

**Neeraj Sharma**  
Executive Chairman  
DIN: 00153549

**Harish Mehta**  
Executive Chairman  
DIN: 00153549

**Dimple Chauhan**  
Company Secretary

# Standalone Statement of cash flows

For the year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>A) Cash flows from operating activities</b>		
Profit before income tax	1,301.68	1,670.83
<b>Adjustments for</b>		
Depreciation and amortisation expense	920.96	928.48
(Profit) / loss on disposal of property, plant and equipment	20.05	(11.73)
Dividend and interest income classified as investing cash flow	(31.62)	(264.48)
Unwinding of discount on security deposit	(15.27)	(22.76)
Employee share based payment expenses	115.09	110.11
Finance costs	101.24	207.94
Net gain on termination of lease arrangements	-	(7.66)
Profit on sale of mutual funds	(46.48)	-
Provision for Onerous contract	-	17.89
Unrealised foreign exchange (gain)/loss	4.51	(19.16)
Allowance for doubtful debts	-	19.45
Bad Debts written off	4.04	4.85
<b>Operating profit before working capital changes</b>	<b>2,374.20</b>	<b>2,633.76</b>
<b>Changes in operating assets and liabilities</b>		
(Increase)/Decrease in trade receivables	(1,813.81)	539.05
(Increase)/Decrease in other financial assets	30.10	61.18
(Increase)/Decrease in other assets	(345.34)	(13.51)
(Increase)/Decrease in loans	-	83.90
(Increase)/Decrease in Contract assets	(191.21)	(939.79)
(Decrease)/Increase in trade payables	193.31	(180.72)
(Decrease)/Increase in other liabilities (including contract liabilities)	821.52	(339.58)
(Decrease)/Increase in other financial liabilities	462.18	246.73
(Decrease)/Increase in employee benefit obligations	(189.96)	122.57
<b>Cash generated from operations</b>	<b>1,340.99</b>	<b>2,213.59</b>
Net Refund received/(Income taxes paid)	(932.77)	454.65
<b>Net cash inflow from operating activities</b>	<b>408.22</b>	<b>2,668.24</b>
<b>B) Cash flows from investing activities</b>		
Payments for property, plant and equipment	(449.61)	(1,258.63)
Payments for intangible assets	(26.18)	(73.33)
Proceeds from sale of property, plant and equipment	(11.12)	31.40
Net proceeds from the investments in fixed deposits	(989.48)	273.33
Interest received	31.62	41.58
Dividend received	-	222.90
Investment in subsidiaries	(1,987.54)	-
Net investment in mutual funds	56.48	(10.00)
<b>Net cash (outflow) from investing activities</b>	<b>(3,353.59)</b>	<b>(772.75)</b>

# Standalone Statement of cash flows (Contd.)

For the year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>C) Cash flows from financing activities</b>		
Principal elements of lease payments	(504.47)	(415.41)
Interest paid (including interest on lease liabilities)	(101.24)	(207.94)
Proceeds from issue of shares against ESOP	28.21	29.62
Proceeds from share application money pending allotment against ESOP	3.38	(3.34)
Proceeds from issue of equity shares/warrants pursuant to preferential allotment	7,020.00	-
Preferential share issue expenses	(208.60)	-
Repayment of borrowings	(9.25)	(616.98)
Payment of Dividend	(524.78)	(243.21)
<b>Net cash inflow/(outflow) from financing activities</b>	<b>5,703.25</b>	<b>(1,457.26)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>2,757.88</b>	<b>438.23</b>
Cash and cash equivalents at the beginning of the period	1,188.44	750.21
<b>Cash and cash equivalents at the end of the period</b>	<b>3,946.32</b>	<b>1,188.44</b>

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

	As at March 31, 2022	As at March 31, 2021
Cash and cash equivalents	3,946.32	1,188.44
<b>Balances as per statement of cash flows</b>	<b>3,946.32</b>	<b>1,188.44</b>

The above consolidated statement of cash flows is prepared under Indirect Method of Ind AS 7 - Statement of cash flows.

Non-cash financing and investing activities

- Acquisition of right-of-use assets - ₹ 1,304.25 Lakhs (March 31, 2021 - ₹ 29.94 Lakhs) (Refer Note 31)

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

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

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

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

**Neeraj Sharma**  
Partner  
Membership No.: 108391

**Harish Mehta**  
Executive  
Chairman  
DIN: 00153549

**Jigar Mehta**  
Managing Director  
DIN: 06829197

**Devanand Ramandasani**  
Chief Financial Officer

Place : Mumbai  
Date : May 13, 2022

**Rahul Rathi**  
Audit Committee Chairman  
DIN: 00966359

Place : Mumbai  
Date : May 13, 2022

**Dimple Chauhan**  
Company Secretary

Place : Mumbai  
Date : May 13, 2022

## Notes to the Standalone Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

### Background

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

### 1. Significant Accounting Policies:

This note provides a list of the significant accounting policies adopted in the preparation of these standalone 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 standalone financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The Board of Directors have authorised these financial statements for issue on May 13, 2022.

##### (ii) Historical cost convention

The standalone 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;
- Share based payments

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 realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non - current classification of assets and liabilities.

##### (iii) New and amended standards adopted by the Company

The Company has applied the following amendments to Ind AS for the first time for their annual reporting period commencing 1 April 2021:

- Extension of COVID-19 related concessions – amendments to Ind AS 116
- Interest rate benchmark reform – amendments to Ind AS 109, Financial Instruments, Ind AS 107, Financial Instruments: Disclosures, Ind AS 104, Insurance Contracts and Ind AS 116, Leases.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods

- (iv) The Ministry of Corporate Affairs has vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective 1 April 2022. These amendments are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

## Notes to the Standalone Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

- (v) The Ministry of Corporate Affairs amended the Schedule III to the Companies Act, 2013 on 24 March 2021 to increase the transparency and provide additional disclosures to users of financial statements. These amendments are effective from 1 April 2021.

Consequent to above, the Company has changed the classification/presentation of (i) current maturities of long-term borrowings (ii) security deposits, in the current year. The current maturities of long-term borrowings (including interest accrued) has now been included in the "Current borrowings" line item. Previously, current maturities of long-term borrowings and interest accrued were included in 'other financial liabilities' line item.

Further, security deposits (which meet the definition of a financial asset as per Ind AS 32) have been included in 'other financial assets' line item. Previously, these deposits were included in 'loans' line item.

The Company has reclassified comparative amounts to conform with current year presentation as per the requirements of Ind AS 1. The impact of such classifications is summarised below:

<b>Balance sheet (extract)</b>	<b>March 31, 2021 (as previously reported)</b>	<b>Increase/ (Decrease)</b>	<b>March 31, 2021 (restated)</b>
Other financial liabilities (current)	1,252.35	(8.89)	1,243.46
Current borrowings	-		
	8.89	8.89	
Loans (non-current)	226.90	51.26	278.16
Other financial assets (non-current)	51.26	(51.26)	-

### (b) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company has only one operating segment which is Engineering Design and IT services. The chief operating decision maker are the Board of Directors.

### (c) Foreign currency translation

#### (i) Functional and presentation currency

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

#### (ii) Transactions and balances

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

### (d) Revenue recognition

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

## Notes to the Standalone Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

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

- i. identify contracts with customers
- ii. identify the separate performance obligation
- iii. determine the transaction price of the contract
- iv. allocate the transaction price to each of the separate performance obligations, and
- v. recognise the revenue as each performance obligation is satisfied.

### a. Revenue recognition policy

The Company derives revenue primarily from engineering design services, IT services and sale of licenses. Amounts disclosed as revenue are net of trade allowances, rebates, discounts, goods and service taxes, value added taxes and other amounts collected on behalf of third parties.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control over a product or a service to a customer and company expects to receive consideration in exchange for those products or services. The method for recognizing revenues and costs depends on the nature of the services rendered. The Company assesses the timing of revenue recognition in case of each distinct performance obligation. The Company first assesses whether the revenue can be recognised over time as it performs if any of the following criteria is met:

- a. The customer simultaneously consumes the benefits as the Company performs, or
- b. The customer controls the work-in-progress, or
- c. The Company's performance does not create an asset with alternative use to the Company and the Company has right to payment for performance completed till date

If none of the criteria above are met, the Company recognises revenue at a point-in-time.

The point-in-time is determined when the control of the goods or services is transferred which is generally determined based on when the significant risks and rewards of ownership are transferred to the customer. Apart from this, the Company also considers its present right to payment, the legal title to the goods, the physical possession and the customer acceptance in determining the point in time where control has been transferred

#### (i) Sale of services

##### a) Time and material contracts:

Revenues and costs relating to time and materials contracts are recognised as the related services are rendered.

##### b) Fixed- price contracts:

For fixed price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. This is determined based on the actual costs incurred to the total estimated cost to complete the performance obligation in context of the contract.

Estimates of revenues, costs or extent of progress towards completion are revised if circumstances change. Any resulting increase or decrease in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

## **Notes to the Standalone Financial Statements**

(All amounts in ₹ Lakhs, unless otherwise stated)

### **(ii) Revenue from sale of user licenses/software products:**

Revenue from the sale of user licenses for software applications is recognised at point in time on transfer of the title in the user license. Revenue is recognised on principal basis if the company controls a promised good or service before the entity transfers the good or service to a customer.

Revenues in excess of invoicing are classified as contract assets (referred as unbilled revenue) while invoicing in excess of revenues and advance amount received from customers which are classified as contract liabilities (referred as unearned revenues and advance from customers).

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price.

Services added that are not distinct are accounted for on a cumulative catch-up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

### **(iii) Other Income**

Dividend income is recognised 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 recognised on time proportionate basis taking into account the amount outstanding and the rate applicable. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset.

### **(e) Government Grant**

Grants from the government are recognised 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 recognised 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 regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

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 standalone financial

## Notes to the Standalone Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

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

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

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

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

To determine the incremental borrowing rate, the company:

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

## Notes to the Standalone Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

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

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

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

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

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

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

### As a lessor

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

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

### (h) Impairment of non-financial assets

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

### (i) Cash and cash equivalents

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

## Notes to the Standalone Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

### **(j) Trade receivables**

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

### **(k) Borrowing costs**

General and specific 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) Recognition**

Regular way purchases and sales of financial assets are recognised on trade-date, being the date on which the Company commits to purchase or sale the financial asset.

#### **(iii) Measurement**

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

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

### **Debt instruments**

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

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not

## **Notes to the Standalone Financial Statements**

(All amounts in ₹ Lakhs, unless otherwise stated)

part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in other income using the effective interest rate method.

### **Equity instruments**

The Company subsequently measures equity investment at fair value. The Company's Management elects to present fair value gains and losses on equity investments in other comprehensive income on an instrument by instrument basis.

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

#### **(iv) 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.

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.

#### **(v) 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.

#### **(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.

## Notes to the Standalone Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

### (o) Property, plant and equipment

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

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

#### Depreciation methods, estimated useful lives and residual value

Depreciation is provided on the straight-line method over the useful lives of assets as prescribed in Schedule II to the Companies Act, 2013 (Act) except in some cases where useful lives have been determined based on technical evaluation done by the management's expert which are lesser than those specified by Schedule II to the Companies Act; 2013, in order to reflect the actual usage of the assets.

Class of asset	Estimated economic useful life in years
Computers & networking	3 - 6 years
Furniture & Fixtures	7 - 10 years
Office Equipment	5 - 7 years
Electrical equipments	10 years
Vehicles	8 years
Building*	40 years

\* Useful lives have been determined based on technical evaluation done by the management's expert which are lesser than those specified by Schedule II to the Companies Act; 2013, in order to reflect the actual usage of the assets.

Leasehold improvements are depreciated over shorter of their useful life or the lease term, unless the entity expects to use the assets beyond the lease term.

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

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

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

#### Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognise 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 amortised on the straight line method as follows:

Asset	Useful life
Software	2 to 6 years

## **Notes to the Standalone Financial Statements**

(All amounts in ₹ Lakhs, unless otherwise stated)

### **Transition to Ind AS**

On transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets recognised as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

#### **(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 recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any differences between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all 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 capitalised as a prepayment for liquidity services and amortised 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 recognised 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 standalone 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. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

Contingent liabilities are disclosed by way of a note to the standalone 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.

## Notes to the Standalone Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

### **(t) Employee Benefits**

#### **(i) Short-term obligations**

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

#### **(ii) Other long-term employee benefit obligations**

The liabilities for privileged leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. These obligations are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

#### **(iii) Post-employment obligations**

The Company operates the following post-employment schemes:

- (a) Defined benefit plan - gratuity
- (b) Defined contribution plans - Provident fund, employee state insurance scheme.

##### **(a) Defined benefit plan - Gratuity**

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

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

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

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

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

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

## **Notes to the Standalone Financial Statements**

(All amounts in ₹ Lakhs, unless otherwise stated)

### **(b) Defined contribution plans - Provident fund, Employee state insurance scheme**

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

### **(iv) Share-based payments**

Share-based compensation benefits are provided to employees of the Company and its subsidiaries via the Onward ESOP Scheme 2009 and ESOP Scheme 2019.

