

INDEPENDENT AUDITOR'S REPORT

To the Members of Onward Eservices Limited

Report on the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Onward Eservices Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, Cash Flow Statement and the Statement of Changes in Equity for the period from April 1, 2018 to March 31, 2019, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit and loss (including other comprehensive income), its cash flows and the changes in equity for the period from April 1, 2018 to March 31, 2019.

Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS 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 (ICAI) together with the independence requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act and the Rules made 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 audit opinion on the Ind AS financial statements.

Key Audit Matters

Key Audit matters are those matters that, in our professional judgement, were of most significance in our audit of Financial Statements of current period. As per our judgement there are no Key Audit matters that need to be reported under SA 701.

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive



income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS 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.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS financial statements.

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 Ind AS 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 financial controls 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 system 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 Ind AS 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 Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

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.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report



expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) 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 has no pending litigations which are to be reported under Ind AS financial statements.

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

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Shah Khandelwal Jain & Associates
Chartered Accountants
Firm Registration No: 142740W

A/C Khandelwal

Ashish Khandelwal
Partner

Membership No: 049278

Place: Pune

Date: 15th May 2019



Annexure A referred to in paragraph 2 (f) under the heading "Report on other legal and regulatory requirements" of our report of even date

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

We have audited the internal financial controls over financial reporting of Onward eServices Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('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 Companies Act, 2013.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures



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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanation given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Shah Khandelwal Jain & Associates
Chartered Accountants
Firm Registration No: 142740W

Ackhandelwal

Ashish Khandelwal
Partner
Membership No. 049278
Place: Pune
Date: 15th May 2019



**ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE
FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 OF Onward eServices
Limited ("the Company")**

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the
Independent Auditors' Report]

**Companies (Auditor's Report) Order, 2016 issued by the Central Government in terms of
subsection 11 of section 143 of Companies Act, 2013 ("the Act")**

- i. (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All the fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) No immovable property is owned by the Company. Thus paragraph (i)c is not applicable.
- ii. The Company is a service company, primarily engaged in Core Banking Solution and Information Technology Services and Consultancy, further in respect of trading activities of the Company, the products viz. Software and /or hardware are purchased only on need basis. Accordingly, it does not hold any physical inventories as on balance sheet date.
- iii. The Company has granted loan to Onward Technologies Limited, Company covered in the register maintained section 189 of the Companies Act, 2013.
 - (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the rate of interest and other terms and conditions on which the loans have been granted to the Company listed in the register maintained under Section 189 of the Act are not, prima facie, prejudicial to the interest of the Company.
 - (b) In the case of the loans granted to the Company listed in the register maintained under section 189 of the Act, schedule of repayment of principal and payment of interest have been stipulated and the borrowers have been regular in the payment of the principal and interest.
 - (c) There are no amounts overdue for more than ninety days in respect of the loan granted to the Company listed in the register maintained under section 189 of the Act.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, in respect of loans, investments, guarantees and security made.



- v. In our opinion and according to the information and explanations given to us, there are no amounts outstanding which are in the nature of deposits as on 31st March, 2019 and the Company has not accepted any deposits during the year.
- vi. The provisions of sub-section (1) of section 148 of the Act are not applicable to the Company. Accordingly, the provisions stated in paragraph 3 (vi) of the order are not applicable to the Company.
- vii. (a) According to the records of the Company, the Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Service Tax, Goods and Services Tax and other statutory dues.
- (b) According to the records of the Company, the dues outstanding of income-tax, sales-tax, goods and services tax, service tax, value added tax, cess and any other undisputed statutory dues outstanding as at March 31, 2019 for a period of more than six months from the date they become payable are as follows:

Name of Statue	Nature of Dues	Amount	Delay in Days
Provident Fund Act, 1952	Provident Fund	4,17,244	1-365
Tax on professions, trades, Callings and Employments Act 1992	Professional Tax	8,760	1-365
Gujarat professions tax Act 1976	Professional Tax	230	1-365
Employee State Insurance Act 1948	ESIC	39,880	1-365
Income Tax Act, 1961	TDS on Interest	5,856	1-365

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to bank. There are no dues from Financial Institution and Debenture Holders.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and no term loans were applied other than purposes for which those were raised.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees during the course of our audit.



- xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid any managerial remuneration and hence this clause is not applicable.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company.

For Shah Khandelwal Jain & Associates
Chartered Accountants
Firm Registration No. 142740W

A C Khandelwal

Ashish Khandelwal
Partner
Membership No.049278
Place : Pune

Date : 15th May 2019



Balance sheet

	Notes	March 31, 2019	March 31, 2018
ASSETS			
I. Non-current assets			
Property, plant and equipment	3	115.45	150.08
Intangible assets	4	7.45	10.05
Financial assets			
(a) Other financial assets	5	471.27	93.96
Deferred tax assets (net)	12 (a)	121.93	144.66
Income-tax assets	11	527.35	317.16
Other non-current assets	9	6.89	-
Total non-current assets		1,250.35	715.91
II. Current assets			
Financial assets			
(b) Trade receivables	6	1,315.36	1,402.99
(c) Cash and cash equivalents	7 (a)	32.47	247.76
(d) Other Bank balances	7 (b)	50.50	6.70
(e) Unbilled Revenue		475.57	589.58
(f) Other Current Financial Assets	8	28.78	-
Income-tax assets	11	194.28	142.23
Other current assets	10	71.54	26.75
Total current assets		2,168.50	2,416.01
Total Assets		3,418.84	3,131.92
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	13 (a)	1,562.00	1,562.00
Other equity	13 (b)	(451.09)	(564.17)
Total Equity		1,110.91	997.83
LIABILITIES			
I. Non-Current liabilities			
Financial liabilities			
(a) Borrowings	14	58.02	101.51
(b) Other financial liabilities	19	926.94	888.06
Employee benefit obligations	18 (a)	11.85	45.01
Total non-current liabilities		996.81	1,034.58
II. Current liabilities			
Financial liabilities			
(a) Borrowings	15	445.45	366.94
(b) Trade payables	16		
-Total outstanding dues of micro enterprises and small enterprises		20.83	-
-Total outstanding dues of creditors other than micro enterprises and small enterprises		39.30	139.10
(c) Other financial liabilities	17	42.83	61.67
Employee benefit obligations	18 (b)	121.85	73.77
Other current liabilities	20	640.86	458.03
Total current liabilities		1,311.12	1,099.51
Total Liabilities		2,307.93	2,134.09
Total Equity and Liabilities		3,418.84	3,131.92

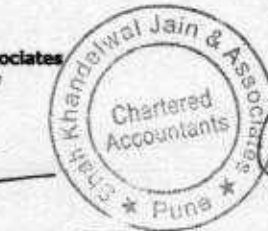
The above balance sheet should be read in conjunction with the accompanying notes.

