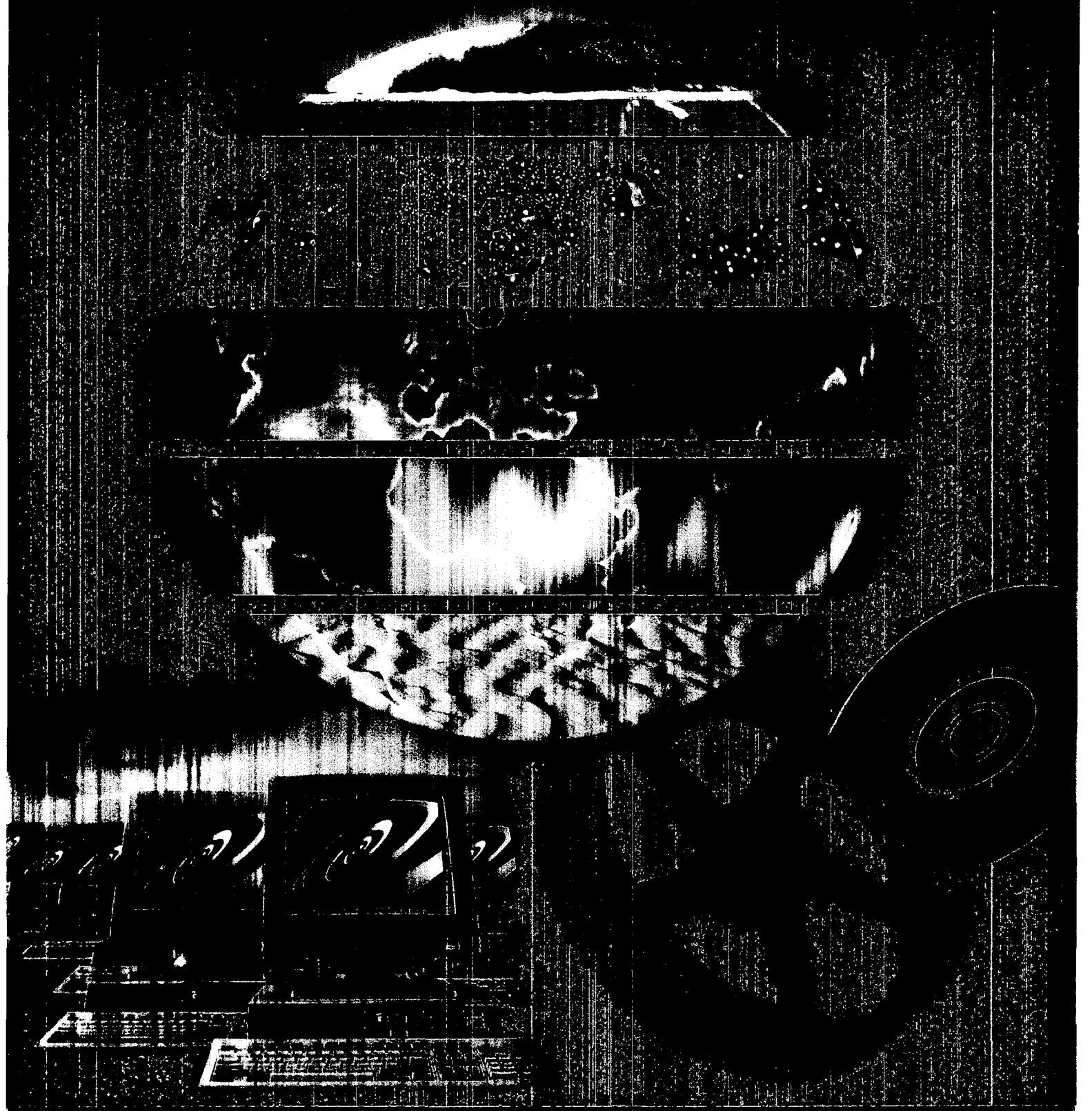
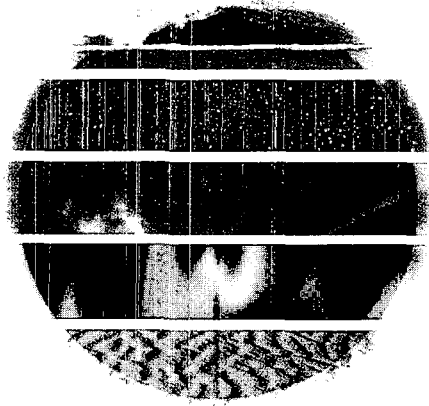




