

Date: October 23, 2020

To,

<b>BSE Ltd.</b> Corporate Relations Department P J Towers, Dalal Street Mumbai 400 001	<b>National Stock Exchange of India Ltd.</b> 'Exchange Plaza', C-1, Block G Bandra Kurla Complex Bandra (E), Mumbai 400 051
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**Ref:** Scrip Code - **BSE:** 517536 **NSE:** ONWARDTEC

**Subject:** Unaudited Financial Results (Standalone & Consolidated) for the second quarter and half year ended 30<sup>th</sup> September, 2020.

Dear Sir,

Pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the Board of Directors of the Company have approved and taken on record, inter alia, unaudited financial results (Standalone and Consolidated) of the Company for the second quarter and half year ended 30th September, 2020.

The Board Meeting commenced at 11:20 a.m. and the above matters were concluded at 01:00 p.m.

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

Kindly acknowledge the receipt of the same.

**For Onward Technologies Limited**

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Dimple Chauhan  
Company Secretary

Encl: As above

# Price Waterhouse Chartered Accountants LLP

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

1. We have reviewed the unaudited consolidated financial results of Onward Technologies Limited (the “Parent”), its subsidiaries (the parent and its subsidiaries hereinafter referred to as the “Group”) for the quarter ended September 30, 2020 and the year to date results for the period April 01, 2020 to September 30, 2020 which are included in the accompanying ‘Statement of Consolidated Unaudited Financial Results for the Quarter and Six months ended September 30, 2020’ (the “Statement”), the unaudited consolidated statement of assets and liabilities as on that date and the consolidated statement of cash flows for the half year ended on that date. The Statement is being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, which has been initialled by us for identification purposes.
2. This Statement, which is the responsibility of the Parent’s Management and approved by the Parent’s Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 “Interim Financial Reporting” (“Ind AS 34”), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”, issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.
4. The Statement includes the results of the following entities:

<b>Sr. No.</b>	<b>Name of Entity</b>	<b>Relationship</b>
1	Onward Technologies Inc.	Subsidiary
2	Onward Technologies GmBH	Subsidiary
3	Onward eServices Limited	Subsidiary
4	Onward Properties Private Limited	Subsidiary

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement has not been prepared in all material respects in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India and has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

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Price Waterhouse Chartered Accountants LLP, 7th Floor, Tower A – Wing 1, Business Bay, Airport Road  
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Registered office and Head Office: Sucheta Bhawan, 11A Vishnu Digambar Marg, New Delhi – 110002

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

## Price Waterhouse Chartered Accountants LLP

6. We draw your attention to Note 6 to the statement, which describes the management's assessment of the impact of the outbreak of Coronavirus (COVID-19) on the business operations of the Group. In view of the uncertain economic environment, a definitive assessment of the impact on the subsequent periods is highly dependent upon circumstances as they evolve. Our conclusion is not modified in respect of this matter.
7. We did not review the interim financial results of one subsidiary included in the consolidated unaudited financial results, whose interim financial results reflect total assets of Rs. 2,795.13 lacs and net assets of Rs. 914.80 lacs as at September 30, 2020 and total revenues of Rs. 1,417.03 lacs and Rs. 2,734.28 lacs, total net profit after tax of Rs. 96.99 lacs and Rs. 50.00 lacs and total comprehensive profit of Rs. 126.32 lacs and Rs. 79.33 lacs, for the quarter ended September 30, 2020 and for the period from April 1, 2020 to September 30, 2020, respectively, and cash flows (net) of Rs. 514.03 lacs for the period from April 1, 2020 to September 30, 2020, as considered in the consolidated unaudited financial results. These interim financial results have been reviewed by other auditors SRE 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity and their report October 21, 2020, vide which they have issued an unmodified conclusion, have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of the subsidiary is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.
8. The consolidated unaudited financial results includes the interim financial results of two subsidiaries which have not been reviewed by their auditors, whose interim financial results reflect total assets of Rs. 260.87 lacs and net assets of Rs. (130.32 lacs) as at September 30, 2020 and total revenue of Rs.252.19 lacs and Rs. 461.50 lacs, total net profit/(loss) after tax of Rs. 7.58 lacs and Rs. (7.49 lacs) and total comprehensive income/(loss) of Rs. 5.02 lacs and Rs. (12.42 lacs) for the quarter ended September 30, 2020 and for the period from April 1, 2020 to September 30, 2020, respectively, and cash flows (net) of Rs. 15.98 lacs for the period from April 1, 2020 to September 30, 2020, as considered in the consolidated unaudited financial results. According to the information and explanations given to us by the Management, these interim financial results are not material to the Group.