In terms of our report of even date

For Shah Khandelwal Jain & Associates
Firm Registration Number: 142740W
Chartered Accountants

Ack Khandelwal

Ashish Khandelwal
Partner
Membership No.: 049278
Place : Pune
Date : 15th May 2019



For and on behalf of the Board of Directors
Onward eServices Limited
CIN - U72900MH2003PLC140979

Jigar Mehta

Jigar Mehta
Whole Time Director
DIN : 06829197
Place : Mumbai
Date : May 15, 2019

Ujjwala Sonan
Chief Financial Officer
Place : Mumbai
Date : May 15, 2019

MVSS Narayanacharyulu

MVSS Narayanacharyulu
Additional Director
DIN : 08253789
Place : Mumbai
Date : May 15, 2019

Aishwarya Dhayagude

Aishwarya Dhayagude
Company Secretary
Place : Mumbai
Date : May 15, 2019

Onward eServices Limited
(All amounts in Rs. lakhs, unless otherwise stated)

Statement of profit and loss

	Notes	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from operations	21	6,149.01	5,605.02
Other income	22	89.36	113.29
Total Income		6,238.37	5,718.31
Expenses			
Purchases of traded goods	23	10.93	42.21
Employee benefits expense	24	4,236.67	3,773.19
Finance costs	25	121.51	138.50
Depreciation and amortisation expense	26	47.00	49.49
Other expenses	27	1,628.33	1,536.90
Total expenses		6,044.44	5,540.30
Profit before tax		193.93	178.01
Income tax expense			
Current tax	12 (b)	39.78	-
Deferred tax	12 (b)	27.84	(146.28)
Total tax expense		67.62	(146.28)
Profit for the year		126.31	324.29
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of post-employment benefit obligations		(18.33)	14.76
Income tax relating to these items	12 (b)	5.10	(5.75)
		(13.23)	9.01
Total other comprehensive income for the year, net of tax		(13.23)	9.01
Total comprehensive income for the year		113.08	333.30
Earnings per share			
Basic	28	0.81	2.08
Diluted	28	0.67	1.63

The above statement of profit and loss should be read in conjunction with the accompanying notes.

In terms of our report of even date

For Shah Khandelwal Jain & Associates

Firm Registration Number: 142740W

Chartered Accountants

Ack Khandelwal

Ashish Khandelwal

Partner

Membership No.: 049278

Place : Pune

Date : 15 May 2019



For and on behalf of the Board of Directors

Onward eServices Limited

CIN - U72900MH2003PLC140979

Jigar Mehta

Jigar Mehta

Whole Time Director

DIN : 06829197

Place : Mumbai

Date : May 15, 2019

MVSS Narayanacharyulu

MVSS Narayanacharyulu

Additional Director

DIN : 08253789

Place : Mumbai

Date : May 15, 2019

Ujjwala Soman

Ujjwala Soman

Chief Financial Officer

Place : Mumbai

Date : May 15, 2019

Aishwarya Dhayagude

Aishwarya Dhayagude

Company Secretary

Place : Mumbai

Date : May 15, 2019

Onward eServices Limited
(All amounts in Rs. lakhs, unless otherwise stated)
Statement of cash flows

	Year Ended March 31, 2019	Year Ended March 31, 2018
A) Cash flows from operating activities		
Profit before income tax	193.93	178.00
Adjustments for		
Depreciation and amortisation expense	47.00	49.49
(Profit) / loss on disposal of property, plant and equipment	-	2.02
Bad debts written off	77.84	53.86
Provision for bad and doubtful debts	-	21.00
Sundry balances written off	0.19	29.04
Interest income classified as investing cash flow	(57.75)	(45.24)
Unwinding of discount on security deposits	(10.09)	(4.62)
Guarantee Commission expenses	-	13.20
Amortisation of prepaid rent	4.43	4.98
Employee share based payment expenses	2.18	4.04
Finance costs	121.51	138.51
Operating profit before working capital changes	379.25	444.28
Changes in working capital		
(Increase) / Decrease in trade receivables	9.79	320.75
(Increase) / Decrease in other financial assets	114.01	(577.79)
(Increase) / Decrease in other assets	(40.12)	(11.72)
Increase / (Decrease) in trade payables	(107.17)	30.33
Increase / (Decrease) in other liabilities	180.64	(1.66)
Increase / (Decrease) in other financial liabilities	-	-
Increase / (Decrease) in employee benefit obligations	(3.40)	35.35
Cash generated from operations	533.01	239.51
Income taxes paid (net of refunds received)	(302.01)	(65.31)
Net cash inflow / (outflow) from operating activities	230.99	174.19
B) Cash flows from investing activities		
Payments for property, plant and equipment	(56.60)	(17.15)
Proceeds from sale of property, plant and equipment	-	-
Bank balances not considered as cash and cash equivalents	(86.04)	15.38
Interest received	57.75	45.24
Redemption of Investment in Bank deposits	35.35	-
Investment in Bank Deposits	-	-
Loan given to related party	(1,365.00)	(175.00)
Proceeds from loan given to related parties	950.00	175.00
Net cash flows from investing activities	(464.54)	43.47
C) Cash flows from financing activities		
Interest paid	(82.63)	(61.44)
Repayment of short term borrowings	-	(35.57)
Proceeds from long term borrowings	100.85	140.61
Net Proceeds from short term borrowings	-	(79.62)
Net cash inflows / (outflow) from financing activities	18.22	(36.02)
Net increase / (decrease) in cash and cash equivalents	(215.33)	181.66
Cash and cash equivalents at the beginning of the financial year	247.76	66.10
Cash and cash equivalents at the end of the financial year	32.47	247.76

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

	March 31, 2019	March 31, 2018
Cash and cash equivalents (Note 8 (a))	32.47	247.76
Balances as per statement of cash flows	32.47	247.76

This is the Cash Flow Statement referred to in our report of even date.