**Onward**  
TECHNOLOGIES LIMITED



ANNUAL REPORT 1996-97



*The Cover depicts the dynamic combination of the different elements of nature.*

The combination is extremely transient and hence the only constant factor is "Change". It is amazing that elements of nature bring about intense and drastic changes and yet they still strike the balance, that's Life. No wonder then, that life is full of change. The world is witnessing phenomenal and all encompassing changes due to information technology. The elements of nature continue to balance the life.

We, at Onward, draw an inspiration from basic elements of nature. We learn the harmony, the strength and orchestration of super power of these elements.

**The element of Water.** That cosmic force that drives the organisation to keep on bettering itself, and growing. The force of Human Resource Development that constantly urges, challenges, motivates and inspires every person to do better than his best.

**The element of Ether.** Symbolic of the awesome power of infinity. Full of an ever increasing potential - vast and sublime. Translated into the power of technology. Infinite in its potential, ever expanding in its scope.

**The element of Air.** The essence of growth. Ever changing, ever giving. With no limits, no boundaries. Where the organisation adapts like the air, to the environment around it.

**The element of Fire.** The intense energy of creativity and innovation. A fire that burns within every person at Onward. That burning desire to excel, to take on new challenges and come out on top.

**The element of Earth.** Stable, solid, reliable. The solid Indian base expanding into the new global attitude.

*For Onward Technologies Ltd.,* these five elements and their translating power provide the strategy for survival and growth. The individual strengths are combined and balanced in a seamless manner for achieving goals moving from present position to a new global reach.

## BOARD OF DIRECTORS

Harish Mehta  
(Chairman & Managing Director)



Harish Mehta  
(Managing Director)

Shaila Mehta

Arun Meghani

Berjis Desai

Samir Desai  
(Non-resident)



Ajit Chaphalkar  
(Chief Operations Officer)

Cowsy Wadia  
(Non-Resident)

Kanwal Rekhi  
(Non-Resident)



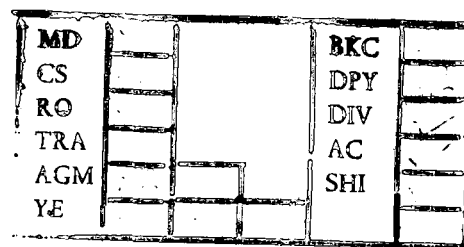
Mr. Roydon Olsen  
(Sr. Vice-President -  
Onward Technologies Inc. USA)

A.J. V. Jayachander  
(Nominee Director, U.T.I.)

## AUDITORS

**Kirtane & Pandit**  
Chartered Accountants

31, Islam Building  
46, Veer Nariman Road, Fort  
Mumbai - 400 023



## BANKERS

Bank of Baroda  
Corporation Bank  
Centurion Bank Ltd.  
IDBI Bank Ltd.

## REGISTERED OFFICE

Krislon House, 2nd Floor  
Saki Vihar Road,  
Saki Naka, Andheri (E),  
Mumbai - 400 072.