The fair value of the options granted under the Onward ESOP Scheme is recognised as an employee benefit expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- Including any market performance conditions
- Excluding the impact of any service and non-market performance vesting conditions and
- Including the impact of any non-vesting conditions

The total expense is recognised 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 recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

The Company recovers the expense related to employees of subsidiaries and such recovery is netted off against gross share-based payment expense.

### **(v) Bonus plans**

The Company recognises a liability and an expense for bonuses. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

### **(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) Dividends**

Provision is made for the amount of any dividend declared, being appropriately authorised 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.

### **(w) 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.

## Notes to the Standalone Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

### (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.

### (x) Business Combination:

Business combinations involving entities that are controlled by the Company are accounted for using the pooling of interest method as follows:

- The assets and liabilities of the combining entities are reflected at their carrying amounts.
- No adjustments are made to reflect fair values or recognise any new assets or liabilities. Adjustments are only made to harmonise accounting policies.
- The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, where the business combination had occurred after that date, the prior period information is restated only from that date.
- The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against general reserve.
- The identity of the reserves is preserved and the reserves of the transferor become the reserves of the transferee.
- The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.

### (y) Rounding of amounts:

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

### Notes to the Standalone Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Leasehold Improvements	Furniture & Fixtures	Vehicles (refer note 1 below)	Office Equipment	Electrical Equipments	Computers	Building	Total
<b>Opening gross carrying amount as on April 1, 2020</b>								
Additions	408.49	276.98	141.85	143.37	15.66	786.09	-	1,772.44
Disposals	-	3.55	76.38	124	-	136.77	1,040.68	1,258.62
<b>Gross carrying amount as on March 31, 2021</b>	<b>330.66</b>	<b>260.19</b>	<b>163.47</b>	<b>121.31</b>	<b>15.66</b>	<b>893.77</b>	<b>1,040.68</b>	<b>2,825.74</b>
Accumulated depreciation	276.21	104.17	75.55	62.94	8.34	549.87	-	1,077.08
Charge for the year	69.27	30.52	22.35	27.09	1.71	134.57	11.09	296.60
Disposals	(68.80)	(6.51)	(51.28)	(20.57)	-	(28.49)	-	(85.65)
<b>Closing accumulated depreciation as at March 31, 2021</b>	<b>276.68</b>	<b>118.18</b>	<b>46.62</b>	<b>69.46</b>	<b>10.05</b>	<b>655.95</b>	<b>11.09</b>	<b>1,188.03</b>
<b>Net carrying amount as on March 31, 2021</b>	<b>53.98</b>	<b>142.01</b>	<b>116.85</b>	<b>51.85</b>	<b>5.61</b>	<b>237.82</b>	<b>1,029.59</b>	<b>1,637.71</b>
Particulars	Leasehold Improvements	Furniture & Fixtures	Vehicles (refer note 1 below)	Office Equipment	Electrical Equipments	Computers	Building	Total
<b>Opening gross carrying amount as on April 1, 2021</b>								
Additions	330.66	260.19	163.47	121.31	15.66	893.77	1,040.68	2,825.74
Disposals	849	22.06	-	30.40	5.97	427.90	9.16	503.98
<b>Gross carrying amount as on March 31, 2022</b>	<b>339.12</b>	<b>271.48</b>	<b>132.35</b>	<b>21.21</b>	<b>1,199.85</b>	<b>1,049.84</b>	<b>3,177.32</b>	<b>(152.40)</b>
Accumulated depreciation	276.68	118.18	46.62	69.46	10.05	655.95	11.09	1,188.03
Charge for the year	44.53	24.16	20.43	19.62	1.22	151.67	22.13	283.76
Disposals	(0.03)	(2.36)	-	(13.63)	(0.19)	(120.72)	-	(136.93)
<b>Closing accumulated depreciation as at March 31, 2022</b>	<b>321.18</b>	<b>139.98</b>	<b>67.05</b>	<b>75.45</b>	<b>11.08</b>	<b>686.90</b>	<b>33.22</b>	<b>1,334.86</b>
<b>Net carrying amount as on March 31, 2022</b>	<b>17.94</b>	<b>131.50</b>	<b>96.42</b>	<b>56.90</b>	<b>10.13</b>	<b>512.95</b>	<b>1,016.62</b>	<b>1,842.46</b>

Notes:

1 Refer note 15 for hypothecation of charge on vehicle.

2 Refer to note 29(b) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

## Notes to the Standalone Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

### 4 Intangible assets

Particulars	Computer Software	Total	Intangible assets under development
<b>Opening gross carrying amount as on April 1, 2020</b>	<b>1,160.58</b>	<b>1,160.58</b>	<b>-</b>
Additions	153.15	153.15	36.30
Disposals	(3.96)	(3.96)	-
Capitalised during the year	-	-	(28.80)
<b>Gross carrying amount as on March 31, 2021</b>	<b>1,309.77</b>	<b>1,309.77</b>	<b>7.50</b>
<b>Accumulated Amortisation</b>	<b>752.13</b>	<b>752.13</b>	<b>-</b>
Amortisation charge for the year	173.73	173.73	-
Disposals	(3.96)	(3.96)	-
<b>Closing accumulated amortisation as at March 31, 2021</b>	<b>921.90</b>	<b>921.90</b>	<b>-</b>
<b>Net carrying value as on March 31, 2021</b>	<b>387.87</b>	<b>387.87</b>	<b>7.50</b>

Particulars	Computer Software	Total	Intangible assets under development
<b>Opening gross carrying amount as on April 1, 2021</b>	<b>1,309.77</b>	<b>1,309.77</b>	<b>7.50</b>
Additions	49.38	49.38	-
Disposals	(45.98)	(45.98)	-
Capitalised during the year	-	-	(7.50)
<b>Gross carrying amount as on March 31, 2022</b>	<b>1,313.17</b>	<b>1,313.17</b>	<b>-</b>
<b>Accumulated Amortisation</b>	<b>921.90</b>	<b>921.90</b>	<b>-</b>
Amortisation charge for the year	157.48	157.48	-
Disposals	(30.28)	(30.28)	-
<b>Closing accumulated amortisation as at March 31, 2022</b>	<b>1,049.10</b>	<b>1,049.10</b>	<b>-</b>
<b>Net carrying value as on March 31, 2022</b>	<b>264.07</b>	<b>264.07</b>	<b>-</b>

#### Notes:

- 1 Intangible assets under development mainly comprises of software under the process of implementation. As a part of process, management records the amount yet to be capitalised in Intangible assets under development.

## Notes to the Standalone Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

### 5(a) Investment - Non-current

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Investment in equity instruments of subsidiaries</b>		
Unquoted		
Investment in Onward Technologies, Inc.		
114,000 (March 31, 2021 : 114,000) equity shares of US\$ 20 per share	951.70	951.70
Equity Contribution in the nature of employee stock option issued to the employees of subsidiary	96.83	96.83
	1,048.53	1,048.53
Investment in Onward Technologies, GmbH		
Investment in Onward Technologies, GmbH	215.99	215.99
Equity Contribution in the nature of employee stock option issued to the employees of subsidiary	3.69	3.69
Less: Provision for Impairment ( Refer Note a below)	(54.00)	(54.00)
	165.68	165.68
Investment in Onward Properties Private Limited		
5,000 (March 31, 2021 : 5,000) equity shares of ₹ 100 per share	106.93	106.93
Less:- Write off of investment ( Refer Note b below)	(106.93)	(106.93)
	-	-
Investment in Onward Technologies B.V.	87.81	-
100,000 (March 31, 2021 : Nil) equity shares of Euro 1 per share		
Investment in Onward Technologies Canada Inc.	180.11	-
300,000 (March 31, 2021 : Nil) equity shares of CAD 1 per share		
Investment in OT Park Limited (formerly known as NV Pune Technology Park Private Limited)	1,719.62	-
2,53,750 (March 31, 2021 : Nil) equity shares of ₹ 10 per share		
27,000 (March 31, 2021 : Nil) 7.50% redeemable preference shares of ₹ 10 per share		
<b>Total (equity instruments)</b>	<b>3,201.75</b>	<b>1,214.21</b>

### 5(b) Investment - Current

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Investment in mutual funds (Unquoted)</b>		
Investment in mutual funds		
HDFC Liquid fund - DP - Growth Option Nil units (March 31, 2021 : 123.99 units)	-	5.00
HDFC Overnight fund - DP - Growth Option Nil units (March 31, 2021 : 164.01 units)	-	5.00
	-	10.00

## Notes to the Standalone Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Total current investments</b>	-	10.00
Aggregate amount of unquoted investments	-	10.00
Aggregate amount of impairment in the value of investments	-	-
<b>Total non-current investments</b>	<b>3,201.75</b>	<b>1,214.21</b>
Aggregate amount of quoted investments	-	-
Aggregate amount of unquoted investments	3,255.75	1,375.14
Aggregate amount of impairment in the value of investments	54.00	160.93

### (a) Investment in Onward Technologies, GmbH

The subsidiary has accumulated losses and negative net worth as on balance sheet. Amount of value in use based on future cash flow projections was lower than the value of investment and impairment loss recognised in the earlier years has been continued.

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

- a) Terminal growth rate - 1% (March 31, 2021: 2%)
- b) Sales Growth rate - 8% to 20% (March 31, 2021: 5% to 6%)
- c) EBITDA to Sales % - (1%) to 3% ((March 31, 2021: (1%) to 3%)
- d) Discount rate - 6.86% (March 31, 2021: 8.04%)

The range given does not cover the projections of revenue for the year 2022-23, which is approximately 50%.

### (b) Investment in Onward Properties Private Limited

The company had recognised provision for impairment of the subsidiary amounting to ₹ 106.93 Lakhs in March 2020.

Considering that the strike off order has been received for wholly owned subsidiary in the current year, this investment has been written off against the provision created.

## 6 Others financial assets - non-current

Particulars	As at March 31, 2022	As at March 31, 2021
Balances held as security against bank borrowings	58.56	51.26
Security deposits	238.00	226.90
<b>Total</b>	<b>296.56</b>	<b>278.16</b>

## 7 Other non-current assets

Particulars	As at March 31, 2022	As at March 31, 2021
Prepaid expenses	108.93	2.58
<b>Total</b>	<b>108.93</b>	<b>2.58</b>

## Notes to the Standalone Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

### 8 Trade receivables

Particulars	As at March 31, 2022	As at March 31, 2021
Trade Receivables	4,115.88	2,542.05
Receivables from related parties (Refer Note 30)	523.42	333.03
<b>Subtotal</b>	<b>4,639.30</b>	<b>2,875.08</b>
Less: Allowance for doubtful debts	-	(41.29)
<b>Total</b>	<b>4,639.30</b>	<b>2,833.79</b>

#### Break-up of security details

Particulars	As at March 31, 2022	As at March 31, 2021
Trade receivable considered good - Secured	-	-
Trade receivable considered good - Unsecured	4,639.30	2,875.08
Trade receivable which have significant increase in credit risk	-	-
Trade receivable - credit impaired	-	-
Less: Allowance for doubtful debts	-	(41.29)
<b>Total</b>	<b>4,639.30</b>	<b>2,833.79</b>

#### Ageing of trade receivables as at March 31, 2022:

Particulars	Not due	Outstanding for following periods from due date					Total
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables							
- Considered good and Doubtful	3,786.51	845.16	7.52	0.11	-	-	4,639.30
- Significant increase in credit risk	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-
Disputed trade receivables							
- Considered good and Doubtful	-	-	-	-	-	-	-
- Significant increase in credit risk	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-

## Notes to the Standalone Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

### Ageing of trade receivables as at March 31, 2021:

Particulars	Not due	Outstanding for following periods from due date					Total
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables							
- Considered good and Doubtful	2,145.61	693.83	30.28	5.36	-	-	2,875.08
- Significant increase in credit risk	-	-	-	-	-	-	-
- Credit impaired	-	(5.65)	(30.28)	(5.36)	-	-	(41.29)
Disputed trade receivables							
- Considered good and Doubtful	-	-	-	-	-	-	-
- Significant increase in credit risk	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-

### 9(a) Cash and cash equivalents

Particulars	As at March 31, 2022		As at March 31, 2021
	0.61		0.60
<b>Cash in hand</b>			
Balances with banks			
In current accounts	2,933.74		1,187.84
Deposits with maturity less than three months	1,011.97		-
<b>Total</b>	<b>3,946.32</b>		<b>1,188.44</b>

### 9(b) Other Bank balances

Particulars	As at March 31, 2022		As at March 31, 2021
	50.67		85.79
<b>In earmarked accounts</b>			
Balances held as security against bank borrowings	50.67		85.79
Deposits with maturity more than three months, but less than twelve months	1,012.90		-
Earmarked balances with banks*	16.89		12.49
<b>Total</b>	<b>1,080.46</b>		<b>98.28</b>

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

### 10 Contract Assets

Particulars	As at March 31, 2022		As at March 31, 2021
	1,456.95		1,187.42
Contract Asset relating to Mechanical Engineering Design and IT consulting contracts			
- Unbilled Revenue	1,456.95		1,187.42
- Cost incurred to fulfil the contract	-		78.32
<b>Total</b>	<b>1,456.95</b>		<b>1,265.74</b>

## Notes to the Standalone Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

### Contract assets - Unbilled revenue

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Opening unbilled revenue	1,187.42	-
Changes on account of		
Invoices raised during the year	(1,187.42)	-
Work performed, invoices yet to be raised	1,456.95	1,187.42
<b>Total</b>	<b>1,456.95</b>	<b>1,187.42</b>

### 11 Others financial assets - current

Particulars	As at March 31, 2022	As at March 31, 2021
Derivative financial instrument		
- Foreign exchange forward contracts	39.89	9.68
Receivable from related party for employee stock options (Refer note 30)	14.19	9.73
Security deposits	22.41	-
<b>Total</b>	<b>76.49</b>	<b>19.41</b>

### 12 Other current assets

Particulars	As at March 31, 2022	As at March 31, 2021
Prepaid expenses	406.77	275.96
Interest receivable on income-tax refund	18.73	-
Export Incentives Receivable	132.63	206.33
Research and Development expenditure credit receivable	89.23	95.84
Others*	193.57	23.81
<b>Total</b>	<b>840.93</b>	<b>601.94</b>

\*Others include advances paid to suppliers and employees.