Our conclusion on the Statement is not modified in respect of the above matters.

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

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Neeraj Sharma  
Partner  
Membership Number: 108391  
UDIN: 20108391AAAAHI6633  
Pune  
October 23, 2020

## Onward Technologies Limited

Corporate Identity Number: L28920MH1991PLC062542

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

Tel: +91 22 2492 6570

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



### STATEMENT OF CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2020

(Rs. In lakhs)

Sr. No.	Particulars	Quarter ended			Year to date		Year ended
		September 30, 2020	June 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019	March 31, 2020
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Revenue from operations (Refer note 8)	6,018.28	5,602.98	6,878.80	11,621.26	13,625.63	27,154.51
2	Other income	82.38	32.35	15.88	114.73	58.33	105.96
3	<b>Total Income (1+2)</b>	<b>6,100.66</b>	<b>5,635.33</b>	<b>6,894.68</b>	<b>11,735.99</b>	<b>13,683.96</b>	<b>27,260.47</b>
4	<b>Expenses</b>						
	a) Purchase of software licences	-	0.12	1.06	0.12	28.45	44.57
	b) Employee benefits expense	4,628.48	4,568.60	5,147.84	9,197.08	10,177.03	21,097.97
	c) Finance costs	56.50	70.39	90.34	126.89	184.04	346.42
	d) Depreciation and amortisation expense	268.43	286.95	286.91	555.38	576.07	1,132.81
	e) Other expenses	823.16	657.94	888.48	1,481.10	1,777.92	3,674.37
	<b>Total Expenses</b>	<b>5,776.57</b>	<b>5,584.00</b>	<b>6,414.63</b>	<b>11,360.57</b>	<b>12,743.51</b>	<b>26,296.14</b>
5	<b>Profit before tax (3-4)</b>	<b>324.09</b>	<b>51.33</b>	<b>480.05</b>	<b>375.42</b>	<b>940.45</b>	<b>964.33</b>
6	Tax expense						
	a) Current tax	126.84	58.46	118.50	185.30	337.81	480.00
	b) Deferred tax	(45.52)	(46.15)	61.13	(91.67)	(33.36)	(139.44)
	<b>Total tax expense/ (credits)</b>	<b>81.32</b>	<b>12.31</b>	<b>179.63</b>	<b>93.63</b>	<b>304.45</b>	<b>340.56</b>
7	<b>Net profit/(Loss) for the period (5 - 6)</b>	<b>242.77</b>	<b>39.02</b>	<b>300.42</b>	<b>281.79</b>	<b>636.00</b>	<b>623.77</b>
8	<b>Other comprehensive income, net of income tax</b>						
	a) i) items that will not be reclassified to profit or loss	14.74	0.43	(8.94)	15.17	(11.34)	42.63
	ii) income tax relating to items that will not be reclassified to profit or loss	(3.71)	(0.11)	2.15	(3.82)	2.85	(10.73)
	b) i) items that will be reclassified to profit or loss	(36.34)	(6.55)	39.64	(42.89)	26.38	154.20
	ii) income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	(3.12)
	<b>Total other comprehensive income, net of income tax</b>	<b>(25.31)</b>	<b>(6.23)</b>	<b>32.85</b>	<b>(31.54)</b>	<b>17.89</b>	<b>182.98</b>
9	<b>Total comprehensive income for the period (7+8)</b>	<b>217.46</b>	<b>32.79</b>	<b>333.27</b>	<b>250.25</b>	<b>653.89</b>	<b>806.75</b>
10	<b>Net Profit/ (loss) attributable to:</b>						
	a) Owners	242.77	39.02	300.42	281.79	636.00	623.77
	b) Non-controlling interests	-	-	-	-	-	-
11	<b>Total comprehensive income attributable to:</b>						
	a) Owners	217.46	32.79	333.27	250.25	653.89	806.75
	b) Non-controlling interests	-	-	-	-	-	-
12	Paid-up equity share capital : (Face value Rs. 10 each)	1,621.40	1,611.72	1,597.80	1,621.40	1,597.80	1,604.26
13	Earnings per share (of Rs. 10 each) (not annualised)						
	Basic: (in Rs.)	1.50	0.24	1.88	1.74	3.99	3.90
	Diluted: (in Rs.)	1.45	0.23	1.82	1.68	3.85	3.76