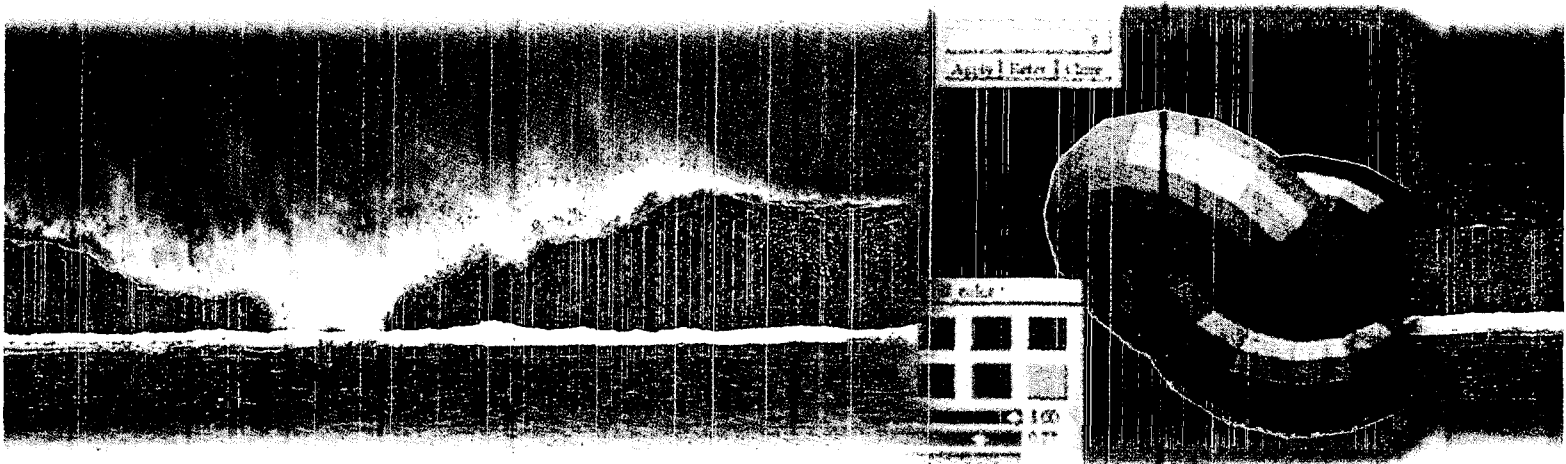
## REGISTRARS AND SHARE TRANSFER AGENTS

Intime Share Services Pvt. Ltd.  
260-A, Shanti Industrial Estate,  
Sarojini Naidu Road, Mulund (W),  
Mumbai - 400 080.

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## WATER

At *Onward Technologies Limited* we derive inspiration from water - that cosmic force that makes life on earth possible. The Human Resource Development cell at Onward performs this role of being the driving force that motivates and inspires the people at Onward. Another inspiration from Water is a passion of knowledge. Water is defined as life. We put life into the technologies to evolve solutions for customers problems.



# The Cosmic Force

## Onward March Continues.....

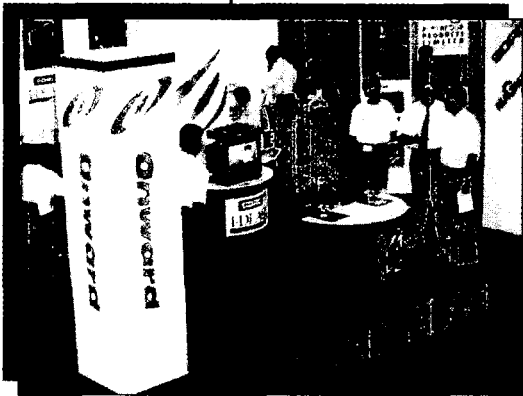
Onward March has begun in 1991. In these years, we have travelled a long way reaching many milestones. By adhering steadfastly to our declared philosophy of providing platform independent total solutions, we have demonstrated a successful business model in every area of our activity. We developed expertise among our personnel to efficiently execute missions in Systems Integration, Software Services, Applications

Development, Network Integration, Value Added Distribution, Consultancy & Training to create meaningful and comprehensive IT solutions. ONWARD's commitment to transfer, in their entirety, all our multiple skillsets to our customers, reiterates our focus on total customer satisfaction.