## Notes to the Standalone Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

### 13(a) Deferred tax assets (net)

The balance of deferred tax comprises temporary differences attributable to:

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Deferred tax assets</b>		
Defined benefit obligations	112.94	149.10
Allowance for Doubtful debts	-	10.87
Disallowance u/s 43B	8.08	8.94
Lease Liabilities	28.91	28.74
Property, plant and equipment and intangible assets	34.31	35.44
Share issue expenses	42.00	-
Others	2.26	7.50
	<b>228.49</b>	<b>240.60</b>
<b>Deferred tax liability</b>		
Fair value gain on Foreign exchange Forward contracts	10.04	-
Others	4.71	2.44
Fair value gain on Preference Shares	14.75	2.44
<b>Net deferred tax asset</b>	<b>213.73</b>	<b>238.17</b>

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

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Defined benefit obligations	(52.59)	56.97
Allowance for Doubtful debts	(10.87)	5.30
Disallowance u/s 43B	(0.86)	(11.52)
Lease Liabilities	0.17	6.62
Property, plant and equipment and intangible assets	(1.13)	10.44
Tax Losses	-	(94.32)
Share issue expenses	(10.50)	-
MAT Credit Entitlement	-	(34.82)
Fair value gain on Preference Shares	-	22.20
Fair value gain on Foreign exchange Forward contracts	(10.04)	(2.45)
Interest on income tax refund	(2.27)	4.55
Others	(5.24)	3.67
<b>Total</b>	<b>(93.35)</b>	<b>(33.34)</b>

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

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Share issue expenses	52.50	-

## Notes to the Standalone Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

### 13(b) Taxation

#### Income tax assets/(Income tax liabilities)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Balance	1,106.80	1,932.23
Less : Current tax payable for the year	(275.85)	(370.78)
Add/ (Less) : (Refund Received)/ Taxes paid	932.77	(454.65)
<b>Closing balance</b>	<b>1,763.72</b>	<b>1,106.80</b>

#### Income Tax Expenses

Profit and Loss section	Year ended March 31, 2022	Year ended March 31, 2021
<b>Current income tax charge</b>		
Current income tax		
- Current tax on profit for the current year	223.21	476.85
- Adjustments for current tax of prior periods	52.64	(106.07)
Deferred tax	93.35	33.34
<b>Income tax expense reported in the statement of profit or loss</b>	<b>369.20</b>	<b>404.12</b>

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Deferred tax related to items recognised in Other comprehensive income during the year	16.43	(3.62)
<b>Income tax charged to OCI</b>	<b>16.43</b>	<b>(3.62)</b>

#### Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate for March 31, 2022 and March 31, 2021

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Accounting profit before tax	1,301.68	1,670.83
At Statutory income tax rate of 25.17% (March 31, 2021 : 25.17%)	327.61	420.51
Adjustments in respect of current income tax of previous years	52.64	(18.71)
Pursuant to merger of Onward eServices Limited	-	(32.65)
Tax Effects of amounts which are not deductible (taxable) in calculating taxable income	7.84	1.28
Tax effect of Income chargeable at lower tax rate	-	(17.15)
Tax effect of Change in tax rate	-	17.37
Write off MAT Credit entitlement as not usable in future	-	34.82
Others	(18.89)	(1.35)
<b>Total</b>	<b>369.20</b>	<b>404.12</b>
<b>Income tax expense reported in the statement of profit or loss</b>	<b>369.20</b>	<b>404.12</b>

## Notes to the Standalone Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

### 14(a) Equity share capital

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Authorised share capital:</b>		
33,620,000 (March 31, 2021 : 33,620,000) Equity shares of ₹ 10 each	3,362.00	3,362.00
10,000,000 (March 31, 2021 : 10,000,000) Preference shares of ₹ 10 each	1,000.00	1,000.00
1,000,000 (March 31, 2021 : 1,000,000) unclassified shares of ₹ 10 each	100.00	100.00
<b>Total</b>	<b>4,462.00</b>	<b>4,462.00</b>
<b>Issued, subscribed and paid up :</b>		
22,020,870 (March 31, 2021 : 16,338,770) Equity Shares of ₹ 10 each	2,202.09	1,633.88
<b>Total</b>	<b>2,202.09</b>	<b>1,633.88</b>

#### (i) Reconciliation of number of equity shares issued

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>Issued, subscribed and paid up</b>		
Shares outstanding at the beginning of the year (Nos.)	16,338,770	16,042,570
Shares issued during the year(Nos.)	5,682,100	296,200
<b>Shares outstanding at the end of the year</b>	<b>22,020,870</b>	<b>16,338,770</b>

#### (ii) Reconciliation of issued equity share capital

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>Issued, subscribed and paid up</b>		
Share capital outstanding at the beginning of the year	1,633.88	1,604.26
Shares issued during the year	568.21	29.62
<b>Shares outstanding at the end of the year</b>	<b>2,202.09</b>	<b>1,633.88</b>

#### (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 ₹ 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.

723,600 (March 31, 2021 : 853,900) equity shares are outstanding under ESOP 2009 and ESOP 2019 scheme as at balance sheet date; each share being fully paid equity share of ₹ 10 each. Refer note 36 for further details of the ESOP scheme.

#### (iv) Shares held by holding Company

Particulars	As at March 31, 2022	As at March 31, 2021
Onward Network Technologies Private Limited (Nos.)	8,388,983	8,388,983

## Notes to the Standalone Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

## (v) i) Details of shareholding of promoters as on March 31, 2022

Name of Promoters	Number of shares	Percentage of total number of shares	Percentage of change during the year
Harish Shantilal Mehta	2,16,528	0.98%	-25.80%
Jigar Harish Mehta	5,76,299	2.62%	-25.80%

## (v) ii) Details of shareholding of promoters as on March 31, 2021

Name of Promoters	Number of shares	Percentage of total number of shares	Percentage of change during the year
Harish Shantilal Mehta	2,16,528	1.33%	-1.81%
Jigar Harish Mehta	5,76,299	3.53%	-1.81%

### 14(b) Other equity

Particulars	As at March 31, 2022	As at March 31, 2021
Reserves and Surplus		
Securities premium account		
Opening Balance	1,904.34	1,704.24
Add: Additions on account of exercise of options under Employee Stock Option Plan	192.14	200.10
Add: Additions on account of issue of subscription shares pursuant to share warrants	6,480.00	-
Less: Share Warrants issue expenses	(208.60)	-
Closing Balance	<b>8,367.88</b>	<b>1,904.34</b>
Share option outstanding account		
Opening Balance	263.37	326.77
Less: Employee stock options exercised	(164.42)	(200.10)
Less: Transfer on account for lapsed and forfeited option	-	(16.52)
Add: Employee stock option expenses	170.38	153.22
Closing Balance	<b>269.33</b>	<b>263.37</b>
Share Application Money pending allotment		
Opening Balance	2.40	5.74
Less: Shares allotted against the share application money received	(39.22)	(33.79)
Add: Shares application money received for allotment of shares	42.60	30.45
Closing Balance	5.78	2.40
Money received against Share Warrants		
Opening Balance	-	-
Add: Additions during the year	7,020.00	-
Shares allotted against Share Warrants	(7,020.00)	-
Closing Balance	-	-

## Notes to the Standalone Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
Retained earnings		
Opening balance	3,560.67	2,509.86
Net profit for the year	932.48	1,266.71
	<b>4,493.15</b>	<b>3,776.57</b>
Add: Transfer on account for lapsed and forfeited option	-	16.52
Add: Deferred tax on warrant issue expenses	52.50	-
Less: Dividend paid (Refer Note 35)	(524.78)	(243.21)
Items of other comprehensive income recognised directly in retained earnings		
Re-measurements of post-employment benefit obligations (net of tax)	(48.85)	10.79
Closing balance	3,972.02	3,560.67
<b>Total</b>	<b>12,615.01</b>	<b>5,730.78</b>

### Nature and purpose of reserves

#### Securities premium account

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

#### Share option outstanding account

The share option outstanding account is used to record the fair value of options as on grant date issued to employees under the Employee stock option scheme. The amounts recorded in share options outstanding account are transferred to share capital and share premium upon exercise of stock options by employees.

#### Share Application Money pending allotment

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

#### Retained earnings

Retained earnings comprise of the Company's undistributed earnings after taxes, kept aside to meet future (known or unknown) obligations.

#### Money received against Share Warrants

The money received against share warrants is on account of following transaction:

The Company had entered into an agreement on May 27, 2021 to make preferential allotment to Infinity Direct Holdings (the "investor"). As per the agreement, the Company, during the quarter ended June 30, 2021, had issued 1,100,000 equity shares each fully paid-up at a price of ₹ 130 (inclusive of face value of ₹ 10 each) per share for cash and 4,300,000 share warrants, each warrant convertible into one equity share of the Company, at a price per warrant of ₹ 130 (inclusive of face value of ₹ 10 each), convertible within 18 months from the date of allotment of such warrants. The Company received an approval from the shareholders in extra ordinary general meeting for such preferential allotment. During the quarter ended December 31, 2021, the Company had converted 4,300,000 share warrants into one equity share against each warrant. All the incidental expenses net of tax related to this preferential allotment amounting to ₹ 156.10 Lakhs had been adjusted against other equity.

## Notes to the Standalone Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

### 15 Non-current borrowings

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Secured</b>		
<b>Term Loans from financial institutions</b>		
Vehicle Loans	60.04	69.29
Total Non-Current Borrowings	60.04	69.29
Less : Current maturities of long term borrowings (Refer Note 16)	9.65	8.89
<b>Total</b>	<b>50.39</b>	<b>60.40</b>

#### (i) Terms of repayment and security details for non-current borrowings

Particulars	Maturity Date	Terms of repayment	Coupon/ Interest rate
<b>Secured</b>			
Term Loans from financial institutions			
Vehicle Loans	Repayable in 48 instalments beginning from March 4, 2021.	Monthly Instalments	8.21%
The borrowing is hypothecated against the car			

### 16 Current borrowings

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Secured</b>		
Current maturities of long term borrowings	9.65	8.89
<b>Total</b>	<b>9.65</b>	<b>8.89</b>

#### Notes:

- i) Terms of repayment and security details for borrowings availed by the company as at March 31, 2022:

Particulars	Terms of repayment	Coupon/ Interest rate
Loans repayable on demand		
<b>Secured</b>		
From Banks		
Overdraft (Refer note below)		
HSBC Bank	Payable on Demand	T-Bill+5.05%
ICICI Bank	Payable on Demand	MCLR 6M+0.3%

## Notes to the Standalone Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

### Security details for Overdraft facility availed

Secured by the Term deposits amounting to ₹ 104.73 Lakhs with Bank as on March 31, 2022 and has exclusive charge on all present and future Current assets including Stocks and Book debts.

Above facility is secured against overall charge on current assets and margin money deposit with the bank in the form of fixed deposit

The Company has not utilised facility amount as at year ended March 31, 2022.

The Company has registered all charges or satisfaction with Registrar of Companies within statutory period.