**Notes:**

- 1 The statement has been reviewed by Members of the Audit Committee and approved by the Board of Directors at their meeting held on October 23, 2020.
- 2 The consolidated financial results include the results of Onward Technologies Limited's subsidiaries in India, USA and Germany (together referred as "Group").
- 3 This statement has been prepared in accordance with the Companies (Indian Accounting Standard) Rules, 2015 (Ind AS) prescribed under section 133 of the Companies Act, 2013 and rules amended from time to time.
- 4 The Group has only one operating segment which is Engineering Design and IT services. Accordingly, separate segment information is not required to be disclosed.
- 5 During the quarter and six months ended September 30, 2020, the Group has issued 96,800 and 1,71,400 equity shares following the exercise of stock options by certain employees under the ESOP scheme, 2009.
- 6 The Group has taken into consideration the impact of the known internal and external events arising from COVID-19 pandemic while preparing the financial information. As a part of such assessment, the Group has considered the recoverability of outstanding trade receivables, contract assets, impact of lease modifications, accounting for benefits received from governments and future cash flow position upto the date of approval of these financial results. The Group is confident of recovery of outstanding assets as on September 30, 2020.  
However, the impact assessment of COVID-19 is an ongoing process and it's impact remains uncertain, given the uncertainties associated with its nature and duration. The impact of global health pandemic might be different from that estimated as at the date of approval of these financial results and the Group will continue to closely monitor any significant impact on the Group's financial position.
- 7 During the quarter ended September 30, 2020, the Group has acquired office premises from its holding company, Onward Network Technologies Private Limited, as per the agreement dated September 29, 2020 for agreed consideration amounting to Rs 1,083.65 lakhs, payment of which has been deferred over the period of time. The Group has recognised the office premises at present value of consideration payable. The said transaction has been approved by shareholders through postal ballot on September 27, 2020.  
On acquisition of the office premises, the Group has derecognised corresponding Right-of-use asset and lease liability and differential amount of Rs 12.68 lakhs has been adjusted in the present value of the consideration payable as per the terms of agreement.
- 8 Revenue from Operations for the year ended March 31, 2020 includes export incentives amounting to Rs. 203.82 lakhs under Service Exports from India Scheme, 2015 (SEIS Scheme) for services exported upto March 31, 2020.  
Further, pending certain clarifications regarding applicability and extent of such benefits for the current year, management has not recognised any such benefits for services exported during the quarter and six months ended September 30, 2020.
- 9 The Code on Social Security, 2020 ('Code') pertaining to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The new code may impact the existing employee benefit obligations of the Group. However, related rules and the date from which it will be applicable has not been notified. The management will assess the impact of the code on it's employee benefit obligations when relevant rules are published and it will take an impact of the same in the period in which such rules are notified.
- 10 During the quarter, the Group has received an intimation about a legal suite filed by the lessor of an office premises taken on lease by the Group. This legal suite has been filed by the lessor in response to termination notice sent by the Group invoking the relevant provisions of the agreement. Lessor has demanded total compensation amounting to Rs. 797.85 lakhs which mainly includes the rent for the non-cancellable lease period. Based on legal opinion obtained by the Group, the management does not currently expect any adverse accounting impact from the litigation. The carrying amount of the right to use asset and related lease liability as at September 30, 2020 are Rs. 343.36 and Rs. 386.21 respectively.
- 11 Previous year/period figures have been regrouped/rearranged wherever considered necessary.