The technological changes in the current decade are taking place at an accelerated pace which cannot be compared with any other decade in the past. Onward March has faced many challenges and every time we succeeded in maintaining the sharpness and cutting

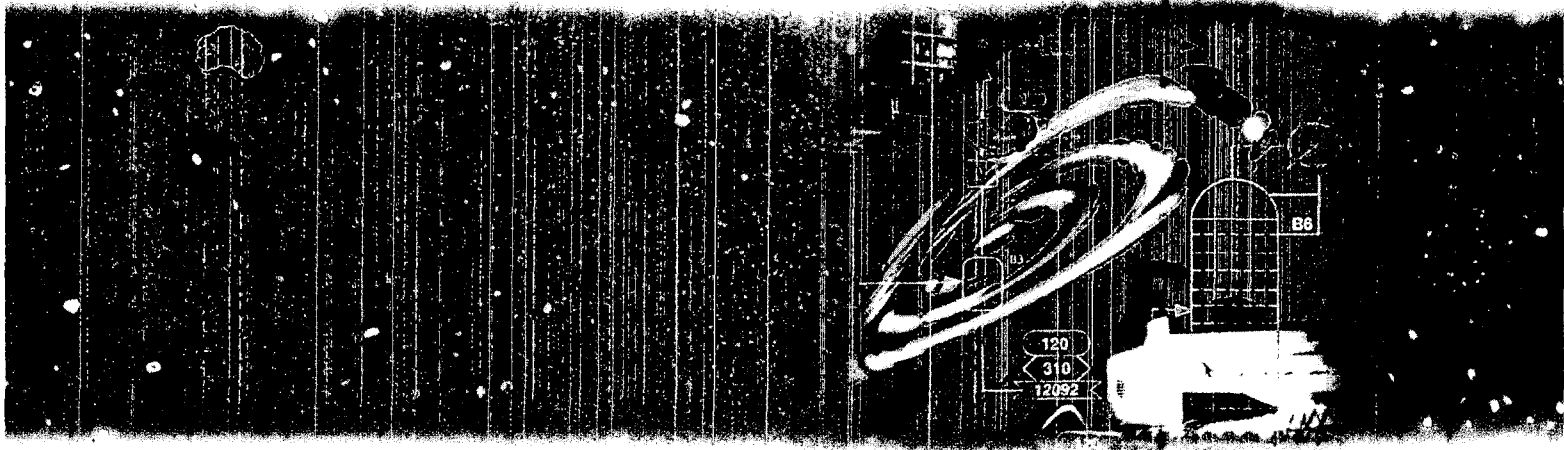
edge through multiple skills. From here, Onward is now marching towards building a high performance global organization. We will keep evolving strategies at the corporate level and business levels. Onward will continue to march taking along with its new technologies, customer expectations and new market opportunities. We will continue to invest in skills and build value organization and learn new ways to excel. Onward is developing, learning organization and staying away from less relevant methodologies.

We will adapt ourselves to changing paradigm for organizational success. The journey involves moving from national to transnational, from size to speed, from inertia to flexibility, from specialization to integration and from control to innovation. We are encouraging an idea generation culture. The key to success has been and continues to be creativity, innovation, and adaptability being translated into successful business propositions. We are surrounded by innovators, pioneers, explorers, gifted entrepreneurs, visionaries, adapters and pragmatists. Some of them could be investors, partners and other collaborators, the rest of them would most surely be customer.



## ETHER

Infinity is endless. Endless in scope, in power. Technology harnessed has this same power. Onward has always focussed on building up this power of technology – harnessing it and bringing its infinite power to customers. The scope for automation through technologies is endless. We draw inspiration from Ether to consider endless possibilities to evolve a solution for customers.



# Infinity

## Business Activities

**O**nward has grown from strength to strength, and today, we have carved a niche for ourselves by becoming a provider of customised solutions. We are focussed in the area of Engineering, Banking and Novell Centric Networking Applications. Our expertise in the CAD, CAM, CAE/CACHE technologies is unmatched. We possess a wealth of expertise when it comes to offering manufacturing engineering or process

engineering solutions and services. In the area of Banking automation solution, we are way ahead. Our efforts in Research & Development have created Software products, which are widely used by many prestigious banks in India. The products such as Onconnect, Onsign, Modbanker, Bankman & Bankware etc. are serving leading Nationalised banks, Scheduled banks and Co-operative banks. Our customers in banking industry get all their solutions from a single point. Above all, they receive support services year after year in the networking solutions arena. We have alliance