The Company has obtained overdraft facility from banks and on the basis of security of current assets. However, the facility was not utilised during the year. The quarterly returns or statements of current assets filed by the Company with banks are not materially misstated with the books of accounts due to exclusion of intercompany balances, the period end closing entries and timing differences. Below are the details:

Quarter ended	Particulars of securities provided	Amount as per books of account		Amount as reported in the quarterly statement		Amount of difference	
		Revenue (for the YTD)	Trade Receivables	Revenue	Trade Receivables (w/o related party)	Revenue	Trade Receivables
Jun-21	Current Assets	5,157.19	6,329.20	5,158.71	2,840.74	(1.52)	3,488.46
Sep-21	Current Assets	10,829.78	4,390.59	10,829.80	3,218.55	(0.02)	1,172.04
Dec-21	Current Assets	16,872.48	4,702.23	16,785.56	3,213.55	86.92	1,488.68
Mar-22	Current Assets	23,194.12	4,611.65	23,439.50	4,115.88	(245.38)	495.77

### Net debt reconciliation

An analysis of net debt and the movements in net debt for March 31, 2022

Particulars	As at March 31, 2022		As at March 31, 2021	
Cash and cash equivalents	3,946.32		1,188.44	
Other Bank Balances (excluding earmarked balances with banks)	1,122.13		137.05	
Current and Non-current borrowings	(60.04)		(69.29)	
Lease Liabilities	(1,775.84)		(924.70)	
<b>Net Cash/(Debt)</b>	<b>3,232.57</b>		<b>331.50</b>	

Particulars	Other assets		Liabilities from financing activities	
	Cash and Cash Equivalents	Other Bank Balance	Borrowings	Lease Obligation
<b>Net debt as on March 31, 2020</b>	<b>750.21</b>	<b>412.60</b>	<b>(686.27)</b>	<b>(1,519.50)</b>
Additions to lease liabilities	-	-	-	(29.19)
Termination of lease arrangements	-	-	-	208.58
Cash flows	438.23	(275.55)	616.98	415.41
Interest Expenses	-	-	(95.11)	(112.83)
Interest paid	-	-	95.11	112.83
<b>Net debt as on March 31, 2021</b>	<b>1,188.44</b>	<b>137.05</b>	<b>(69.29)</b>	<b>(924.70)</b>

## Notes to the Standalone Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Other assets		Liabilities from financing activities	
	Cash and Cash Equivalents	Other Bank Balance	Borrowings	Lease Obligation
Additions to lease liabilities	-	-	-	(1,304.25)
Cash flows	2,757.88	985.08	9.25	453.11
Interest Expenses	-	-	(7.63)	(93.61)
Interest paid	-	-	7.63	93.61
<b>Net debt as on March 31, 2022</b>	<b>3,946.32</b>	<b>1,122.13</b>	<b>(60.04)</b>	<b>(1,775.84)</b>

### 17 Trade payables

Particulars	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of micro enterprises and small enterprises	102.65	27.96
Total outstanding dues of creditors other than micro enterprises and small enterprises		
(i) Related Parties (Refer Note 30)	100.07	112.50
(ii) Others	769.43	638.13
<b>Total</b>	<b>972.15</b>	<b>778.59</b>

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Principal amount due to micro and small suppliers registered under the MSMED Act and remaining unpaid as at year end	96.67	23.69
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	5.98	4.27
Principal amounts paid to micro and small suppliers registered under the MSMED Act, beyond the appointed day during the year	350.01	180.10
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	1.71	1.56
Further interest remaining due and payable for earlier years	4.27	2.71

#### Note:

The above information is based on the information available with the Company about the registrations of the vendors as micro or small enterprises under the MSMED Act, 2006.

## Notes to the Standalone Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

### Ageing of trade payables as at March 31, 2022:

Particulars	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade payables						
- MSME	36.10	66.55	-	-	-	102.65
- Others	628.58	228.95	6.09	5.89	-	869.51
Disputed trade payables						
- MSME	-	-	-	-	-	-
- Others	-	-	-	-	-	-

### Ageing of trade payables as at March 31, 2021:

Particulars	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade payables						
- MSME	27.76	0.20	-	-	-	27.96
- Others	616.64	118.18	0.13	15.68	-	750.63
Disputed trade payables						
- MSME	-	-	-	-	-	-
- Others	-	-	-	-	-	-

### 18 Other financial liabilities - current

Particulars	As at March 31, 2022	As at March 31, 2021
Capital creditors	175.56	105.49
Unpaid Dividend	16.89	12.49
Employee benefit payables	1,583.26	1,125.48
<b>Total</b>	<b>1,775.71</b>	<b>1,243.46</b>

### 19(a) Non-current provisions

Particulars	As at March 31, 2022	As at March 31, 2021
Employee related provisions		
- Provision for Gratuity	204.78	335.93
- Provision for compensated absences	135.99	125.22
<b>Total</b>	<b>340.77</b>	<b>461.15</b>

### 19(b) Current provisions

Particulars	As at March 31, 2022	As at March 31, 2021
Employee related provisions		
- Provision for Gratuity	28.09	38.04
- Provision for compensated absences	79.88	56.34
Other provisions		
- Provision for Onerous contract (refer note (D) below)	-	17.89
<b>Total</b>	<b>107.97</b>	<b>112.27</b>

## Notes to the Standalone Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

### A Defined contribution plan

#### (i) Provident fund

The Company has defined contribution plan. Contributions are made to provident fund for employees at the rate specified by regulatory authorities from time to time. 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 ₹ 844.63 Lakhs (March 31, 2021 - ₹ 514.50 Lakhs).

- (ii) The expense recognised during the period towards defined contribution plan of Employee State Insurance Corporation, social security and Labour welfare fund is ₹ 22.27 Lakhs (March 31, 2021 - ₹ 37.89 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.

- 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
<b>April 1, 2020</b>	374.64	(27.60)	347.04
Current service cost	71.35	-	71.35
Past service cost	-	-	-
Mortality Charges	-	-	-
Interest expense/(income)	23.95	(1.76)	22.19
<b>Total amount recognised in Profit or Loss</b>	<b>95.30</b>	<b>(1.76)</b>	<b>93.54</b>
Return on plan assets	-	4.00	4.00
(Gain)/loss from experience change	(37.98)	-	(37.98)
(Gain)/loss from demographic change	(10.33)	-	(10.33)
(Gain)/loss from change in financial assumption	29.90	-	29.90
<b>Total amount recognised in Other Comprehensive Income</b>	<b>(18.41)</b>	<b>4.00</b>	<b>(14.41)</b>
Employer contributions	-	(45.88)	(45.88)
Benefits paid	(60.07)	53.75	(6.32)
<b>March 31, 2021</b>	<b>391.46</b>	<b>(17.49)</b>	<b>373.97</b>

## Notes to the Standalone Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
<b>April 1, 2021</b>	391.46	(17.49)	373.97
Current service cost	85.75	-	85.75
Past service cost	-	-	-
Mortality Charges	-	-	-
Interest expense/(income)	24.64	(1.10)	23.54
<b>Total amount recognised in Profit or Loss</b>	<b>110.39</b>	<b>(1.10)</b>	<b>109.29</b>
Return on plan assets	-	10.27	10.27
(Gain)/loss from experience change	50.59	-	50.59
(Gain)/loss from demographic change	-	-	-
(Gain)/loss from change in financial assumption	4.42	-	4.42
<b>Total amount recognised in Other Comprehensive Income</b>	<b>55.01</b>	<b>10.27</b>	<b>65.28</b>
Employer contributions	-	(230.00)	(230.00)
Benefits paid	(117.37)	31.71	(85.66)
<b>March 31, 2022</b>	<b>439.49</b>	<b>(206.61)</b>	<b>232.88</b>

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

Particulars	As at March 31, 2022	As at March 31, 2021
Present value of funded obligation	439.49	391.46
Fair value of plan assets	(206.61)	(17.49)
<b>Deficit</b>	<b>232.88</b>	<b>373.97</b>

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

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

### III Significant estimates

The significant actuarial assumptions were as follows :

Particulars	As at March 31, 2022	As at March 31, 2021
Discount rate	6.20%	6.30%
Salary growth rate for First year	5.00%	5.00%
Thereafter	5.00%	5.00%
Expected return on plan assets	-	-
Withdrawal rate		
Service greater than 4 years	5.00%	5.00%
Service less than 4 years	40.00%	40.00%
Expected average remaining working lives of employees (in years)	5.18	7.02

## Notes to the Standalone Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

### IV Sensitivity of actuarial assumptions

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

Particulars	Impact on defined benefit obligation	
	As at March 31, 2022	As at March 31, 2021
<b>Discount rate</b>		
1% increase	(41.27)	(37.30)
1% decrease	48.23	44.04
<b>Salary growth rate</b>		
1% increase	46.93	43.01
1% decrease	(41.19)	(37.00)
<b>Withdrawal rate</b>		
1% increase	(1.96)	(2.55)
1% decrease	1.47	3.17

The above sensitivity analysis are based on a change in an assumption while holding all the other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

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

Particulars	As at March 31, 2022		As at March 31, 2021
Less than a year	28.09		38.04
Between 2 to 5 years	128.91		101.32
Between 6 to 10 years	166.54		147.94
More than 10 years	605.10		580.99
<b>Total</b>	<b>928.64</b>		<b>868.29</b>

The weighted duration of the defined benefit obligation is 10 years. (March 31, 2021 : 11 years)

The Company expects to contribute ₹ 335.99 Lakhs (March 31, 2021 ₹ 120.00 Lakhs) during the next year towards planned assets.

### VI The major categories of plan assets are as follows:

Particulars	As at March 31, 2022		As at March 31, 2021
Funds managed by insurer	100%		100%

## Notes to the Standalone Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

### VII Risk Exposure

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the Company is exposed to various risks in providing the above gratuity benefit which are as follows:

**Interest Rate risk:** The plan exposes the Group to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

**Liquidity Risk:** This is the risk that the Group is not able to meet the short-term gratuity payouts. This may arise due to non availability of enough cash / cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

**Salary Escalation Risk:** The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's ability.

**Demographic Risk:** The Group has used certain mortality and attrition assumptions in valuation of the liability. The Group is exposed to the risk of actual experience turning out to be worse compared to the assumption.

**Regulatory Risk:** Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts (e.g. Increase in the maximum limit on gratuity of ₹ 20,00,000). Note: The above is a standard list of risk exposures in providing the gratuity benefit. The Group is advised to carefully examine the above list and make suitable amendments (including adding more risks, if relevant) to the same before disclosing the above in its financial statements.

### C Leave Encashment

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

Particulars	As at March 31, 2022	As at March 31, 2021
Current leave obligations expected to be settled within the next 12 months	79.88	56.34

### D Code on Social Security

The Code on Social Security, 2020 ('Code'), pertaining to employee benefits during employment and post-employment, received Presidential assent in September 2020. The ministry of Labour and employment has released draft rules for the code on Social security, 2020 on November 13, 2020. The new code may impact the existing employee benefit obligations of the Company. The Group will assess the impact and recognise it in its financial statements in the period in which the Code becomes effective and the related rules are notified.

## Notes to the Standalone Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

### E Provision for Onerous contract

This provision for onerous contract is recognized when the expected benefits to be derived by the Company from a revenue contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract.

Particulars	Movement during the year
<b>As at April 1, 2021</b>	17.89
Charged to profit or loss	
- additional provisions recognised	-
Amounts used during the year	17.89
<b>As at March 31, 2022</b>	-

### 20(a)Contract liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Advance from customers		
- From related party (Refer note 30)	900.09	-
- From Others	-	-
Deferred Revenue	131.95	283.17
<b>Total</b>	<b>1,032.04</b>	<b>283.17</b>

#### Movement in contract liabilities

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2021
Opening balance	283.17	-
Changes on account of:		
Consideration received from customer - work yet to be performed	900.09	-
Revenue recognised in the year that was included in advance from customers	(283.17)	-
Invoicing done but revenue to be recognised	131.95	283.17
<b>Total</b>	<b>1,032.04</b>	<b>283.17</b>

### 20(b)Other current liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Statutory dues payable	555.19	482.54
<b>Total</b>	<b>555.19</b>	<b>482.54</b>

## Notes to the Standalone Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

### 21 Revenue from operations

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>Revenue from Contract with Customers</b>		
<b>Sale of services</b>		
- Professional and consultancy services	23,433.11	17,024.49
<b>Sale of products</b>		
- Software products	6.39	242.23
<b>Revenue from Operations</b>	<b>23,439.50</b>	<b>17,266.72</b>

#### a) Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers by geographical region type. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

Revenue from customers	Year Ended March 31, 2022	Year Ended March 31, 2021
India	16,652.54	12,820.45
Outside India	6,786.96	4,446.27
<b>Total</b>	<b>23,439.50</b>	<b>17,266.72</b>

#### b) Reconciliation of revenue recognised with contract price

Particulars	March 31, 2022	March 31, 2021
Contract Price	23,439.50	17,266.72
Adjustment for:- Expected Sales reversal	-	-
<b>Revenue from continuing operations</b>	<b>23,439.50</b>	<b>17,266.72</b>

#### c) Aggregate amount of transaction price allocated to contract that are partially unsatisfied as at reporting date

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Aggregate amount of transaction price allocated to contract that are unsatisfied as at reporting date	66.73	1,302.51

#### Note:

Management expects that entire transaction price allocated to the unsatisfied contracts as of March 31, 2022, will be recognised as revenue during the next reporting period. All other contracts are for period of one year or less or are billed based on time incurred. As permitted under Ind AS 115, the transaction price allocated to these unsatisfied contracts is not disclosed.