For Shah Khandelwal Jain & Associates
Firm Registration Number: 142740W
Chartered Accountants

Ashish Khandelwal
Partner
Membership No.: 049278
Place : Pune
Date : 15 May 2019

For and on behalf of the Board of Directors
Onward eServices Limited
CIN : U72900MH2003PLC140979

Jigar Mehta
Whole Time Director
DIN : 06829197
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DIN : 08253789
Place : Mumbai
Date : May 15, 2019

Ujjwala Somani
Chief Financial Officer
Place : Mumbai
Date : May 15, 2019

Aishwarya Dhayagude
Company Secretary
Place : Mumbai
Date : May 15, 2019

Statement of changes in equity

Equity Share Capital

	Notes	Total
As at April 1, 2017		1,562.00
Change in equity share capital	13	-
As at March 31, 2018		1,562.00
Change in equity share capital	13	-
As at March 31, 2019		1,562.00

Other Equity

	Others	Total
As at April 1, 2017	(986.48)	(986.48)
Profit for the year	324.29	324.29
Other Comprehensive Income	9.01	9.01
Total comprehensive income for the year	(653.18)	(653.18)
As at March 31, 2018	(653.18)	(649.14)
Profit for the year	126.31	126.31
Other Comprehensive Income	(13.23)	(13.23)
Total comprehensive income for the year	113.08	113.08
Equity component of compound financial instruments	89.01	89.01
As at March 31, 2019	(451.08)	(447.04)

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

For Shah Khandelwal Jain & Associates

Firm Registration Number: 142740W

Chartered Accountants

Ashish Khandelwal
Ashish Khandelwal
Partner

Membership No.: 049278

Place : Pune

Date : 15th May 2019



For and on behalf of the Board of Directors

Onward eServices Limited

CIN - U72900MH2003PLC140979

Jigar Mehta
Jigar Mehta
Whole Time Director

DIN : 06829197

Place : Mumbai

Date : May 15, 2019

MVSS Narayanacharyulu
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Additional Director

DIN : 08253789

Place : Mumbai

Date : May 15, 2019

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Chief Financial Officer

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Date : May 15, 2019

Aishwarya Dhayagude
Aishwarya Dhayagude
Company Secretary

Place : Mumbai

Date : May 15, 2019



Onward eServices Limited

Notes to the separate financial statements

(All amounts are in INR lakhs, unless otherwise stated)

Background: Onward eServices Limited ("the Company") is a public limited company domiciled in India and was incorporated on June 19, 2003 under the provisions of the Companies Act, 1956. Onward eServices Limited is a leading Service Company, Primarily engaged in Core Banking Solution and information technologies Services and Consultancy, further in respect of trading activities of the company, the products VIZ. Software and hardware are purchased only on need basis accordingly. It does not hold any physical inventories as on the balance sheet date. The Company has its registered office in Mumbai and another office in Chennai.

I. Significant Accounting Policies:

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

(a) Basis of preparation

(i) Compliance with Ind AS

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

The Board of Directors have authorized these financial statements for issue on 15th May 2019.

(ii) Historical cost convention

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

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

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

(b) Revenue recognition

The Company derives revenues Primarily engaged in Core Banking Solution and information technologies Services and Consultancy, further in respect of trading activities of the company, the products VIZ. Software and hardware are purchased only on need basis accordingly. It does not hold any physical inventories as on the balance sheet date.

Effective April 1, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers". The Company has completed an initial assessment of the potential impact of the adoption of Ind AS 115 on accounting policies followed in its financial statements. However there is no impact on adoption of the IND AS 115 which needs to be disclosed in the Financial Statements.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

Arrangements with customers for software-related services are either on a fixed-price, fixed-timeframe or on a time-and-material basis.



Onward eServices Limited

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(All amounts are in INR lakhs, unless otherwise stated)

Revenue on time-and-material contracts are recognized as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognized as unbilled revenue. Revenue from fixed-price, fixed-timeframe contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Maintenance revenue is recognized ratably over the term of the underlying maintenance arrangement.

Revenues in excess of invoicing are classified as contract assets (which we refer as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

In arrangements for software development and related services and maintenance services, the Company has applied the guidance in Ind AS 115, Revenue from contract with customer, by applying the revenue recognition criteria for each distinct performance obligation. The arrangements with customers generally meet the criteria for considering software development and related services as distinct performance obligations. For allocating the transaction price, the Company has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In cases where the company is unable to determine the standalone selling price, the company uses the expected cost plus margin approach in estimating the standalone selling price. For software development and related services, the performance obligations are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses.

Other Income

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

Invoicing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

(c) Taxes

Taxes comprise current income tax and deferred tax.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized outside profit or loss are recognized outside the Restated Statement of Profit or Loss, either in other comprehensive income or in equity.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

(c) Taxes

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.



Onward eServices Limited
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Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets (including MAT credit entitlement, if any) are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses if any. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

At each reporting date the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become probable that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer probable that sufficient future taxable income will be available against which deferred tax asset can be realized.

Deferred tax relating to items recognized outside profit or loss is recognized either in other comprehensive income or in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(d) Leases

As a lessee

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

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives



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received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease, unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

(e) Impairment of assets

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

(f) Cash and cash equivalents

Notes to the separate financial statements

(All amounts are in INR lakhs, unless otherwise stated)

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits of three months or less, which are subject to an insignificant risk of changes in value.

(g) Trade receivables

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

(h) Borrowing costs

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

Notes to the separate financial statements

(i) Investments and other financial assets

(i) Classification

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

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.



Onward eServices Limited

Notes to the separate financial statements

(All amounts are in INR lakhs, unless otherwise stated)

(ii) Measurement

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

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

Debt instruments

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

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

Equity instruments

The Company subsequently measures equity 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.

(iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Refer Note 33 for details of credit risk.

(iv) Derecognition of financial assets

A financial asset is derecognised only when

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

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised. Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(j) Offsetting financial instruments



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Notes to the separate financial statements
(All amounts are in INR lakhs, unless otherwise stated)

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.

(k) 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.

(All amounts are in INR lakhs, unless otherwise stated)
Depreciation methods, estimated useful lives and residual value

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

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

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

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

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

(l) Intangible assets

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

Asset	Useful life
Server & Software	6 years

(m) 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.



Onward eServices Limited
Notes to the separate financial statements
(All amounts are in INR lakhs, unless otherwise stated)

(n) Borrowings

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

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

(n) Borrowings

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

(o) Provisions and Contingent liabilities

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

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

(p) 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



Onward eServices Limited
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The liabilities for privileged leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss. The obligations are presented as current liabilities in the balance sheet if the entity does not have 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 plans – gratuity

(b) Defined contribution plans - Provident fund, Employee State Insurance Scheme.

(a) Defined benefit plans - Gratuity

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

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 benefits obligation and the fair value of plan assets.

Re-measurement 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 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 recognized as employee benefit expense when they are due.