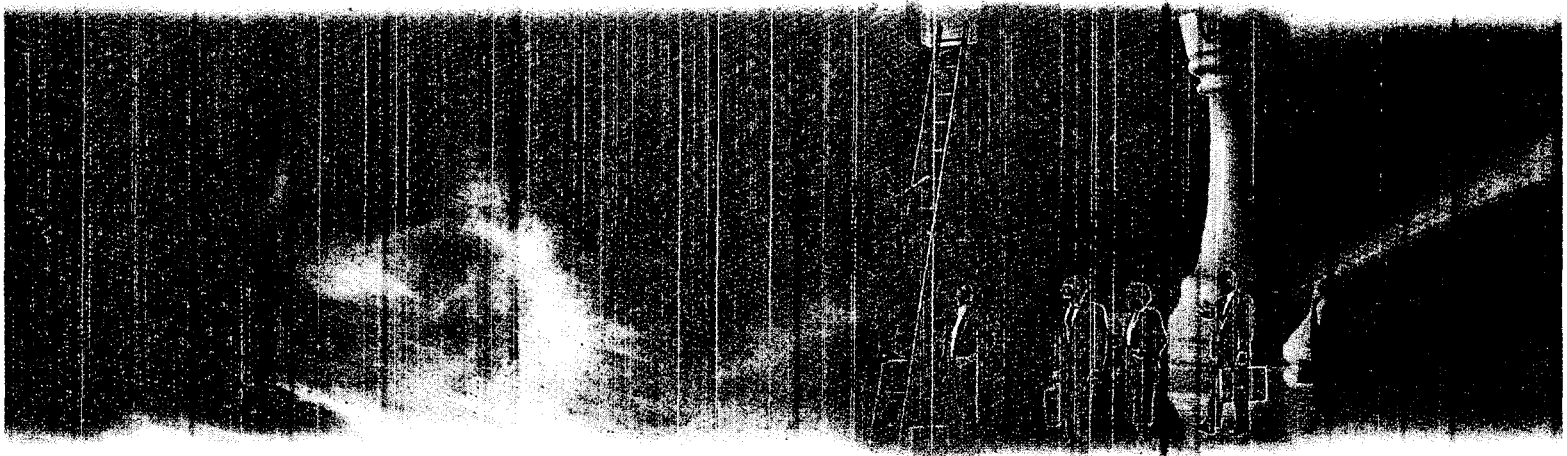
with a global player Novell Inc. Onward continues to leverage this strategic tie-up with Novell's business partners all over the world. Our expertise in Novell Centric Networking Technology opens the doors for significant opportunities all across. On the software development services front, Onward is offering state of the art technology services in the Internet era. Our services include expertise in the areas of Java based technology, Object oriented programming, Oracle based RDBMS and Intranet solutions. Onward has successfully completed prestigious project for European customer. This project was implemented with Onsite as well as Offshore method. Thus the export business has commenced with completion of prestigious and important projects in Europe as well as in USA.

The US subsidiary of Onward is already operational. The presence of Onward Technologies, Inc., has created several business opportunities in the Silicon Valley, Utah Valley and East Coast of USA. The efforts have already begun to set up a subsidiary in Europe.



## AIR

Air expands to fill in volume. Onward is inspired by this attribute of air, and has always maintained its growth levels to fill in the opportunities around. We draw inspiration from Air which is never ending, ever changing and ever giving. Our growth trajectory is an impressive curve because of trustworthy relations to offer technological solutions for our customers.