## Notes to the Standalone Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

**22 Other income**

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Interest income from financial assets carried at amortised cost		
- Interest on bank deposits	31.62	41.58
- Interest income on security deposits	15.27	22.76
Interest on income tax refunds	12.00	89.34
Dividend income (Refer note 30)	-	222.90
Net profit on disposal of property, plant and equipment	-	11.73
Net gains on foreign currency transactions and translations	47.85	41.45
Profit on sale of mutual funds	46.48	-
Government grant (Refer note below)	96.55	279.57
Management fees from related parties (Refer note 30)	247.61	83.59
Recruitment fees from related parties (Refer note 30)	-	18.29
Net gain on termination of lease arrangements	-	7.66
Reversal of provision for doubtful debts	39.32	-
Miscellaneous income	23.31	27.27
<b>Total</b>	<b>560.01</b>	<b>846.14</b>

**Note:**

Based on its assessment and precedence for research and development expenditure credit available in the United Kingdom, the Company has recognised for such incentive on accrual basis for the current year to the extent of ₹ 89.23 Lakhs as it is confident that such grant will be received. The Company is in the process of filing claim with the Authorities. There are no unfulfilled conditions for such grant.

**23 Purchase of Software Licenses**

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Purchase of Software Licenses	1.07	174.29
<b>Total</b>	<b>1.07</b>	<b>174.29</b>

**24 Employee benefits expense**

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Salaries and bonus (Refer below note)	16,337.32	11,341.07
Gratuity Expenses (Refer note 19)	109.29	93.54
Contributions to provident and other funds (Refer note 19)	866.90	552.39
Social security and other benefit plans for overseas employees	103.26	77.30
Employee share based payment expense (Refer note 36)	115.09	110.11
Staff welfare expenses	84.10	15.96
<b>Total</b>	<b>17,615.96</b>	<b>12,190.37</b>

**Note:**

The Company continues to assess benefits announced by the Governments in the countries where it operates. During the year ended as on March 31, 2022, the Company has recognised benefits amounting to ₹ 13.78 Lakhs (March 31, 2021: ₹ 46.26 Lakhs) against the employee benefits expense.

## Notes to the Standalone Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

### 25 Finance costs

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Interest on borrowings	7.58	87.67
Interest on Lease Liabilities	93.61	112.83
Other borrowing cost	0.05	7.44
<b>Total</b>	<b>101.24</b>	<b>207.94</b>

### 26 Depreciation and amortization expense

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Depreciation on property, plant and equipment	283.76	296.60
Amortisation of intangible assets	157.48	173.73
Depreciation of right-of-use Assets	479.72	458.15
<b>Total</b>	<b>920.96</b>	<b>928.48</b>

### 27 Other expenses

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Water power and fuel	143.23	143.03
Rent	79.05	29.32
Software Expenses	583.34	415.37
Director sitting fees (Refer note 30)	32.65	26.00
Allowance for doubtful debts	-	19.45
Write off of other receivables (Refer below note)	71.19	-
Bad debts written off	4.04	4.85
Communication	55.70	53.35
Net loss on disposal of property, plant and equipment	20.05	-
Rates and taxes	25.96	25.87
Insurance	72.05	48.50
Repairs and maintenance		
- Others	177.40	97.05
Travelling and conveyance	355.01	207.37
Legal and professional charges	1,708.97	1,258.93
Advertisement and sales promotion	20.11	13.17
Payment to auditors (Refer note 27(a))	37.83	25.50
Office Expenses	50.15	28.54
Marketing Fees Expenses Related Parties (Refer note 30)	410.88	327.54
CSR Expenditure (Refer note 27(b))	27.36	18.39
Miscellaneous Expenses	183.63	198.72
<b>Total</b>	<b>4,058.60</b>	<b>2,940.95</b>

The Company had recognised export incentives amounting to ₹ 203.82 Lakhs under the Service Exports from India Scheme, 2015 (SEIS Scheme) for the services exported till March 31, 2020. During the quarter ended June 30, 2021, in the view of uncertainty on account of delay in announcement by government about the specific details to claim such benefits, the Company had recognised provision against such receivable. However, such provision has been reversed in the current quarter amounting to ₹ 132.63 Lakhs to the extent of script received. The net impact on the statement of profit and loss is ₹ 71.19 Lakhs for the year.

**Notes to the Standalone Financial Statements**

(All amounts in ₹ Lakhs, unless otherwise stated)

**27(a) Payment to auditors**

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>As auditor</b>		
Statutory Audit	20.60	15.00
Limited reviews	8.00	6.00
<b>In other capacities</b>		
Fees for other services	8.75	3.90
Reimbursement of out of pocket expenses	0.48	0.60
<b>Total</b>	<b>37.83</b>	<b>25.50</b>

**27(b) Corporate Social Responsibility (CSR)**

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Amount spent during the year on various projects	27.36	18.39
Amount required to be spent as per Section 135 of Companies Act, 2013	27.36	18.39
Amount spent during the year on:		
(i) Construction of an asset	-	-
(ii) on purposes other than (i) above	27.36	18.39
Accrual towards unspent obligations in relation to:		
- Ongoing Project	-	-
- Other than ongoing Project	-	-

**Note:**

There are no ongoing CSR projects or excess/short expense to be incurred as on balance sheet date. Therefore, relevant disclosures are not given.

**28 Earnings per share (EPS)**

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>(a) Basic earnings per share</b>		
Net Profit attributable to equity shareholders of the company	932.48	1,266.71
Weighted average number of Equity Shares	18,764,878	16,233,960
<b>Basic Earnings per share</b>	<b>4.97</b>	<b>7.80</b>
<b>(b) Diluted earnings per share</b>		
Net Profit attributable to equity shareholders of the company	932.48	1,266.71
Weighted average number of Equity Shares (including potential shares) - Refer note (c) below	19,459,632	16,879,771
<b>Diluted Earnings per share</b>	<b>4.79</b>	<b>7.50</b>
<b>(c) Weighted Average number of shares used as denominator</b>		
Weighted average number of equity shares used as a denominator in calculating basic earnings per share	18,764,878	16,233,960
Adjustments for calculating diluted earnings per share :		
Options	694,755	645,948
<b>Weighted average number of equity shares and potential shares used as a denominator in calculating diluted earnings per share</b>	<b>19,459,632</b>	<b>16,879,908</b>

## Notes to the Standalone Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

### 29 Contingencies and commitments

#### a) Contingent liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Claims against the Company not acknowledged as debts		
Income-tax matters	-	861.35
<b>Total</b>	<b>-</b>	<b>861.35</b>

#### b) Capital commitments

- i) Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for is ₹ 15.34 Lakhs (March 31, 2021 : ₹ 25.63).

### 30 Related party transactions

#### a. Holding Company:

Sr. No.	Name of the entity	Place of business/ Country of Incorporation	Ownership Interest March 31, 2022	Relationship March 31, 2021
1	Onward Network Technologies Private Limited	India	38.10%	51.34% Ultimate Holding Company

#### b. Subsidiaries:

Sr. No.	Name of the entity	Place of business/ Country of Incorporation	Ownership Interest March 31, 2022	Ownership Interest March 31, 2021
1	Onward Technologies Inc.	USA	100.00%	100.00%
2	Onward Technologies GmbH	Germany	100.00%	100.00%
3	Onward Technologies Canada Inc.	Canada	100.00%	N.A.
4	Onward Technologies B.V.	Netherland	100.00%	N.A.
5	Onward Properties Private Limited*	India	N.A.	100.00%
6	OT Park Private Limited (formerly known as NV Pune Technology Park Private Limited)	India	100.00%	N.A.

\* During the current year, the Company has received strike off order of its wholly owned subsidiary, Onward Properties Private Limited.

#### c. Fellow Subsidiaries:

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

#### d. Key Management Personnel:

- 1 Mr. Harish Mehta (Executive Chairman)
- 2 Mr. Jigar Mehta (Managing Director)
- 3 Mrs. Prachi Mehta (Director)
- 4 Mr. Parish Meghani (Independent Director)

## Notes to the Standalone Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

- 5 Mr. Rahul Rathi (Independent Director)
- 6 Ms. Dimple Chauhan (Company Secretary)
- 7 Mr. Devanand Ramandasani (Chief Financial Officer) - (w.e.f. October 23, 2019)
- 8 Mr. Jay Sonawala (Independent Director) - (w.e.f July 21, 2020)
- 9 Mr. Subrata Kumar Mitra (Independent Director) - (w.e.f July 21, 2020)
- 10 Mr. Pranay Vakil (Independent Director) - (Upto July 20, 2020)
- 11 Mr. Nandkumar Pradhan (Independent Director) - (Upto July 20, 2020)
- 12 Mr. Harsha Raghavan (Additional Independent Director) - (w.e.f June 30, 2021)

### e. Other related Parties

- 1 Onward Foundation

## 30 Related party transactions

### I Related party transactions:

Nature of transaction	Holding Company	Subsidiaries	Fellow subsidiaries	Key management personnel	Other
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022
Rent paid	34.81	63.59	65.19	-	-
Reimbursement of expenses received/receivable	-	-	1.74	5.89	0.05
Reimbursement of expenses paid/payable	6.83	3.49	12.51	71.71	0.05
Reimbursement of CSR Expenses	-	-	-	-	18.39
Offshore services income	-	-	4,094.96	2,843.55	-
Investment in subsidiary	-	-	1,987.54	-	-
Income from management fees	-	-	247.61	83.59	-
Income from recruitment fees	-	-	-	18.29	-
Dividend on shares	-	-	-	222.90	-
Marketing fees	-	-	411.25	327.54	-
ESOP expenses for employees of subsidiary	-	-	54.61	43.11	-
Purchase of property, plant and equipment (Refer note 3)	-	1,031.16	-	-	-
Employee benefits	-	-	-	-	540.15
Long term employee benefits (Refer Note 1)	-	-	-	-	5.62
Post - employment benefits (Refer Note 2)	-	-	-	-	11.56
Employee share-based payments	-	-	-	-	0.48
Director sitting fees	-	-	-	-	3.79
					7.94
					32.65
					26.00

Note:

1 Amount included Reversal of provision made in previous year

2 Amount excludes payment of gratuity made during the year, provided in earlier years amounting to ₹ Nil (March 31, 2021: ₹ Nil)

3 During the previous year, the Company had acquired office premises from its holding company, Onward Network Technologies Private Limited, as per the agreement dated September 29, 2020 for an agreed consideration amounting to ₹ 1,083.65 Lakhs payable as per agreed tenure. The transaction was approved by the shareholders through postal ballot on September 27, 2020. During the previous year, the Company had settled the outstanding amount considering the present value of remaining payments. The Audit Committee and Board of Directors had approved the early payment. The amount disclosed above is net of interest expense on deferred payment and present value gain due to early payment. The interest expense is debited to profit and loss account, as a part of financing cost amounting to ₹ 11.73 Lakhs.

## Notes to the Standalone Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

## Notes to the Standalone Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

	Nature of transaction	Holding Company		Subsidiaries		Fellow subsidiaries		Key management personnel	
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	Trade Receivables	-	-	523,42	333,03	-	-	-	-
	Trade Payables	-	-	156,34	112,50	-	-	-	-
	Advance from customers	-	-	900,09	-	-	-	-	-
	Receivable for employee stock options provided	-	-	14,19	9,73	-	-	-	-
	Salary and Allowance payable	-	-	-	-	-	-	75,38	105,93
	Security Deposits Paid	-	-	11,70	-	-	-	-	-

### III Terms and conditions for outstanding balances

Transactions related to dividends and subscriptions for new equity shares were on the same terms and conditions that applied to others. Transactions related to services rendered and other transactions were made on normal commercial terms and conditions, in the normal course of business.

All outstanding balances are unsecured and payable in cash.

## Notes to the Standalone Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

### 31 Leases :

#### (i) Amounts Recognised in the balance sheet :

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Right-of-use assets</b>		
Buildings	1,705.14	829.25
<b>Lease Liabilities</b>		
Current	644.04	378.50
Non Current	1,131.80	546.20
<b>Total</b>	<b>1,775.84</b>	<b>924.70</b>

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

#### (ii) Additions to Right of use assets

Additions to the right-of-use assets during the year were ₹ 1,304.25 Lakhs (31 March 2021: ₹ 29.94 Lakhs).