Onward eServices Limited

Notes to the separate financial statements

(All amounts are in INR lakhs, unless otherwise stated)

(q) Earnings per share

(i) Basic Earnings per Share

Basic earnings per share is calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the financial year. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

(ii) Diluted Earnings per Share

Onward eServices Limited

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

(q) Earnings per share

(r) Rounding of amounts:

(i) Basic Earnings per Share

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



2. Critical estimates

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

i. Fair value measurement of unquoted financial instrument

When the fair values of the financial assets and financial liabilities recorded in the balance sheet cannot be measured based on the quoted prices in active markets, their fair value is measured using the valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Estimates include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair values of financial instruments. Refer note 32 for further disclosures.

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

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

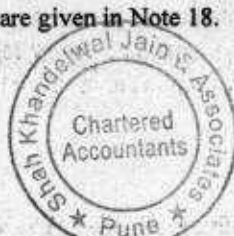
The useful lives and residual values of assets are determined by management at the time the asset is acquired and reviewed annually for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events which may impact their life such as changes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

iii. Impairment of Trade Receivables

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

iv. Gratuity

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

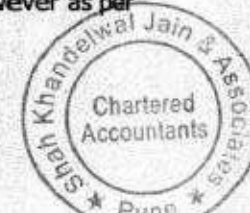


Onward eServices Limited
Notes to Separate Financial Statements
(All amounts in Rs. lakhs, unless otherwise stated)

3 Property, plant and equipment

Particulars	Leasehold Improvements	Furniture & Fixtures	Office Equipment	Leasehold Improvements	Furniture & Fixtures	Office Equipment	Computers	Total
Deemed cost as on April 1, 2017				168.37	3.62	1.34	34.88	208.21
Additions				-	-	1.26	1.15	2.41
Disposals				-	2.43	-	3.66	6.10
Gross carrying amount as on March 31, 2018 (A)				168.37	1.19	2.60	32.37	204.52
Accumulated depreciation				4.63	1.03	0.31	6.63	12.61
Charge for the year				33.67	0.49	0.29	11.50	45.95
Disposals				-	0.45	-	3.66	4.12
Closing accumulated depreciation as at March 31, 2018 (A)				38.30	1.06	0.60	14.47	54.43
Net carrying amount as on March 31, 2018 (A-B)				130.07	0.13	2.00	17.89	150.08
Particulars	Leasehold Improvements	Furniture & Fixtures	Office Equipment	Leasehold Improvements	Furniture & Fixtures	Office Equipment	Computers	Total
Opening gross carrying amount as on April 1, 2018				168.37	1.19	2.60	32.37	204.51
Additions*				0.33	-	4.79	37.09	42.21
Disposals*				-	0.90	-	-	0.90
Gross carrying amount as on March 31, 2019 (A)				168.69	0.29	7.39	69.45	245.82
Accumulated depreciation				38.30	1.06	0.60	14.47	54.43
Charge for the year*				34.00	0.03	2.18	40.63	76.84
Disposals*				-	0.90	-	-	0.90
Closing accumulated depreciation as at March 31, 2019 (B)				72.29	0.19	2.79	55.10	130.37
Net carrying amount as on March 31, 2019 (A-B)				96.40	0.10	4.60	14.35	115.45

* The additions and charge during the year includes an amount of 32.44 Lakhs which are pertaining to assets which are written off from books of accounts however as per management the same are still in use. Similarly, disposals also includes an amount of Rs.0.90 lakhs on account of same.



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4 Intangible assets

Particulars	Computer Software	Total
Deemed cost as on April 1, 2017	14.41	14.41
Additions	2.50	2.50
Disposals	2.02	
Gross carrying amount as on March 31, 2018 (A)	14.89	14.89
Accumulated Amortisation		
Balance as at April 1, 2017	3.29	
Amortisation charge for the year	3.54	3.54
Disposals	1.99	
Closing accumulated depreciation as at March 31, 2018 (B)	4.84	4.84
Net carrying amount as on March 31, 2018 (A-B)	10.05	10.05

Particulars	Computer Software	Total
Opening gross carrying amount as on April 1, 2018	14.89	14.89
Additions*	11.29	11.29
Disposals	2.50	2.50
Gross carrying amount as on March 31, 2019 (A)	26.18	26.18
Accumulated Amortisation		
Balance as at April 1, 2018	4.84	4.84
Amortisation charge for the year*	13.89	13.89
Disposals		
Closing accumulated depreciation as at March 31, 2019 (B)	18.73	18.73
Net carrying value as on March 31, 2019 (A-B)	7.45	7.45

* The additions and amortisation during the year includes an amount of 11.29 Lakhs which are pertaining to assets which are written off from books of accounts however as per management the same are still in use.

Particulars	Computer Software	Total
Opening gross carrying amount as on April 1, 2019	26.18	26.18
Additions		
Disposals		
Gross carrying amount as on March 31, 2020 (A)		
Accumulated Amortisation		
Balance as at April 1, 2019		
Amortisation charge for the year*		
Disposals		
Closing accumulated depreciation as at March 31, 2020 (B)		



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5 Other financial assets

Non-current	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good		
Loan to related parties (Refer Note 31)	415.00	-
Security deposits	12.20	42.91
Rental deposits	44.07	51.05
Total	471.27	93.96

6 Trade receivable

	As at March 31, 2019	As at March 31, 2018
Trade Receivables	1,315.36	1,423.99
Receivables from related parties (Refer Note 31)	-	-
Less: Allowance for doubtful debts	-	(21.00)
Total	1,315.36	1,402.99

Break-up of security details

	As at March 31, 2019	As at March 31, 2018
Secured, considered good	-	-
Unsecured, considered good	1,315.36	1,402.99
Doubtful	-	21.00
Less: Allowance for doubtful debts	-	(21.00)
Total	1,315.36	1,402.99

7 (a) Cash and cash equivalents

	As at March 31, 2019	As at March 31, 2018
Cash in hand	0.31	0.29
Balances with banks		
- In current accounts	32.16	236.78
- Deposits with maturity less than 3 months	-	10.69
Total	32.47	247.76

7 (b) Bank balances other than 7 (a) above

	As at March 31, 2019	As at March 31, 2018
In earmarked accounts		
Deposits with maturity more than 3 months but less than 12 months	50.50	6.70
Total	50.50	6.70



Onward eServices Limited

Notes to Separate Financial Statements

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

8 Other current financial assets

	As at March 31, 2019	As at March 31, 2018
Security Deposit Considered Good	28.78	-
Security Deposit Not Considered Good	2.86	-
Provision for Doubtful Deposit	(2.86)	-
Total	28.78	-

9 Other non-current assets

	As at March 31, 2019	As at March 31, 2018
Prepaid rent	6.89	-
Total	6.89	-

10 Other current assets

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

	As at March 31, 2019	As at March 31, 2018
Prepaid expenses	26.95	21.87
Interest Receivable on Income Tax Refund	23.31	-
Deposits with maturity more than 3 months but less than 12 months	-	3.08
Others*	21.28	1.80
Total	71.54	26.75

*Others include advances paid to suppliers and employees.