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

**Onward Technologies Limited**

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**Jigar Mehta**

**Managing Director**

**Place : Mumbai**

**Date : October 23, 2020**

## Onward Technologies Limited



Corporate Identity Number: L28920MH1991PLC062542

Registered Office: Sterling Centre, 2nd Floor, Dr. A. B. Road, Worli,  
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### CONSOLIDATED BALANCE SHEET AS AT SEPTEMBER 30, 2020

(Rs. In lakhs)

Particulars	As at September 30, 2020	As at March 31, 2020
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	1,679.65	801.60
Intangible assets	332.40	408.53
Intangible assets under development	7.20	-
Right of use asset	1,098.43	1,594.14
Financial assets		
(a) Loans	246.54	303.21
Deferred tax assets	295.69	275.10
Income tax assets	1,438.35	1,932.23
Other non-current assets	14.83	24.99
	<b>5,113.09</b>	<b>5,339.80</b>
<b>Current assets</b>		
Financial Assets		
(a) Trade receivables	3,890.19	4,979.90
(b) Cash and cash equivalents	3,012.91	1,778.65
(c) Bank balances other than (b) above	472.02	435.77
(d) Contract assets	1,061.94	418.07
(e) Other financial assets	-	14.68
Income tax assets	2.42	-
Other current assets	558.90	646.60
	<b>8,998.38</b>	<b>8,273.67</b>
<b>TOTAL ASSETS</b>	<b>14,111.47</b>	<b>13,613.47</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	1,621.40	1,604.26
Other equity	5,279.08	5,202.68
	<b>6,900.48</b>	<b>6,806.94</b>
<b>Non-current liabilities</b>		
Financial Liabilities		
(a) Borrowings	1,799.22	-
(b) Lease liabilities	714.12	1,088.06
Employee benefit obligations	305.82	246.72
Deferred tax liabilities	-	67.44
	<b>2,819.16</b>	<b>1,402.22</b>
<b>Current liabilities</b>		
Financial Liabilities		
(a) Borrowings	604.65	1,806.12
(b) Trade payables		
-Total outstanding dues of micro enterprises and small enterprises	41.82	41.70
-Total outstanding dues of creditors other than micro enterprises and small enterprises	636.20	543.53
(c) Lease liabilities	470.17	570.93
(d) Other financial liabilities	1,746.18	1,510.58
Employee benefit obligations	214.27	207.22
Income tax Liabilities	-	54.45
Contract Liabilities	268.08	48.85
Other current liabilities	410.46	620.93
	<b>4,391.83</b>	<b>5,404.31</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>14,111.47</b>	<b>13,613.47</b>

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

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Jigar Mehta  
Managing Director

Place : Mumbai

Date : October 23, 2020

**Onward Technologies Limited**



Corporate Identity Number: L28920MH1991PLC062542

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

Tel: +91 22 2492 6570

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

**CONSOLIDATED STATEMENT OF CASH FLOW AS AT SEPTEMBER 30, 2020**

(Rs. In lakhs)

Particulars	Year to date September 30, 2020	Year to date September 30, 2019
	(Unaudited)	(Unaudited)
<b>A) Cash flows from operating activities</b>		
Profit before income tax	375.42	940.45
<b>Adjustments for</b>		
Depreciation and amortisation expense	555.38	576.07
(Profit) / loss on disposal of property, plant and equipment	-	0.62
Interest income	(20.03)	(4.28)
Unwinding of discount on security deposit	(22.84)	(9.64)
Amortisation of prepaid rent on security deposit	-	
Employee share based payment expenses	69.05	73.33
Finance costs	126.89	184.04
Net gain on termination of lease arrangements	(7.66)	-
Net exchange difference on account of Mark to Market adjustment	-	(31.00)
Allowance for doubtful debts	19.07	27.00
Bad debts written off	0.43	-
<b>Operating profit before working capital changes</b>	<b>1,095.71</b>	<b>1,756.59</b>
<b>Changes in operating assets and liabilities</b>		
Decrease in trade receivables	1,058.55	247.63
Decrease in other financial assets	14.49	95.34
(Increase) / Decrease in other assets	97.00	(106.77)
(Increase) in Contract assets	(644.44)	(518.19)
(Increase) / Decrease in loans	79.51	(14.95)
Increase in trade payables	91.80	23.19
Increase / (Decrease) in other liabilities	6.19	(3.04)
Increase / (Decrease) in other financial liabilities	(363.88)	1.51
Increase in employee benefit obligations	81.04	14.09
<b>Cash generated from operations</b>	<b>1,515.97</b>	<b>1,495.40</b>
Income taxes paid/(refund received) (net)	251.46	(131.88)
<b>Net cash inflow from operating activities</b>	<b>1,767.43</b>	<b>1,363.52</b>
<b>B) Cash flows from investing activities</b>		
Payments for property, plant and equipment	(141.69)	(142.46)
Payments for intangible assets	(16.36)	(4.25)
Proceeds from sale of property, plant and equipment	17.50	19.84
Bank balance not considered in cash and cash equivalents	(36.25)	(44.32)
Loans and advances granted during the year	-	
Interest received	20.03	4.28
<b>Net cash outflow from investing activities</b>	<b>(156.77)</b>	<b>(166.91)</b>
<b>C) Cash flows from financing activities</b>		
Interest paid	(126.89)	(194.48)
Principal elements of lease payments	(264.67)	(240.00)
Proceeds from issue of shares	17.14	17.31
Proceeds from share application money pending allotment	0.31	(4.45)
Proceeds/ (Repayment) from/ (of) borrowings	254.58	(485.50)
Payment of Dividend	(243.21)	(239.67)
Dividend distribution Tax paid	-	(19.52)
<b>Net cash outflow from financing activities</b>	<b>(362.74)</b>	<b>(1,166.31)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>1,247.92</b>	<b>30.30</b>
Cash and cash equivalents at the beginning of the period	1,778.65	434.04
Effect of foreign exchange on cash and cash equivalents	(13.66)	0.79
<b>Cash and cash equivalents at the end of the period</b>	<b>3,012.91</b>	<b>465.13</b>