#### (iii) Amounts Recognised in the Statement of Profit and Loss

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest Expenses (included in finance cost)	93.61	112.83
Expense relating to short-term and low value leases (included in other expenses)	79.05	29.32
Amortisation of right-of-use Assets	479.72	458.15
<b>Total</b>	<b>652.38</b>	<b>600.30</b>

The total cash outflow for leases for the year ended March 31, 2022 was ₹ 504.47 Lakhs (March 31, 2021 : ₹ 415.41 Lakhs)

### 32 Fair value measurements

#### Financial instruments by category

Particulars	March 31, 2022		March 31, 2021	
	FVPL	Amortised cost	FVPL	Amortised cost
Financial assets				
Trade receivables	-	4,639.30	-	2,833.79
Cash and cash equivalents	-	3,946.32	-	1,188.44
Other bank balances	-	1,080.46	-	98.28
Derivative financial assets	39.89	-	9.68	-
Contract assets	-	1,456.95	-	1,265.74
Other financial assets	-	333.16	-	287.89
Investments in mutual fund	-	-	10.00	-
Total financial assets	39.89	11,456.19	19.68	5,674.14
Financial liabilities				

## Notes to the Standalone Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	March 31, 2022		March 31, 2021	
	FVPL	Amortised cost	FVPL	Amortised cost
Borrowings	-	60.04	-	69.29
Trade payables	-	972.15	-	778.59
Capital creditors	-	175.56	-	105.49
Unpaid Dividend	-	16.89	-	12.49
Employee Benefit Payable	-	1,583.26	-	1,125.48
Total financial liabilities	-	2,807.90	-	2,091.34

**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
<b>At March 31, 2022</b>				
<b>Financial assets</b>				
Derivative financial instrument not designated as hedges				
Foreign exchange forward contracts	-	39.89	-	39.89

Level 1: hierarchy includes financial instruments measured using quoted prices.

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

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

### ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- Foreign currency forward contracts - the present value of future cash based on the forward exchange rates at the balance sheet date.
- Fair value of market linked mutual funds is determined using Net Asset Value (NAV) report issued by mutual fund house.

### iii) Valuation process

Changes in level 2 and level 3 fair values are analysed at the end of each reporting period during the quarterly valuation discussion between the finance team. As part of this discussion the team presents a report that explains the reason for the fair value movements.

## Notes to the Standalone Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

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

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

## 33 Financial risk management

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

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

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

### (A) Credit risk

#### (I) Credit risk management

The Company is exposed to credit risk from its operating activities (primarily trade receivables and contract assets) and from deposits with banks and other financial instruments. For banks and other financial institutions, only high rated banks/ financial institutions are accepted. The balances with banks, security deposits are subject to low credit risk and the risk of default is negligible or nil. Hence, no provision considered necessary for expected credit loss for credit risk arising from these financial assets. The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in the credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information, for e.g., external credit rating (to the extent available), actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to borrower's ability to meet its obligations. Refer note 39 for the assessment of impact of COVID - 19 on credit risk.

#### Trade Receivables and contract assets

The credit risk from customer receivables is recorded and monitored on an ongoing basis. Responsibilities and duties relating to credit risk assessment are governed by an internal directive. This mainly includes factors such as stipulation of payment terms, fixing of credit limits, release of deliveries, and receivables monitoring. The credit risk is considered low given the sound credit ratings and past history of timely payments being made by the customers. Customer specific events/information is considered while assessing the adequacy of provision as on balance sheet date.

#### Reconciliation of loss allowance provision

<b>Loss allowance on April 1, 2020</b>	<b>21.84</b>
Additional loss allowance provision made	19.45
<b>Loss allowance on March 31, 2021</b>	<b>41.29</b>
Provision Written back	(39.32)
Provision utilised	(1.97)
<b>Loss allowance on March 31, 2022</b>	<b>-</b>

#### Financial assets at fair value through profit or loss

The company is also exposed to credit risk in relation to investments in mutual fund and forward contract that are measured at fair value through profit or loss. The maximum exposure at the end of the reporting period is the carrying amount of these investments and contracts ₹ 39.89 Lakhs (31 March 2021: ₹ 19.68 Lakhs).

## Notes to the Standalone Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

### (B) Liquidity risk

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

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

### (I) Financing arrangements

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

Particulars	As at March 31, 2022	As at March 31, 2021
Floating rate		
- Expiring within one year (bank overdraft and other facilities)	550.00	1,000.00
<b>Total</b>	<b>550.00</b>	<b>1,000.00</b>

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

### (II) Maturities of financial liabilities

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

March 31, 2022	< 1 year	> 1 year
Borrowings	9.65	50.39
Unpaid Dividend	16.89	-
Employee Benefit Payable	1,583.26	-
Trade Payables	972.15	-
Lease Liabilities	644.04	1,131.80
Payable for purchase of Property, Plant and Equipment	175.56	-
<b>Total</b>	<b>3,401.55</b>	<b>1,182.19</b>

March 31, 2021	< 1 year	> 1 year
Borrowings	8.89	60.40
Unpaid Dividend	12.49	-
Employee Benefit Payable	1,125.48	-
Trade Payables	778.59	-
Lease Liabilities	378.50	546.20
Payable for purchase of Property, Plant and Equipment	105.49	-
<b>Total</b>	<b>2,409.44</b>	<b>606.60</b>

## Notes to the Standalone Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

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

### (C) Market risk

#### i) Foreign currency risk

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

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

#### i) Foreign currency risk exposure

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

Particulars	March 31, 2022				March 31, 2021			
	USD	Euro	GBP	NOK	USD	Euro	GBP	NOK
<b>Financial assets</b>								
Trade receivables (includes related parties)	19.70	537.83	676.09	-	68.10	277.67	447.80	7.51
Bank balances	-	-	134.62	-	-	-	87.87	-
Other Receivables from Related Party	13.34	0.85	-	-	9.18	0.55	-	-
<b>Exposure to foreign currency risk (assets)</b>	<b>33.04</b>	<b>538.68</b>	<b>810.71</b>	-	<b>77.28</b>	<b>278.22</b>	<b>535.67</b>	<b>7.51</b>
<b>Derivative instruments</b>								
Gross outstanding amount of Foreign exchange forward contracts - Sell foreign currency	1,439.44	340.99	429.55	-	455.09	351.92	395.01	-
<b>Financial liabilities</b>								
Trade payables	76.16	38.11	65.17	-	86.24	51.67	-	-
<b>Exposure to foreign currency risk (liabilities)</b>	<b>76.16</b>	<b>38.11</b>	<b>65.17</b>	-	<b>86.24</b>	<b>51.67</b>	-	-

\* amount disclosed is contract value, computed using forward rate, outstanding as on balance sheet date. These contracts have been marked to market as on balance sheet date and recorded accordingly.

## Notes to the Standalone Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

### ii) Sensitivity

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

Particulars	Impact on Profit after tax	
	March 31, 2022	March 31, 2021
<b>USD sensitivity</b>		
₹/USD - Increase by 5% (31 March 2021 - 5%)	(2.16)	(0.45)
₹/USD - Decrease by 5% (31 March 2021 - 5%)	2.16	0.45
<b>EURO sensitivity</b>		
₹/Euro - Increase by 5% (31 March 2021 - 5%)	25.03	(11.33)
₹/Euro - Decrease by 5% (31 March 2021 - 5%)	(25.03)	11.33
<b>GBP sensitivity</b>		
₹/GBP - Increase by 5% (31 March 2021 - 5%)	37.28	(26.78)
₹/GBP - Decrease by 5% (31 March 2021 - 5%)	(37.28)	26.78
<b>NOK sensitivity</b>		
₹/GBP - Increase by 5% (31 March 2021 - 5%)	-	(0.38)
₹/GBP - Decrease by 5% (31 March 2021 - 5%)	-	0.38
<b>Investment in mutual fund sensitivity</b>		
Mutual fund - Increase by 5% (31 March 2021 - 5%)	-	0.50
Mutual fund - Decrease by 5% (31 March 2021 - 5%)	-	(0.50)

### II) Interest rate risk

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

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

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

Particulars	Weighted Average Interest rate	Impact on Profit after tax	
		March 31, 2022	March 31, 2021
Variable rate borrowings	8.25%	-	-
Fixed rate borrowings	8.21%	60.04	69.29
<b>Total borrowings</b>		<b>60.04</b>	<b>69.29</b>

### (ii) 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).

## Notes to the Standalone Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

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

Particulars	Impact on Profit after tax	
	March 31, 2022	March 31, 2021
Interest rate - Increase by 50 basis points (50bps) *	-	(1.70)
Interest rate - Decrease by 50 basis points (50bps) *	-	1.70

\* Holding all other variables constant

## 34 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 to 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 and ensure that adequate growth capital is available.

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. Management also look for the opportunities to raise the capital for the purpose of future growth.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2022 and March 31, 2021.

The gearing ratios were as follows:

Particulars	March 31, 2022	March 31, 2021
Net Debt*	-	-
Total Equity	14,817.10	7,364.66
<b>Net Debt to Equity Ratio</b>	<b>0.00%</b>	<b>0.00%</b>

\*Since net debt is negative, it is considered as nil in the table above.

The net debt to equity ratio is stable during the current year.

### (i) Loan Covenants

There are no loan covenants for borrowing outstanding as at balance sheet date.

## 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

Particulars	March 31, 2022	March 31, 2021
i) Equity shares	524.78	243.21
Final Dividend for the year ended March 31, 2021 of ₹ 3 (March 31, 2020 : ₹ 1.5) per fully paid share		
ii) Dividends not recognised at the end of reporting period	660.63	490.16
The Directors have recommended the payment of a final dividend of ₹ 3 per fully paid equity share (March 31, 2021 ₹ 3 per equity share). This proposed dividend is subject to approval of shareholders in the ensuing annual general meeting.		

## Notes to the Standalone Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

### 36 Share-based payments

#### Employee Stock Option Plan

The Company instituted the 2009 plan and 2019 Plan for all eligible employees in pursuance of a special resolution approved by the shareholders at the extraordinary general meeting held on August 31, 2009 and July 25, 2019 respectively. Schemes covers grant of options to specified permanent employees of the Company as well as its subsidiaries.

Pursuant to schemes, the Company has granted options to eligible employees at an exercise price of ₹ 10 per equity share of ₹ 10 each and of ₹ 20 per equity share of ₹ 10 each respectively for 2009 and 2019 Plan. Under the term of schemes, the vesting period shall commence on the expiry of one year from the date of grant of the options to the employees and it will be spread equally over 4 years. Total option will be vested equally over the period of four years on last day of each year.

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

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

Particulars	March 31, 2022		March 31, 2021	
	No. of Options	Average exercise price per share option (₹)	No. of Options	Average exercise price per share option (₹)
Opening Balance	213,475	14.17	229,500	12.06
Granted during the year	65,500	20.00	70,000	20.00
Forfeited/ cancelled during the year	1,375	10.00	2,425	10.00
Lapsed during the year	24,875	16.90	18,525	12.67
Exercised during the year*	71,825	13.01	65,075	10.95
Outstanding as at the end of the year	180,900	17.46	213,475	14.17
Vested and exercisable (shares)	10,500	15.56	46,500	14.55
Unvested (shares)	713,100	17.53	807,400	14.15

\*The weighted average share price at the date of exercise of options exercised during the year ended March 31, 2022 was ₹ 242.42 (March 31, 2021 - ₹ 67.25)

## Notes to the Standalone Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

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

Grant Date	Exercise Date	Exercise Price	Share Options	
			March 31, 2022	March 31, 2021
July 1, 2016	June 30, 2021	10	-	1,875
January 24, 2017	January 23, 2022	10	-	2,500
May 10, 2017	May 9, 2022	10	750	7,925
August 11, 2017	August 10, 2022	10	-	750
April 17, 2018	April 16, 2023	10	7,275	15,550
April 1, 2019	March 31, 2024	10	24,500	39,750
July 15, 2019	July 14, 2024	10	1,250	2,500
September 16, 2019	September 15, 2024	10	6,400	9,600
March 4, 2020	March 3, 2025	10	4,500	6,375
November 18, 2019	November 17, 2024	20	31,975	51,650
March 4, 2020	March 3, 2025	20	-	5,000
May 15, 2020	May 14, 2025	20	7,500	10,000
June 25, 2020	June 24, 2025	20	1,875	2,500
August 28, 2020	August 27, 2025	20	9,375	12,500
October 12, 2020	October 11, 2025	20	18,750	32,500
November 10, 2020	November 9, 2025	20	8,750	10,000
January 12, 2021	January 11, 2026	20	-	2,500
June 10, 2021	June 9, 2026	20	5,000	-
July 19, 2021	July 18, 2026	20	5,000	-
August 25, 2021	August 24, 2026	20	5,000	-
September 11, 2021	September 10, 2026	20	2,500	-
September 21, 2021	September 20, 2026	20	2,500	-
January 14, 2022	January 13, 2027	20	38,000	-
<b>Weighted average remaining contractual life of options outstanding at the end of the period</b>			<b>3.81 years</b>	<b>2.20 years</b>

## Notes to the Standalone Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

### Fair value of the options granted

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

The model inputs for options granted during the year ended March 31, 2022 included :