11 Income tax (liabilities) / Income tax assets

	As at March 31, 2019	As at March 31, 2018
Opening Income tax (liabilities) / Income tax assets	459.39	394.08
Add: Taxes paid	446.36	149.62
Less: Refund received	(144.34)	(84.31)
Less: MAT Payable	(39.78)	-
Closing balance	721.63	459.39
Income tax assets- Non Current	527.35	317.16
Income tax assets- Current	194.28	142.23



Onward eServices Limited
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12 (a) Deferred tax assets (net)

The balance of deferred tax comprises temporary differences attributable to:

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred tax assets		
Provision for gratuity	32.26	17.37
Provision for leave encashment	4.94	13.51
Allowance for doubtful debts	0.80	11.08
Tax losses	38.06	98.91
Depreciation	6.09	-
MAT Credit Entitlement	39.78	-
Others	-	3.79
	121.93	144.66
Total deferred tax assets/ (liabilities) (net)	121.93	144.66

Movement in Deferred Tax Assets/ (Liabilities) in Statement of Profit and Loss [(charged)/ credited during the year]

Particulars	Year Ended	
	March 31, 2019	March 31, 2018
Provision for gratuity	14.89	17.37
Provision for leave encashment	(8.57)	13.51
Allowance for doubtful debts	(10.28)	11.08
Tax losses	(60.85)	98.91
Depreciation	6.07	-
MAT Credit Entitlement	39.78	-
Others	(3.79)	5.41
Total	(22.74)	146.28

12 (b) Income Taxes

The major components of income tax expense for the year ended March 31, 2019 and March 31, 2018

Statement of profit and loss

Profit and Loss section	Year ended March 31, 2019	Year ended March 31, 2018
Current income tax charge		
Current income tax	-	-
-Current tax on profit for the current year	-	-
-Adjustments for current tax of prior periods	-	-
MAT Expense	39.78	-
Deferred tax	27.84	(146.28)
Income tax expense reported in the statement of profit or loss	67.62	(146.28)
Other comprehensive income section	Year ended March 31, 2019	Year ended March 31, 2018
Deferred tax related to items recognised in OCI during the year	5.10	(5.75)
Income tax charged to OCI	5.10	(5.75)

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:

Particulars	March 31, 2019
Accounting Profit before tax from continuing operations	193.93
Statutory Tax rate (%)	26.00%
Computed Tax Expense	50.43
Tax Effect of:	
Expenses Disallowed	18.58
Depreciation Impact	5.53
Expenses allowed	(63.07)
Brought Forward loss utilised	(11.47)
MAT tax payable	39.78
Current Tax Provision	39.79



13 (a) Equity share capital

	As at March 31, 2019	As at March 31, 2018
Authorised share capital:		
15,620,000 (March 31, 2019 : 15,620,000 ; April 1, 2018 : 15,620,000) Equity shares of Rs. 10 each	1,562.00	1,562.00
900,000 (March 31, 2019 : 90,000,000 ; March 31, 2018 : 90,000,000) Preference shares of Rs. 100 each	900.00	900.00
Total	2,462.00	2,462.00
Issued, subscribed and paid up :		
15,620,000 (March 31, 2019 : 15,620,000 ; April 1, 2018 : 15,620,000) Equity shares of Rs. 10 each	1,562.00	1,562.00
Total	1,562.00	1,562.00

(i) Reconciliation of number of equity shares issued

	As at March 31, 2019	As at March 31, 2018
Issued, subscribed and paid up		
Shares outstanding at the beginning of the year	15,620,000	15,620,000
Shares issued during the year	-	-
Shares outstanding at the end of the year	15,620,000	15,620,000

(ii) Reconciliation of issued equity share capital

	As at March 31, 2019	As at March 31, 2018
Issued, subscribed and paid up		
Shares outstanding at the beginning of the year	1,562.00	1,562.00
Shares issued during the year	-	-
Shares outstanding at the end of the year	1,562.00	1,562.00

(iii) Terms/ rights attached to equity shares

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

(iv) Shares held by holding Company

	As at March 31, 2019	As at March 31, 2018
Onward Technologies Limited (Holding company)	15,620,000	15,620,000

(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, 2019		As at March 31, 2018	
	% holding	No. of shares	% holding	No. of shares
Onward Technologies Limited	100.00%	15,620,000	100.00%	15,620,000

13 (b) Other Equity

	As at March 31, 2019	As at March 31, 2018
Reserves and Surplus		
Retained earnings		
Opening balance	(653.18)	(986.48)
Net profit for the year	126.31	324.29
Re-measurements of post-employment benefit obligations (net of tax)	(13.23)	9.01
	(540.10)	(653.18)
Equity component of compound financial instruments	89.01	89.01
Closing Balance	(451.09)	(564.17)
Total	(451.09)	(564.17)



14 Non-Current borrowings

	As at March 31, 2019	As at March 31, 2018
Secured		
Term Loans from banks	100.85	140.61
Less : Current maturities of non-current borrowings (included in Note 17)	(42.83)	(39.10)
Total Non-Current Borrowings	58.02	101.51

(i) Terms of repayment for borrowings

	Terms of repayment	Coupon/ Interest rate
Secured		
Term Loan from Bank	Monthly Installments	10.95%
Unsecured		
From Related Parties	Payable on Demand	10.20%

(ii) Security details

Term loans including term loans sanctioned by Kotak Mahindra Bank Limited (KMBL) taken over by Yes Bank Limited (YBL) on 1st April 2018 are secured by exclusive charge on all existing and future current assets and movable property, plant and equipment of the Company, also secured by exclusive charge on the property situated at E-Space, Nagar Road, Pune (owned by Onward Network Technologies Private Limited).

15 Current borrowings

	As at March 31, 2019	As at March 31, 2018
Secured		
Cash credit	445.44	366.94
Total	445.45	366.94

(i) Terms of repayment for borrowings

	Terms of repayment	Coupon/ Interest rate
Loans repayable on demand		
Cash Credit	Payable on Demand	10.50%

(ii) Security details

Term loans including term loans sanctioned by Kotak Mahindra Bank Limited (KMBL) taken over by Yes Bank Limited (YBL) on 1st April 2018 are secured by exclusive charge on all existing and future current assets and movable property, plant and equipment of the Company, also secured by exclusive charge on the property situated at E-Space, Nagar Road, Pune (owned by Onward Network Technologies Private Limited).