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

	September 30, 2020	September 30, 2019
Cash and cash equivalents	3,012.91	465.13
<b>Balances as per statement of cash flows</b>	<b>3,012.91</b>	<b>465.13</b>

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

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

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**Jigar Mehta  
Managing Director**

Place : Mumbai

Date : October 23, 2020

# Price Waterhouse Chartered Accountants LLP

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

1. We have reviewed the unaudited standalone financial results of Onward Technologies Limited (the “Company”) for the quarter ended September 30, 2020 and the year to date results for the period April 01, 2020 to September 30, 2020 which are included in the accompanying ‘Statement of Standalone Unaudited Financial Results for Quarter and Six months ended September 30, 2020’, the statement of assets and liabilities as on that date and the statement of cash flows for the half year ended on that date (the “Statement”). The Statement has been prepared by the Company pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the “Listing Regulations, 2015”), which has been initialled by us for identification purposes.
2. This Statement, which is the responsibility of the Company’s Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 “Interim Financial Reporting” (“Ind AS 34”), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”, issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the Statement has not been prepared in all material respects in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We draw your attention to Note 6 to the statement, which describes the management’s assessment of the impact of the outbreak of Coronavirus (COVID-19) on the business operations of the Company. In view of the uncertain economic environment, a definitive assessment of the impact on the subsequent periods is highly dependent upon circumstances as they evolve. Our conclusion is not modified in respect of this matter.

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

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Neeraj Sharma

Partner

Membership Number: 108391

UDIN: 20108391AAAAHJ7529

Pune

October 23, 2020

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Registered office and Head Office: Sucheta Bhawan, 11A Vishnu Digambar Marg, New Delhi – 110002

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



## Onward Technologies Limited



Corporate Identity Number: L28920MH1991PLC062542

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

Tel: +91 22 2492 6570

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

### STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2020

(Rs. In lakhs)