Particulars	Inputs for the year ended March 31, 2022						
	ESOP 2019	ESOP 2019	ESOP 2019	ESOP 2019	ESOP 2019	ESOP 2019	ESOP 2019
Exercise Price (₹)	20	20	20	20	20	20	20
Grant Date	June 10, 2021	July 19, 2021	August 25, 2021	September 11, 2021	September 21, 2021	October 28, 2021	January 14, 2022
Expiry Date	June 9, 2026	July 18, 2026	August 24, 2026	September 10, 2026	September 20, 2026	October 27, 2026	January 13, 2027
Share Price as on Grant Date (₹)	189.60	270.60	235.60	233.15	224.40	220.95	338.10
Fair value as on Grant Date (₹)	155.80	230.23	198.45	195.67	188.20	185.21	292.02
Expected Volatility (%)	53.47%	52.96%	53.02%	53.03%	53.15%	53.02%	53.26%
Expected Dividend yield (%)	2.64%	2.64%	2.64%	2.64%	2.64%	2.64%	2.64%
Risk free interest rate (%)	4.28%	5.48%	5.66%	4.70%	5.57%	5.84%	5.97%

The model inputs for options granted during the year ended March 31, 2021 included :

Particulars	Inputs for the year ended March 31, 2021					
	ESOP 2019	ESOP 2019	ESOP 2019	ESOP 2019	ESOP 2019	ESOP 2019
Exercise Price (₹)	20	20	20	20	20	20
Grant Date	May 15, 2020	June 25, 2020	August 28, 2020	October 12, 2020	November 10, 2020	January 12, 2021
Expiry Date	May 14, 2025	June 24, 2025	August 27, 2025	October 11, 2025	November 9, 2025	January 11, 2026
Share Price as on Grant Date (₹)	40.45	51.95	62.65	64.55	61.30	106.30
Fair value as on Grant Date (₹)	23.40	32.90	42.80	44.50	41.10	81.50
Expected Volatility (%)	49.10%	49.60%	50.40%	51.10%	51.40%	52.50%
Expected Dividend yield (%)	1.80%	1.80%	1.80%	2.30%	2.30%	2.30%
Risk free interest rate (%)	5.20%	3.70%	2.40%	6.00%	4.90%	4.35%

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

### Expenses arising from share-based payment transactions

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Employee Option Plan	115.09	110.11
<b>Total</b>	<b>115.09</b>	<b>110.11</b>

## Notes to the Standalone Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

### Expenses arising from share-based payment transactions relating to employees of subsidiaries

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Employee Option Plan	55.29	43.11
<b>Total</b>	<b>55.29</b>	<b>43.11</b>

### 37 Ratio Analysis

Sr. No	Particulars	Computation of ratios	March 31, 2022	March 31, 2021	% change	Remarks
1	Current Ratio	Current assets Current liabilities	2.36	1.83	29.06%	Increase on account of increase in balances of trade receivables and cash and cash equivalents.
2	Debt-Equity Ratio	Total debt Equity	0.41%	0.94%	-56.93%	Decrease on account of increase in balances of securities premium account due to issue of equity shares on account of preferential share warrants.
3	Debt Service Coverage Ratio	Earnings before interest, tax and depreciation Finance cost + Borrowings including lease payments	1.20	2.34	-48.64%	Decrease on account of increase in lease liability for current year and increase in EBIDTA of previous year.
4	Return on Equity Ratio	Net profit after tax Average shareholders equity	8.41%	18.74%	-55.15%	Decrease on account of decrease in net profit after tax and increase in other equity of current year.
5	Inventory turnover ratio	COGS Average inventory	N.A.	N.A.	N.A.	N.A.
6	Trade Receivables turnover ratio	Total sales Closing trade receivable	5.05	6.09	-17.08%	N.A.
7	Trade payables turnover ratio	Total purchases Closing trade payable	0.00	0.22	-99.51%	Decrease on account of decrease in cost of software purchase and increase in trade payables during current year.
8	Net capital turnover ratio	Total sales Working capital	3.38	6.32	-46.62%	Decrease on account of increase in revenue from operation, trade receivables and cash and cash equivalent of current year.
9	Net profit ratio	Net profit after tax Total sales	3.98%	7.34%	-45.77%	Decrease on account of decrease in net profit after tax and increase in revenue from operation of current year.
10	Return on Capital employed	Earnings before interest, tax and depreciation Capital employed*	9.60%	26.69%	-64.03%	Decrease on account of decrease in EBIT and increase in equity of current year.
11	Return on investment	Earnings before interest, tax and depreciation Closing total assets	10.84%	23.95%	-54.74%	Decrease on account of decrease in EBIDTA and increase in total assets of current year.

\*Capital employed = Total net worth - Intangible assets + Total borrowing + Total deferred tax liability

## Notes to the Standalone Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

### 38 Investment

During the quarter ended December 31, 2021, the Company had acquired 100% equity of OT Park Private Limited (erstwhile "NV Pune Technology Park Private Limited") ("OTPPL") on December 01, 2021 for a purchase consideration including incidental expenses of ₹ 1,719.90 Lakhs. Such amount is recorded as investment in subsidiary. OTPPL owns single immovable property which is leased out to the Company.

### 39 Impact of COVID-19

The Company has taken into consideration the impact of the known internal and external events arising from COVID-19 pandemic while preparing the financial statements. As a part of such assessment, the Company has considered the recoverability of outstanding trade receivables, contract assets, accounting for benefits received from governments and future cash flow position upto the date of approval of these financial statements. The Company is confident of recoverability of assets as on March 31, 2022. However, the impact assessment of COVID-19 is an ongoing process and it's impact remains uncertain, given the uncertainties associated with its nature and duration. The impact of global health pandemic might be different from that estimated as at the date of approval of these financial results and the Company will continue to closely monitor any significant impact on the Company's financial position.

### 40 Utilisation of money received against Preferential Share Warrants

The Company had entered into an agreement on May 27, 2021 to make preferential allotment to Infinity Direct Holdings (the "investor"). As per the agreement, the Company, during the quarter ended June 30, 2021, had issued 1,100,000 equity shares each fully paid-up at a price of ₹ 130 (inclusive of face value of ₹ 10 each) per share for cash and 4,300,000 share warrants, each warrant convertible into one equity share of the Company, at a price per warrant of each (inclusive of face value of ₹ 10 each), convertible within 18 months from the date of allotment of such warrants. The Company received an approval from the shareholders in extra ordinary general meeting for such preferential allotment. During the quarter ended December 31, 2021, the Company had converted 4,300,000 share warrants into one equity share against each warrant. All the incidental expenses net of tax related to this preferential allotment amounting to ₹ 156.10 Lakhs had been adjusted against other equity.

Nature of securities viz. Equity share / Preference shares / Convertible Debenture	Purpose for which funds raised	Total Amount Raised / Opening unutilized balance	Amount utilized for the other purpose	Amount utilized for the purpose specified	Un-utilized balance as at Balance sheet date	Remarks
Preferential share warrants	Organic Growth of the business	2,808.00	-	2,616.29	191.71	
Preferential share warrants	Investment in infrastructure & subsidiaries	2,808.00	-	2,403.71	404.29	-
Preferential share warrants	Inorganic Growth of the business	1,404.00	-	-	1,404.00	-
<b>Total</b>		<b>7,020.00</b>	<b>-</b>	<b>5,020.00</b>	<b>2,000.00</b>	<b>-</b>

Note : Above allocation % of fund utilisation will change on the basis of business requirement

### 41 Transfer Pricing

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

Management believes that the Company's international transactions, with related parties post March 31, 2021 (last period upto which an Accountants' report has been submitted as required under the Income tax Act, 1961) continue to be at arm's length and that the transfer pricing legislation will not have any impact on these financial statements, particularly on the amount of tax expense and that of provision for taxation.

## Notes to the Standalone Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

### 42 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2022.

### 43 Additional regulatory information required by Schedule III

#### (i) Details of benami property held

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

#### (ii) Wilful defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority."

#### (iii) Relationship with struck off companies

The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

#### (iv) Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under the Companies Act, 2013.

#### (v) Compliance with approved scheme(s) of arrangements

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

#### (vi) Utilisation of borrowed funds and share premium

The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- provide any guarantee, security or the like on behalf of the ultimate beneficiaries

#### (vii) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

#### (viii) Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

#### (ix) Valuation of PP&E, intangible asset and investment property

The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

## **Notes to the Standalone Financial Statements**

(All amounts in ₹ Lakhs, unless otherwise stated)

### **(x) Title deeds of immovable properties not held in name of the Group**

The title deeds of all the immovable properties as disclosed in note 3 to the financial statements, are held in the name of the company.

### **(xi) Utilisation of borrowings availed from banks and financial institutions**

The borrowings obtained by the company from banks and financial institutions have been applied for the purposes for which such loans were taken.

### **(xii) Loans or advances to specified persons**

There are no loans or advances in the nature of loans granted to promoters, directors, KMPs and the related parties.

**43** Previous year figures have been reclassified to conform to this years classification.

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

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

**Neeraj Sharma**  
Partner  
Membership No.: 108391

**Harish Mehta**  
Executive  
Chairman  
DIN: 00153549

**Jigar Mehta**  
Managing Director  
DIN: 06829197

**Devanand Ramandasani**  
Chief Financial Officer

Place : Mumbai  
Date : May 13, 2022

**Rahul Rathi**  
Audit Committee Chairman  
DIN: 00966359

Place : Mumbai  
Date : May 13, 2022

**Dimple Chauhan**  
Company Secretary

Place : Mumbai  
Date : May 13, 2022

## ONWARD TECHNOLOGIES LIMITED

2<sup>nd</sup> Floor, Sterling Center, Dr. Annie Besant Road, Worli, Mumbai, (M.H.), 400018

CIN: L28920MH1991PLC062542

E-mail: [investors@onwardgroup.com](mailto:investors@onwardgroup.com); website: [www.onwardgroup.com](http://www.onwardgroup.com)

# Notice

**NOTICE** is hereby given that the **THIRTY-FIRST ANNUAL GENERAL MEETING** of **ONWARD TECHNOLOGIES LIMITED** will be held on Monday, July 18, 2022 at 03.00 P.M. IST through Video Conference/ Other Audio Visual Means organized by the Company, to transact the following businesses:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt:
  - A. the audited Financial Statements of the Company for the financial year ended March 31, 2022 together with the reports of Board of Directors and the Auditors thereon.
  - B. the audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2022 together with the report of the Auditors thereon.
2. To declare final dividend on Equity Shares for the financial year ended March 31, 2022.
3. To appoint a Director in place of Mrs. Prachi Mehta (DIN: 06811085), who retires by rotation and being eligible, offers herself for re-appointment.
4. To consider the appointment of M/s. BSR & Co. LLP, Chartered Accountants as the Statutory Auditors of the Company and if thought fit, to pass the following resolution, with or without modification(s), as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof), M/s. BSR & Co. LLP, Chartered Accountants [Firm Registration No. 101248W/W-100022], who have confirmed their eligibility for appointment, be and is hereby appointed as the Statutory Auditors of the Company for a term of 5 (five) consecutive years i.e. from the conclusion of this 31<sup>st</sup> Annual General Meeting till the conclusion of the 36<sup>th</sup> Annual General Meeting to be held in the year 2027, on such remuneration as may be recommended by the Audit Committee and approved by the Board of Directors in consultation with them;

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

### **SPECIAL BUSINESS:**

5. To consider and if thought fit, to pass with or without modification, if any, the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act"), and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Harsha Raghavan (DIN: 01761512), who was appointed as an Additional Director (Non-Executive, Non Independent) of the Company with effect from June 30, 2021 in terms of Section 161 of the Act and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director, be and is hereby appointed as a Non-Executive Director of the Company who is liable to retire by rotation;

**RESOLVED FURTHER THAT** the Board of Directors and/or Company Secretary of the Company be and are hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

6. To consider and if thought fit, to pass with or without modification, if any, the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force) and other applicable laws, if any, approval of the Members of Company be and is hereby accorded for continuation of

directorship of Mr. S. K. Mitra (DIN:00029961) as a Non-Executive Independent Director of the Company, not liable to retire by rotation, for his remaining tenure up to July 21, 2023, notwithstanding that on January 08, 2023 he attains the age of 75 (Seventy Five) years during the tenure;

**RESOLVED FURTHER THAT**, any of the Directors or the Company Secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

By order of the Board of Directors of  
**Onward Technologies Limited**

**Dimple Chauhan**  
Company Secretary  
M. No. A51595

Date: May 13, 2022

Place: Mumbai

**Registered Office:**

2<sup>nd</sup> floor, Sterling Centre,  
Dr. Annie Besant Road,  
Worli, Mumbai – 400 018.

Email: [investors@onwardgroup.com](mailto:investors@onwardgroup.com)

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

CIN: L28920MH1991PLC062542

**NOTES:**

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020, Circular No. 02/2021 dated January 13, 2021 and Circular No. 02/2022 dated May 05, 2022 and all other relevant circulars issued from time to time, physical attendance of the Members to the AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled

time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.
6. In line with the Ministry of Corporate Affairs ("MCA") Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.onwardgroup.com](http://www.onwardgroup.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
7. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020, MCA Circular No. 2/2021 dated January 13, 2021 and MCA Circular No. 2/2022 dated May 06, 2022.

**THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING ANNUAL GENERAL MEETING ARE AS UNDER :**

The remote e-voting period begins on July 14, 2022 at 09:00 A.M. and ends on July 17, 2022 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. July 11, 2022 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being July 11, 2022.

**How do I vote electronically using NSDL e-Voting system?**

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

**Step 1: Access to NSDL e-Voting system**

**A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the "<b>Beneficial Owner</b>" icon under "<b>Login</b>" which is available under '<b>IDeAS</b>' section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "<b>Access to e-Voting</b>" under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "<b>Register Online for IDeAS Portal</b>" or click at <a href="https://eservices.nsdl.com/SecureWeb/ideasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/ideasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>Shareholders/Members can also download NSDL Mobile App "<b>NSDL Speede</b>" facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol>

**NSDL Mobile App is available on**



Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdsindia.com/myeasi/home/login">https://web.cdsindia.com/myeasi/home/login</a> or <a href="http://www.cdsindia.com">www.cdsindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdsindia.com/myeasi/Registration/EasiRegistration">https://web.cdsindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdsindia.com">www.cdsindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

#### **Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdsindia.com">helpdesk.evoting@cdsindia.com</a> or contact at 022- 23058738 or 022-23058542-43

#### **B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

##### **How to Log-in to NSDL e-Voting website?**

- 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.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
  - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**.

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](http://www.evoting.nsdl.com).
  - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://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](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
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.

**Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

**How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. 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.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [info@napco.in](mailto:info@napco.in) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or

"Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Pallavi Mhatre at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [investors@onwardgroup.com](mailto:investors@onwardgroup.com). In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [investors@onwardgroup.com](mailto:investors@onwardgroup.com). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**.
2. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
3. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further, Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [investors@onwardgroup.com](mailto:investors@onwardgroup.com). The same will be replied by the company suitably.

**Explanatory Statement in respect of the Special Business pursuant to section 102 of the Companies Act, 2013**

**Item No. 4**

M/s. Price Waterhouse Chartered Accountants LLP ("Existing Auditor") were appointed as Statutory Auditors of the Company on July 21, 2017 in terms of their appointment made at 26<sup>th</sup> Annual General Meeting held on July 21, 2017, they are holding office as statutory auditors of the Company up to the conclusion of this Annual General Meeting. Since their tenure is completed after the conclusion of this AGM. The Audit Committee has recommended M/s. BSR & Co., LLP, Chartered Accountants (Registration No. 101248W/W-100022 to be appointed as a Statutory Auditor of the Company.

M/s. BSR & Co., LLP, Chartered Accountants (Registration No. 101248W/W-100022) have consented to the said appointment and confirmed that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act. They have also confirmed that they are not disqualified to be appointed as an Auditors in terms of the provisions of the proviso to Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014.

Therefore, keeping in view the requirements set out in the Act and SEBI (LODR) Regulations, 2015, the Audit Committee and Board of Directors have recommended the appointment of M/s. BSR & Co., LLP, Chartered Accountants (Registration No. 101248W/W-100022) as Statutory Auditors of the Company for a term of 5 (five) consecutive years from the conclusion of this 31<sup>st</sup> Annual General Meeting till the conclusion of the 36<sup>th</sup> Annual General Meeting, subject to the approval of shareholders.

The details required to be disclosed under provisions of Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are as under:

- A. Proposed fees payable to the statutory auditor(s):  
₹ 33,00,000/- plus applicable taxes and reimbursement of travelling and other out-of-pocket expenses actually incurred by them in connection with the audit of accounts of the Company.
- B. Terms of appointment:  
Appointment as Statutory Auditors of the Company from conclusion of 31<sup>st</sup> AGM up to conclusion of 36<sup>th</sup> AGM to carry out Audit of the Financial Statements and Annual Financial Results of the Company and Limited Review of

- the Unaudited Quarterly Financial Results of the Company. All other terms of appointment shall be as per Letter of Engagement.
- C. In case of a new auditor, any material change in the fees payable to such auditor from that paid to the outgoing auditor along with the rationale for such change: Nil
- D. Basis of recommendation for the appointment:

The Board of Directors and Audit Committee have considered various evaluation criteria with respect to skillset, governance & competitiveness and recommend their appointment to the Shareholders of the Company.

- E. Credentials of the Statutory Auditors proposed to be appointed:

M/s. BSR & Co., LLP is Limited Liability Partnership firm incorporated on October 14, 2013 and has a registered office at 14<sup>th</sup> Floor, Central B Wing & North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai – 400 063. The firm is registered with The Institute of Chartered Accountants of India. The firm provides professional services like auditing, taxation, and management consultancy services to clients in India. The firm has approx. 855 Partners and Directors and over 14,640 personnel operating from offices in different cities [Bengaluru, Chandigarh, Chennai, Delhi (2 offices, including head office) Gurgaon, Hyderabad, Kolkata, Mumbai, (2 offices), Noida, Pune, Kochi, Ahmedabad, Kolkata, Gurugram].

M/s. BSR & Co. LLP have provided confirmation that they have subjected themselves to peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the 'Peer Review Board of ICAI'. The Company has received their eligibility and willingness for their proposed appointment for the period from conclusion of the 31<sup>st</sup> Annual General Meeting upto the conclusion of 36<sup>th</sup> Annual General Meeting of the Company.

None of the Directors/Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in the resolution set out at item No. 4 of the Notice. The Board commends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the Members.

#### Item No. 5

Pursuant to the execution of the Investment Agreement, the Infinity Direct Holdings nominated Mr. Harsha

Raghavan as an Additional Director on the Board of the Company. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors at their meeting held on June 30, 2021 appointed Mr. Harsha Raghavan, as an Additional Director (Non-Executive) effective from June 30, 2021. In accordance with the provisions of Section 161(1) of the Companies Act, 2013, Mr. Harsha Raghavan holds office up to the date of this Annual General Meeting. The Company has received notice from a member, proposing his candidature for the office of director under Section 160 of the Act.

The Brief profile of Mr. Raghavan is set out below:

Mr. Harsha Raghavan holds a Master of Business Administration degree and Master of Science degree in Industrial engineering both from Stanford University and a Bachelor of Arts degree from the University of California at Berkeley, where he double majored in computer science and economics.

Mr. Harsha Raghavan is the Managing Partner of Convergent Finance LLP. He was previously the founding MD & CEO of Fairbridge Capital Private Limited (a Fairfax Company) from its inception in 2011, where he led all investment advisory activities in India. During his time, he sourced and advised on over \$2.1 billion worth of investment activity. Previously, he served as Head of India for Candover Investments, Co-Head of India for Goldman Sachs Principal Investment Area and Vice President of Indocean Chase Capital. In these roles, he advised on more than two dozen transactions totalling over \$1.5 billion in value.

Disclosure required under the Act, SEBI (LODR) Regulations, 2015 and Secretarial Standard-2 of ICSI with respect to Item No. 5 are annexed herewith.

None of the Directors or Key Managerial Personnel and their relatives, except Mr. Harsha Raghavan, are in any way concerned or interested, financially or otherwise, in the Resolution set out in Item No. 5 of the Notice.

The Board recommends the resolution under Item No. 5 of the Notice for the approval of the Members as an Ordinary Resolution.

#### Item No. 6

At the 29<sup>th</sup> AGM of the Company held on July 20, 2019 the shareholders had approved the appointment of Mr. S. K. Mitra (DIN: 00029961) as an Independent Director [Non-Executive] to hold office for a period of 3 (Three) consecutive years commencing from July 21, 2020 up to July 20, 2023.

In accordance with Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and

Disclosure Requirement) Regulations, 2015, consent of the shareholders by way of Special Resolution shall be required for continuation of directorship of Non-Executive Directors of the Company who have attained the age of 75 (seventy-five) years.

Mr. S. K. Mitra, Independent Director [Non-Executive] of the Company would attain the prescribed age limit on January 08, 2023 during the midst of the abovementioned term of the appointment.

Based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, considering the rich of experience of Mr. S. K. Mitra, the appointment of Mr. S. K. Mitra for a term of 3 (three) consecutive years from July 21, 2020 up to July 14, 2023 and continuation of his directorship beyond 75 (seventy-five) years of age would be in the interest of the Company and its shareholders.

Relevant details relating to continuation of Directorship of Mr. S. K. Mitra, including his profile, as required by

the Act, Listing Regulations and Secretarial Standards issued by ICSI are provided in the "Annexure" to the Notice.

Mr. S. K. Mitra is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has consented to act as an Independent Director of the Company. The Company has also received declarations from Mr. S. K. Mitra that he meets the criteria of independence as prescribed under Section 149 of the Act and the Listing Regulations. In the opinion of the Board, Mr. S. K. Mitra fulfills the conditions for appointment as an Independent Director as specified in the Act and Listing Regulations.

Other than Mr. S.K. Mitra and his relatives, none of the Directors, Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in these resolutions, except to the extent of their respective shareholding, if any, in the Company. This statement may also be regarded as an appropriate disclosure under the Listing Regulations.

#### Disclosure required under the Act, SEBI (LODR) Regulations, 2015 and Secretarial Standard-2 of ICSI

<b>Names</b>	<b>Prachi Mehta</b>	<b>Harsha Raghavan</b>	<b>S. K. Mitra</b>
Director Identification Number (DIN)	06811085	01761512	00029961
Father's Name	Harish Mehta	Ramabadran Raghavan	Atindra Kumar Mitra
Date of Birth/ Age	October 03, 1978	October 10, 1971	July 16, 1948
Date of first Appointment on the Board	March 27, 2015	June 30, 2021	May 15, 2020
Brief Resume including experience and qualification	She is a master's 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.	A mentioned in the item 5 of the explanatory statement above	Sc. (Calcutta University)- 1970 MBA, USA -1977 Experience: 45 years
Experience in Specific Functional Area	General Management	Investment advisory	As mentioned in the explanatory statement above
Tenure and Terms and Conditions of Appointment	Liable to retire by rotation every year	As mentioned in the explanatory statement above	As mentioned in the explanatory statement above
Details of remuneration sought to be paid	NA	NA	NA
Last drawn remuneration	Sitting fees as disclosed in Report on Corporate Governance forming part of this Annual Report.	Nil	Sitting fees as disclosed in Report on Corporate Governance forming part of this Annual Report.
Relationship with other Directors and Key Managerial Personnel	Mrs. Prachi Mehta is a daughter of Mr. Harish Mehta, Executive Chairman of the Company and sister of Mr. Jigar Mehta, Managing Director of the Company.	Mr. Raghavan is not related to any of the Directors or Key Managerial Personnel of the Company.	Mr. Raghavan is not related to any of the Directors or Key Managerial Personnel of the Company.

**Onward Technologies Limited**

<b>Names</b>	<b>Prachi Mehta</b>	<b>Harsha Raghavan</b>	<b>S. K. Mitra</b>
Directorship in Listed Companies	She is not a director in any other listed entity except Onward Technologies Limited.	Hindustan Foods Limited Camlin Fine Sciences Limited	IL&FS Engineering and Construction Company Limited IL&FS Transportation Networks Limited Centrum Capital limited AGS Transact Technologies Limited
Chairman/Member in the Committees of the Boards of other Listed companies	None	<b>Camlin Fine Sciences Limited</b> Member – Audit Committee Member – Nomination and remuneration committee	<b>IL&amp;FS Engineering and Construction Company Limited-</b> Chairman – Audit Committee and Member – Stakeholders Relationship Committee <b>IL&amp;FS Transportation Networks Limited</b> Chairman – Audit Committee Chairman – Stakeholders Relationship Committee Member – Nomination and Remuneration Committee <b>AGS Transact Technologies Limited</b> Member- Nomination and Remuneration Committee
No. of Shares held as on May 13, 2022 in the Company	148,792 equity shares	Nil	Nil
Shareholding in the Company of the spouse and immediate relatives of the Director	1184715 equity shares	Nil	Nil
Number of meetings of the Board attended during the year	7	5	7

By order of the Board of Directors of  
**Onward Technologies Limited**

**Dimple Chauhan**  
Company Secretary  
M. No. A51595

Date: May 13, 2022

Place: Mumbai

**Registered Office:**

2<sup>nd</sup> floor, Sterling Centre, Dr. Annie Besant Road,  
Worli, Mumbai – 400 018.

Email: [investors@onwardgroup.com](mailto:investors@onwardgroup.com)

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

CIN: L28920MH1991PLC062542





Sterling Centre, 2<sup>nd</sup> Floor  
Dr. A.B. Road, Worli,  
Mumbai - 400018  
Tel: 022 - 24926570

[investors@onwardgroup.com](mailto:investors@onwardgroup.com)  
[www.onwardgroup.com](http://www.onwardgroup.com)