16 Trade Payables

	As at March 31, 2019	As at March 31, 2018
Total outstanding dues of micro enterprises and small enterprises	20.83	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		
(i) Related Parties (Refer Note 31)		
(ii) Others	39.30	139.06
Total	60.13	139.06

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:

	As at March 31, 2019	As at March 31, 2018
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	20.83	-
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	0.20	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	393.27	-
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	0.20	-
Further interest remaining due and payable for earlier years	-	-



17 Other financial liabilities - current

	As at March 31, 2019	As at March 31, 2018
Capital creditors		
Payable to Holding Company for Corporate Guarantee received	-	2.70
Current Maturities of borrowings	42.83	19.87
Total	42.83	39.10
	42.83	61.67

18 (a) Non-current employee benefit obligations

	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits		
- Provision for Compensated Absences	11.85	45.01
Total	11.85	45.01

18 (b) Current employee benefit obligations

	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits		
- Provision for Gratuity	115.96	66.82
- Provision for Compensated Absences	5.89	6.95
Total	121.85	73.77

A Defined contribution plan

(i) Provident fund

The Company also has certain defined contribution plans. Contributions are made to provident fund for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is Rs. 225.49 lakhs (31st March 2018 - Rs. 212.52 lakhs).

B Defined Benefit Plan

(i) 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

	Present value of obligation	Fair value of plan assets	Net amount
April 1, 2017			
Current service cost	58.72	(1.99)	56.73
Interest expense/(income)	27.66	2.72	30.38
4.23		(0.22)	4.01
Total amount recognised in Profit or Loss	31.89	2.50	34.39
Return on plan assets			
(Gain)/loss from remeasurement of obligation	(14.83)	0.07	(14.76)
Total amount recognised in Other Comprehensive Income	(14.83)	0.07	(14.76)
Employer contributions			
Benefits paid		(9.94)	(9.94)
March 31, 2018	(7.58)	7.58	-
	68.20	(1.38)	66.82

	Present value of obligation	Fair value of plan assets	Net amount
April 1, 2018			
Current service cost	68.20	(1.38)	66.82
Interest expense/(income)	29.57	2.54	32.11
5.20		(0.17)	5.03
Total amount recognised in Profit or Loss	34.77	2.37	37.14
Return on plan assets			
(Gain)/loss from remeasurement of obligation	18.21	0.12	18.32
Total amount recognised in Other Comprehensive Income	18.21	0.12	18.32
Employer contributions			
Benefits paid		(6.33)	(6.33)
March 31, 2019	(4.68)	4.68	0.00
	116.50	(0.54)	115.96

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

	March 31, 2019	March 31, 2018
Present value of funded obligation		
Fair value of plan assets	116.50	68.20
Deficit	(0.54)	(1.38)
	115.96	66.82

III Significant estimates

The significant actuarial assumptions were as follows :

	March 31, 2019	March 31, 2018
Discount rate	7.10%	7.90%
Salary growth rate	5.00%	3.00%



IV Sensitivity of actuarial assumptions

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

Assumption	Impact on defined benefit obligation	
	March 31, 2019	March 31, 2018
Discount rate		
1 % increase	107.77	78.23
1 % decrease	126.76	60.02
Salary growth rate		
1 % increase	125.69	60.18
1 % decrease	108.55	77.89
Withdrawal Rate		
1 % increase	117.36	60.57
1 % decrease	115.41	74.81

Projected benefits payable from

	March 31, 2019	March 31, 2018
Less than a year	6.40	1.12
Between 2 to 5 years	53.23	20.24
Between 6 to 10 years	160.23	101.70
Total	219.86	123.06

The weighted duration of the defined benefit obligation is years. (March 31, 2019 : 8.01 years)

V The major categories of plan assets are as follows:

	March 31, 2019	March 31, 2018
Funds managed by insurer	100%	100%

VI Risk Exposure

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

Asset volatility

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

Changes in bond yields

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

Future salary escalation and inflation risk

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

Asset-Liability mismatch risk

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

C Leave Encashment

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

	March 31, 2019	March 31, 2018
Current leave obligations expected to be settled within the next 12 months	5.89	6.95

19 Other Financial liabilities

	March 31, 2019	March 31, 2018
Debt component of compound financial instruments	926.94	888.06
Total	926.94	888.06

20 Other Current liabilities

	As at March 31, 2019	As at March 31, 2018
Statutory dues payable	150.93	97.56
Advances from customers	1.77	-
Payable to Holding Company	37.25	15.20
Employee Benefits Payable	315.32	265.85
Deferred Revenue	4.53	7.98
Provision for Expenses	131.06	71.44
Total	640.86	458.03



21 Revenue from operations

	Year ended March 31, 2019	Year ended March 31, 2018
Sale of services		
- Professional and consultancy services	6,143.40	5,574.75
Sale of products		
- Software Products	5.61	30.27
Revenue from Operations	6,149.01	5,605.02

22 Other income

	Year ended March 31, 2019	Year ended March 31, 2018
Interest income from financial assets carried at amortised cost		
Interest on bank deposits and loan to related parties	57.75	10.57
Interest income on security deposits	5.78	4.85
Interest on income tax refunds	-	34.67
Other non-operating income	25.83	63.20
Total	89.36	113.29

23 Purchases of Traded goods

	Year ended March 31, 2019	Year ended March 31, 2018
Purchases of traded goods and consumables	10.93	42.21
Total	10.93	42.21

24 Employee benefits expense

	Year ended March 31, 2019	Year ended March 31, 2018
Salaries, wages and bonus	3,886.94	3,407.34
Contributions to provident and other funds	308.46	300.93
Gratuity Expenses	37.15	36.34
Leave Encashment	-	10.50
Employee share based payment expense	2.18	4.04
Staff welfare expenses	1.94	14.04
Total	4,236.67	3,773.19

25 Finance costs

	Year ended March 31, 2019	Year ended March 31, 2018
Interest on borrowings	105.76	135.11
Bank & Processing Charges	15.55	3.40
Interest to MSME Vendors	0.20	-
Total	121.51	138.51

26 Depreciation and amortization expense

	Year ended March 31, 2019	Year ended March 31, 2018
Depreciation on property, plant and equipment	44.40	45.95
Amortisation of Intangible assets	2.60	3.54
Total	47.00	49.49