Sr. No.	Particulars	Quarter ended			Year to date		Year ended
		September 30, 2020	June 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019	March 31, 2020
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Revenue from operations (Refer note 9)	2,819.36	2,506.52	3,076.65	5,325.88	6,043.58	12,205.35
2	Other income	295.01	39.43	134.52	334.44	506.02	673.59
3	<b>Total Income (1+2)</b>	<b>3,114.37</b>	<b>2,545.95</b>	<b>3,211.17</b>	<b>5,660.32</b>	<b>6,549.60</b>	<b>12,878.94</b>
4	<b>Expenses</b>						
	a) Purchase of software licences	-	-	-	-	13.02	18.30
	b) Employee benefits expense	1,885.84	1,726.31	2,049.27	3,612.15	4,029.66	8,412.75
	c) Finance costs	44.64	55.95	86.00	100.59	170.51	317.65
	d) Depreciation and amortisation expense	213.94	234.79	228.13	448.73	460.18	908.69
	e) Other expenses	480.85	378.98	480.54	859.83	1,052.47	2,111.34
	<b>Total Expenses</b>	<b>2,625.27</b>	<b>2,396.03</b>	<b>2,843.94</b>	<b>5,021.30</b>	<b>5,725.84</b>	<b>11,768.73</b>
5	<b>Profit before tax (3-4)</b>	<b>489.10</b>	<b>149.92</b>	<b>367.23</b>	<b>639.02</b>	<b>823.76</b>	<b>1,110.21</b>
6	<b>Tax expense</b>						
	a) Current tax	128.16	57.14	93.99	185.30	261.19	365.42
	b) Deferred tax	(20.81)	(20.25)	27.91	(41.06)	(53.53)	(74.21)
	<b>Total tax expense</b>	<b>107.35</b>	<b>36.89</b>	<b>121.90</b>	<b>144.24</b>	<b>207.66</b>	<b>291.21</b>
7	<b>Net profit/ (Loss) for the period (5 - 6)</b>	<b>381.75</b>	<b>113.03</b>	<b>245.33</b>	<b>494.78</b>	<b>616.10</b>	<b>819.00</b>
8	<b>Other comprehensive income, net of income tax</b>						
	i) items that will not be reclassified to profit or loss	(25.91)	0.43	(8.94)	(25.48)	(11.34)	1.72
	ii) income tax relating to items that will not be reclassified to profit or loss	6.52	(0.11)	2.15	6.41	2.85	(0.43)
	<b>Total other comprehensive income, net of income tax</b>	<b>(19.39)</b>	<b>0.32</b>	<b>(6.79)</b>	<b>(19.07)</b>	<b>(8.49)</b>	<b>1.29</b>
9	<b>Total comprehensive income for the period (7+8)</b>	<b>362.36</b>	<b>113.35</b>	<b>238.54</b>	<b>475.71</b>	<b>607.61</b>	<b>820.29</b>
10	Paid-up equity share capital : (Face value Rs. 10 each)	1,621.40	1,611.72	1,597.80	1,621.40	1,597.80	1,604.26
11	Earnings per share (of Rs. 10 each) (not annualised)						
	Basic: (in Rs.)	2.35	0.70	1.54	3.06	3.87	5.12
	Diluted: (in Rs.)	2.28	0.68	1.48	2.96	3.73	4.93

#### Notes:

- The statement has been reviewed by Members of the Audit Committee and approved by the Board of Directors at their meeting held on October 23, 2020.
- This statement has been prepared in accordance with the Companies (Indian Accounting Standard) Rules, 2015 (Ind AS) prescribed under section 133 of the Companies Act, 2013 and rules amended from time to time.
- The Company has only one operating segment which is Engineering Design and IT services. Accordingly, separate segment information is not required to be disclosed.
- During the quarter and six months ended September 30, 2020, the Company has issued 96,800 and 1,71,400 equity shares following the exercise of stock options by certain employees under the ESOP scheme, 2009.
- The Company has applied for strike off u/s 248 of the Companies Act, 2013 for its wholly owned subsidiary, Onward Properties Private Limited and is awaiting approval from Registrar of Companies, Mumbai.
- The Company has taken into consideration the impact of the known internal and external events arising from COVID-19 pandemic while preparing the financial information. As a part of such assessment, the Company has considered the recoverability of outstanding trade receivables, contract assets, impact of lease modifications, accounting for benefits received from governments and future cash flow position upto the date of approval of these financial results. The Company is confident of recovery of outstanding assets as on September 30, 2020.  
However, the impact assessment of COVID-19 is an ongoing process and its impact remains uncertain, given the uncertainties associated with its nature and duration. The impact of global health pandemic might be different from that estimated as at the date of approval of these financial results and the Company will continue to closely monitor any significant impact on the Company's financial position.
- The Board of Directors in its meeting held on May 15, 2020, has approved a scheme of merger of Onward eServices Limited (a wholly owned subsidiary) with the Company. The scheme of merger has been filed with the National Company Law tribunal (NCLT), Mumbai Bench on June 30, 2020 and the impact of this merger will be given once the Scheme is approved by the NCLT, Mumbai Bench.
- During the quarter ended September 30, 2020, the Company has acquired office premises from its holding company, Onward Network Technologies Private Limited, as per the agreement dated September 29, 2020 for agreed consideration amounting to Rs 1,083.65 lakhs, payment of which has been deferred over the period of time. The Company has recognised the office premises at present value of consideration payable. The said transaction has been approved by shareholders through postal ballot on September 27, 2020. On acquisition of the office premises, the Company has derecognised corresponding Right-of-use asset and lease liability and differential amount of Rs 12.68 lakhs has been adjusted in the present value of the consideration payable as per the terms of agreement.