27 Other expenses

	Year ended March 31, 2019	Year ended March 31, 2018
Water power and fuel	30.72	29.24
Rent (Refer note 29(a))	75.24	73.76
Leasing and hiring charges	0.71	2.30
Director sitting fees	3.75	11.35
Allowance for doubtful debts	-	21.00
Bad Debts	77.84	53.86
Communication	16.13	17.83
Insurance	15.99	13.82
Repairs and maintenance		
- Buildings	23.20	22.98
- Others	25.47	8.97
Travelling and conveyance	342.06	321.68
Legal and professional charges	910.16	774.73
Advertisement and sales promotion	19.44	73.01
Payment to auditors (Refer note 27(a))	6.00	4.26
Office Expenses	16.01	9.11
Commission Expense on corporate guarantee	-	13.20
Contract Cost	0.57	-
Miscellaneous Expenses	65.04	85.80
Total	1,628.33	1,536.90

27 (a) Payment to auditors

	Year ended March 31, 2019	Year ended March 31, 2018
As auditor		
Statutory Audit	3.50	2.06
Limited Review	1.25	0.75
Tax audit fee	1.00	1.00
In other capacity		
Fees for other services	0.25	0.45
Total	6.00	4.26

28 Earnings per share (EPS)

	Year ended March 31, 2019	Year ended March 31, 2018
(a) Basic Earnings Per Share		
Net Profit attributable to Equity Shareholders of the Company	126.31	324.29
Weighted average number of Equity Shares	15,620,000	15,620,000
Basic Earnings per share	0.81	2.08
(b) Diluted Earnings Per Share		
Net Profit attributable to Equity Shareholders of the Company	165.19	401.36
Weighted average number of Equity Shares (including Potential Shares)	24,620,000	24,620,000
Diluted Earnings per share	0.67	1.63

(c) Weighted Average number of shares used as denominator

	Year ended March 31, 2019	Year ended March 31, 2018
Weighted average number of equity shares used as a denominator in calculating basic earnings per share	15,620,000	15,620,000
Adjustments for calculating diluted earnings per share :		
Optionally Convertible Preference Shares	9,000,000	9,000,000
Weighted average number of equity shares and potential shares used as a denominator in calculating diluted earnings per share	24,620,000	24,620,000



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29 Contingencies and commitments

a) Lease commitments

Operating lease: Company as lessee

The Company has taken certain office premises on lease for a term of 3 years starting from 9th Feb 2019
 Future minimum lease rental payables under non-cancellable operating leases are as follows:

	March 31, 2019	March 31, 2018
Lease payments recognised during the year	75.24	73.76
Within one year	79.84	69.02
Later than one year but not later than five years	147.06	225.10
More than five years	-	-

30 Related party transactions

a. Parent Entity

Sr. No.	Name of the entity	Place of business	Ownership Interest		Relationship
			March 31, 2019	March 31, 2018	
1	Onward Technologies Limited	India	100.00%	100.00%	Holding Company
2	Onward Network Technologies Private Limited	India	-	-	Ultimate Holding Company

b. Fellow Subsidiaries:

- 1 Onward Technologies Inc., USA
- 2 Onward Technologies GmbH, Germany
- 3 Onward Properties Private Limited, India

c. Key Management Personnel:

- 1 Mr. Jigar Mehta (Whole time Director)
- 2 Mr. MVSS Narayanacharyulu (Additional Director)
- 3 Mr. Parish Meghani (Director)
- 4 Ms Ujjwala Soman (Chief Financial Officer)
- 5 Ms Aishwarya Dhaygude (Company Secretary)

Sr. No.	Name of the entity	Place of business	Ownership Interest		Relationship
			March 31, 2019	March 31, 2018	
1	Onward Technologies Limited	India	100.00%	100.00%	Holding Company
2	Onward Network Technologies Private Limited	India	-	-	Ultimate Holding Company

b. Fellow Subsidiaries:

- 1 Onward Technologies Inc., USA
- 2 Onward Technologies GmbH, Germany
- 3 Onward Properties Private Limited, India

c. Key Management Personnel:

- 1 Mr. Jigar Mehta (Whole time Director)
- 2 Mr. MVSS Narayanacharyulu (Additional Director)
- 3 Mr. Parish Meghani (Director)
- 4 Ms Ujjwala Soman (Chief Financial Officer)
- 5 Ms Aishwarya Dhaygude (Company Secretary)



31 Transactions with related parties:

I	Name of the related party and nature of relationship	Nature of transaction	Year ended March 31, 2019	Year ended March 31, 2018
	A. Holding Company			
	Onward Technologies Limited	Unsecured Loans granted	1,365.00	175.00
		Interest Earned	32.68	9.22
		Repayment Received of unsecured loans	950.00	175.00
		Commission Expenses	-	13.20
		Employee share based payment expense	2.18	4.04
		IT Support charges	11.42	-
		Other expenses	1.95	10.86
	B. Ultimate Holding Company			
	Onward Network Technologies Private Limited	Rental Payments	5.92*	4.78
	C. Key Managerial Personnel			
	Mr. Jigar Mehta (Whole Time Director)	Director sitting fees	-	-
	Mr. Yateen Chodnekhar (Independent Director)	Director sitting fees	1.25	3.80
	Mr. Arvind Godbole (Independent Director)	Director sitting fees	1.25	3.80
	Mr. Nandkumar Pradhan (Independent Director)	Director sitting fees	1.25	3.75
	Mr. Pradip Dubhashi	Director sitting fees	-	-
	Mr. Arun Meghani	Director sitting fees	-	-
	Ms Kamakshi Lodha (Company Secretary)	Employee benefits	1.67	1.95
	Mr. Parish Meghani (Director)	Director sitting fees	-	-
	Mr MVSS Narayanacharyulu (Additional Director)	Director sitting fees	-	-

*Inclusive of GST

II Outstanding Receivable/(Payable) Balances

Particulars	March 31, 2019	March 31, 2018
A. Unsecured Loans		
Onward Technologies Limited	415.00	-
B. Security Deposit		
Onward Network Technologies Private Limited	2.34	2.34
C. Payable regarding expenses		
Onward Technologies Limited	(37.25)	(28.40)

III Terms and conditions for outstanding balances

All outstanding balances are unsecured and payable in cash.

Particulars

A. Unsecured Loans

Onward Technologies Limited

B. Security Deposit

Onward Network Technologies Private Limited

C. Payable regarding expenses

Onward Technologies Limited



Onward eServices Limited
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32 Fair value measurements

Financial instruments by category

	March 31, 2019		March 31, 2018		March 31, 2019		March 31, 2018	
	FVPL	Amortised cost	FVPL	Amortised cost	FVPL	Amortised cost	FVPL	Amortised cost
Financial assets								
Loan to related party	-	415.00	-	-	-	-	-	-
Security Deposits	-	56.27	-	-	-	-	-	93.96
Trade receivables	-	1,315.36	-	-	-	-	-	1,402.99
Cash and cash equivalents	-	32.47	-	-	-	-	-	247.76
Bank balances other than above	-	50.50	-	-	-	-	-	6.70
Unbilled revenue	-	475.57	-	-	-	-	-	589.58
Total financial assets	-	2,345.17	-	-	-	-	-	2,340.99
Financial liabilities								
Borrowings	-	546.29	-	-	-	-	-	468.45
Trade payables	-	60.13	-	-	-	-	-	210.50
Payable to Holding Company	-	-	-	-	-	-	-	2.70
Debt component of compound financial instruments	926.94	-	-	-	888.06	-	-	-
Total financial liabilities	926.94	606.42	888.06	681.65				

i) Fair value hierarchy

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

Financial assets and liabilities measured at fair value - recurring fair value measurements	Level 1	Level 2	Level 3	Total
At March 31, 2019				
Financial liabilities				
Debt component of compound financial instruments			926.94	926.94



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Financial assets and liabilities measured at fair value - recurring fair value measurements	Level 1	Level 2	Level 3	Total
At March 31, 2018				
Financial liabilities				
Debt component of compound financial instruments			888.06	888.06

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

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

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

ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

All of the resulting fair value estimates are included in Level 2 except for unlisted preference shares where the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.

iii) Fair value measurement using significant unobservable inputs (Level 3)

The following table presents the changes in level 3 items for the periods ended March 31, 2019 and March 31, 2018 :

Particulars	Amount
Debt component of compound financial instruments	
As at April 1, 2017	810.99
Issued during the year	
Gain/(losses) recognized in Statement of Profit or loss	77.07
As at March 31, 2018	888.06
Acquisitions	
Finance cost recognized in Statement of Profit or loss	38.88
As at March 31, 2019	926.94



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

iv) Valuation Inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

	Impact on profit or loss		Impact on profit or loss	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Unquoted Preference Shares				
Significant Unobservable Inputs - Discount rate - 10.5% (March 31, 2018 : 10.5% , April 1, 2017 : Nil)			38.88	77.07
Increase by 2.00%				
Decrease by 4.30%				

v) Valuation process

The main level 3 inputs for unlisted preference shares used by the Company are derived and evaluated as under :

Market rate of interest / dividend that would have been applicable for such kind of long term loan, based on the inputs from the management on the terms of loan(rate of interest, security, duration of loan, tax, etc) existing just before the issue of shares.

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

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



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33 Financial risk management

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

(A) Credit risk

(i) Credit risk management

The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from deposits with banks and other financial instruments. For banks and other financial institutions, only high rated banks/ financial institutions are accepted. The balances with banks, loans given to employees, rental deposits are subject to low credit risk and the risk of default is negligible or nil. Hence, no provision has been created for expected credit loss for credit risk arising from these financial assets.

Trade Receivables

The credit risk from customer receivables is recorded and monitored on an ongoing basis. Responsibilities and duties relating to credit risks are governed by an internal directive. This mainly concerns the stipulation of payment terms, fixing of credit limits, release of deliveries, and receivables monitoring. The credit risk is considered low given the past experience of negligible/ minimal write-offs.

Reconciliation of loss allowance provision

Loss allowance on April 1, 2017	-
Changes in loss allowance	21.00
Loss allowance on March 31, 2018	21.00
Changes in loss allowance	(21.00)
Loss allowance on March 31, 2019	-



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(B) Liquidity risk

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

(i) Maturities of financial liabilities

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

March 31, 2019	< 1 year	> 1 year
Borrowings	445.45	58.02
Trade Payables	60.13	-
Payable for purchase of Property, Plant and Equipment	-	-
Security Deposits	-	-
Current Maturities of Long-term Debt	42.83	-
Other Payables	-	-
Total	548.41	58.02

March 31, 2018	< 1 year	> 1 year
Borrowings	366.94	101.51
Trade Payables	210.50	-
Payable for purchase of Property, Plant and Equipment	2.70	-
Security Deposits	-	-
Current Maturities of Long-term Debt	39.10	-
Other Payables	-	-
Total	619.24	101.51



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(C) Market risk

I) Foreign currency risk

The company does not operate internationally and therefore no foreign exchange risk arising from foreign currency transactions.

II) Interest rate risk

- (I) The Company's interest rate risk arises from long-term and short-term borrowings. Borrowings obtained at variable rates expose the Company to cash flow interest rate risk. Borrowings issued at fixed rates expose the Company to fair value interest rate risk. Management closely tracks the base interest rate movements on regular basis. Based on regular review, Management assesses the need to hedge interest rate risk. Management reviews the future movement in base rate against different factors such as overall micro and macro economic factors, liquidity in the spending cycle. Further, on a regular basis, Management assesses the possibility of entering into new facilities which would reduce the future finance cost which helps the Management to mitigate risk related to interest rate movement.

All the borrowings are at floating rate. Refer Note 14 and 15.

Sensitivity

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

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

	Impact on Profit after	
	March 31, 2019	March 31, 2018
Interest rate - Increase by 50 basis points	(3.17)	(0.68)
Interest rate - Decrease by 50 basis points	3.17	0.68

* Holding all other variables constant

Onward eServices Limited



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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 for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital. For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholders value. In order to achieve this objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2019 and March 31, 2018.

35 The list of standards issued but not yet effective:

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduce a single lessee accounting model and require sales see to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. On the date of adoption the company is in process of evaluating the impact of the same

36 Regroupings

Previous year's figures have been regrouped/ reclassified wherever necessary, to confirm with this years' classification.

For Shah Khandelwal Jain & Associates
Firm Registration Number: 142740W
Chartered Accountants

A C Khandelwal

Ashish Khandelwal
Partner

Membership No.: 049278

Place : Pune

Date : 15 May 2019



For and on behalf of the Board of Directors
Onward eServices Limited
CIN - U72900MH2003PLC140979

Jigar Mehta

Jigar Mehta
Whole Time Director
DIN : 06829197
Place : Mumbai
Date : May 15, 2019

MYSS Narayanacharyulu

MYSS Narayanacharyulu
Additional Director
DIN : 08253789
Place : Mumbai
Date : May 15, 2019

Ujjwal Soman

Ujjwal Soman
Chief Financial Officer
Place : Mumbai
Date : May 15, 2019

Aishwarya Dhayagude

Aishwarya Dhayagude
Company Secretary
Place : Mumbai
Date : May 15, 2019