- 9 Revenue from Operations for the year ended March 31, 2020 includes export incentives amounting to Rs. 203.82 lakhs under Service Exports from India Scheme, 2015 (SEIS Scheme) for services exported upto March 31, 2020.  
Further, pending certain clarifications regarding applicability and extent of such benefits for the current year, management has not recognised any such benefits for services exported during the quarter and six months ended September 30, 2020.
- 10 The Code on Social Security, 2020 ('Code') pertaining to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The new code may impact the existing employee benefit obligations of the Company. However, related rules and the date from which it will be applicable has not been notified. The management will assess the impact of the code on it's employee benefit obligations when relevant rules are published and it will take an impact of the same in the period in which such rules are notified.
- 11 During the quarter, the Company has received an intimation about a legal suite filed by the lessor of an office premises taken on lease by the Company. This legal suite has been filed by the lessor in response to termination notice sent by the company invoking the relevant provisions of the agreement. Lessor has demanded total compensation amounting to Rs. 797.85 lakhs which mainly includes the rent for the non-cancellable lease period. Based on legal opinion obtained by the Company, the management does not currently expect any adverse accounting impact from the litigation. The carrying amount of the right to use asset and related lease liability as at September 30, 2020 are Rs. 343.36 and Rs. 386.21 respectively.
- 12 Previous year/period figures have been regrouped / rearranged wherever considered necessary.

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

JIGAR  
HARISH  
MEHTA  
**Jigar Mehta**  
Managing Director

Digitally signed by  
JIGAR HARISH  
MEHTA  
Date: 2020.10.23  
13:58:38 +0530'

**Place: Mumbai**

**Date: October 23, 2020**

**Onward Technologies Limited**

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**STANDALONE BALANCE SHEET AS AT SEPTEMBER 30, 2020**

Particulars	(Rs. In lakhs)	
	As at September 30, 2020	As at March 31, 2020
	(Unaudited)	(Audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	1,538.72	623.66
Intangible assets	328.11	403.24
Intangible assets under development	7.20	-
Right of use assets	912.85	1,331.13
Financial assets		
(a) Investments	3,775.58	3,775.58
(b) Loans	164.59	212.94
Deferred tax assets	140.32	92.85
Income-tax assets (net)	915.12	1,087.46
Other non-current assets	4.51	6.77
	<b>7,787.00</b>	<b>7,533.63</b>
<b>Current assets</b>		
Financial assets		
(a) Trade receivables	1,851.16	2,505.48
(b) Cash and cash equivalents	58.08	134.69
(c) Bank balances other than (b) above	466.54	422.87
(d) Contract assets	1,067.36	247.94
(e) Other financial assets	15.66	64.12
Other current assets	456.07	519.88
	<b>3,914.87</b>	<b>3,894.98</b>
<b>TOTAL ASSETS</b>	<b>11,701.87</b>	<b>11,428.61</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	1,621.40	1,604.26
Other equity	5,555.23	5,253.38
	<b>7,176.63</b>	<b>6,857.64</b>
<b>Non-current liabilities</b>		
Financial liabilities		
(a) Borrowings	325.22	-
(b) Lease Liabilities	664.61	973.19
Employee benefit obligations	271.34	234.50
	<b>1,261.17</b>	<b>1,207.69</b>
<b>Current liabilities</b>		
Financial liabilities		
(a) Borrowings	604.65	679.59
(b) Trade payables		
-Total outstanding dues of micro enterprises and small enterprises	41.82	27.73
-Total outstanding dues of creditors other than micro enterprises and small enterprises	575.66	485.59
(c) Lease Liabilities	322.54	411.74
(d) Other financial liabilities	1,181.76	747.40
Employee benefit obligations	103.09	77.48
Contract Liabilities	129.39	574.13
Other current liabilities	305.16	359.62
	<b>3,264.07</b>	<b>3,363.28</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>11,701.87</b>	<b>11,428.61</b>

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

JIGAR  
HARISH  
MEHTA

Digitally signed  
by JIGAR HARISH  
MEHTA  
Date: 2020.10.23  
13:58:10 +05'30'

Jigar Mehta  
Managing Director

Place: Mumbai  
Date: October 23, 2020

**Onward Technologies Limited**

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STANDALONE STATEMENT OF CASH FLOWS AS AT SEPTEMBER 30, 2020



Particulars	(Rs. In lakhs)	
	Year to date September 30, 2020	Year to date September 30, 2019
	(Unaudited)	(Unaudited)
<b>A) Cash flows from operating activities</b>		
Profit before income tax	639.02	823.76
<b>Adjustments for</b>		
Depreciation and amortisation expense	448.73	460.18
(Profit) / loss on disposal of property, plant and equipment	-	0.62
Changes in fair value of investments at fair value through profit or loss	-	(53.31)
Impairment loss on Investment on Subsidiary	-	101.93
Dividend and interest income classified as investing cash flow	(233.26)	(274.93)
Unwinding of discount on security deposit	(19.68)	(17.17)
Employee share based payment expenses	46.00	48.67
Finance costs	100.59	170.51
Net gain on termination of lease arrangements	(7.66)	-
Net exchange difference	-	(31.00)
Allowance for doubtful debts	19.07	27.00
<b>Operating profit before working capital changes</b>	<b>992.81</b>	<b>1,256.26</b>
<b>Changes in operating assets and liabilities</b>		
Decrease in trade receivables	635.25	69.82
Decrease in other financial assets	71.50	44.20
(Increase) / Decrease in other assets	66.07	(82.77)
Decrease in loans	68.03	10.81
(Increase) in Contract assets	(819.42)	(560.95)
Increase in trade payables	104.16	197.76
Increase / (Decrease) in other liabilities (including contract liabilities)	(499.20)	81.40
Increase / (Decrease) in other financial liabilities	(158.53)	1.51
Increase in employee benefit obligations	36.97	1.49
<b>Cash generated from operations</b>	<b>497.64</b>	<b>1,019.53</b>
Income taxes paid (net of refunds received)	(12.96)	(177.57)
<b>Net cash inflow from operating activities</b>	<b>484.68</b>	<b>841.96</b>
<b>B) Cash flows from investing activities</b>		
Payments for property, plant and equipment	(148.67)	(149.97)
Payments for intangible assets	(16.41)	(4.25)
Proceeds from sale of property, plant and equipment	17.50	0.93
Bank balance not considered as cash and cash equivalents	(43.67)	(8.07)
Interest received	10.36	1.33
Dividend received	222.90	273.60
<b>Net cash inflow from investing activities</b>	<b>42.01</b>	<b>113.57</b>
<b>C) Cash flows from financing activities</b>		
Intercompany deposits taken (Paid) during the year	-	(135.11)
Principal elements of lease payments	(195.32)	(175.81)
Interest paid (including interest on lease liabilities)	(100.59)	(180.13)
Proceeds from issue of shares	17.14	17.31
Proceeds from share application money pending allotment	0.31	(4.45)
Proceeds/ (Repayment) from/ (of) borrowings	(81.63)	(109.32)
Payment of Dividend	(243.21)	(239.67)
<b>Net cash outflow from financing activities</b>	<b>(603.30)</b>	<b>(827.18)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(76.61)</b>	<b>128.35</b>
Cash and cash equivalents at the beginning of the period	134.69	213.91
<b>Cash and cash equivalents at the end of the period</b>	<b>58.08</b>	<b>342.26</b>
Reconciliation of cash and cash equivalents as per the cash flow statement:		
	<b>September 30, 2020</b>	<b>September 30, 2019</b>
Cash and cash equivalents	58.08	342.26
<b>Balances as per statement of cash flows</b>	<b>58.08</b>	<b>342.26</b>

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

Place: Mumbai  
Date: October 23, 2020

For and on Behalf of the Board of Directors  
Onward Technologies Limited  
JIGAR HARISH MEHTA  
Digitally signed by  
JIGAR HARISH MEHTA  
Date: 2020.10.23  
12:59:31 +05'30'  
Jigar Mehta  
Managing Director