# Growth



## Report of the Directors for the year ended 30th June, 1997

To  
The Members,

Your Directors have pleasure in presenting the Sixth Annual Report and the Audited Statement of Accounts of the Company for the year ended 30th June, 1997

### 1. FINANCIAL RESULTS :

	For the year Ended 30.6.97 (15 months Period) (Rs. In lacs)	For the year Ended 31.3.96  (Rs. In lacs)
Sales and other Income (Net)	5189.74	3396.96
Profit before Interest and Depreciation	510.80	453.01
Interest	166.30	78.53
Depreciation	132.57	65.87
<b>Profit before Tax</b>	<b>211.93</b>	<b>308.61</b>
Provision for Taxation	—	27.00
<b>Profit after Tax</b>	<b>211.93</b>	<b>281.61</b>
Balance B/f from previous year	290.94	157.91
Less : Expenses relating to earlier years	11.61	12.12
Balance available for appropriation	491.26	427.40
Dividend (Proposed) and tax thereon	52.83	86.46
Transfer to General Reserves	50.00	50.00
Balance carried forward	388.43	290.94



The Company's revenue (on an annualised basis) during 1996-97 which was a 15 months period, has increased by 20% over the previous year. The operating Profit before interest and depreciation has however declined by 10% over the previous year (on annualised basis).

A comparative statement giving profitability projections as per the Prospectus issued by the Company and audited actuals for the year 1996-97, is given below:-

(Rs. in lacs)

Particulars	Projections		Actual
	1996-97 (12 months)	1996-97 (15 months)	Performance 1996-97 (15 months)
Total Revenue	51.61	61.60	61.60
Operating Profit (EBITDA)	16.3	15.11	15.11
Cash Profit	19.1	18.45	18.45
Profit Before Tax	13.8	12.12	12.12
Profit After Tax	11.91	10.12	10.12

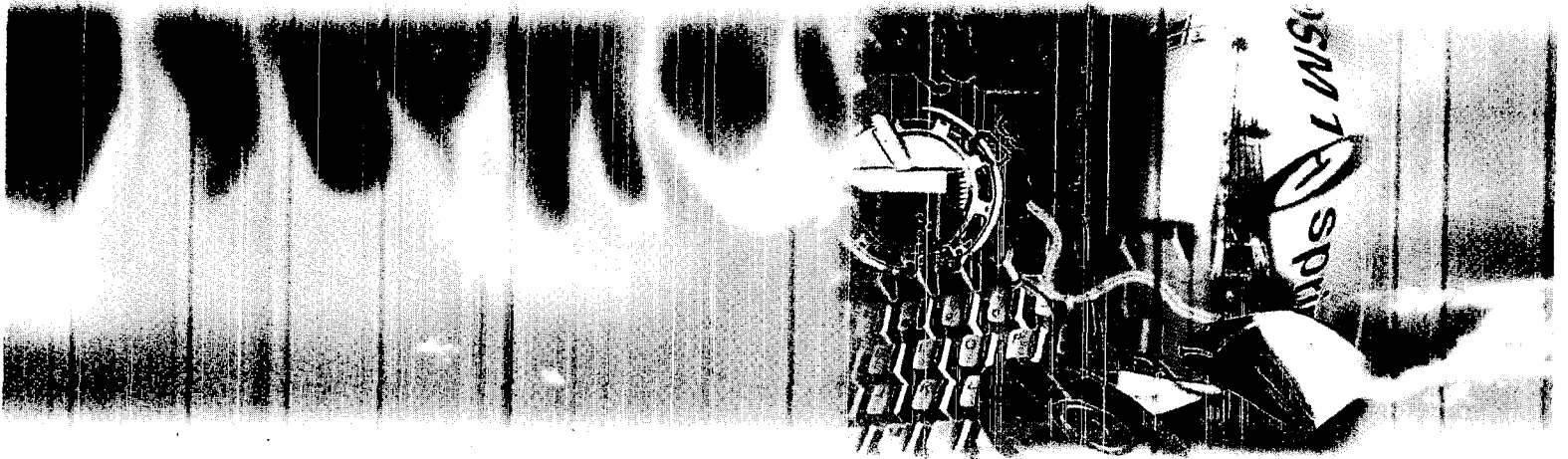
The current year has resulted in lower operating results due to sluggish domestic market and Software Export projects of the Company not being fully operational. However, now the infrastructure for exports is in place and the company is expected to do significantly better.

### 2. DIVIDEND

In view of need to conserve resources for further growth of the Company, the Directors recommend a dividend at the rate of 15 % to the shareholders for the year ended 30th June, 1997 which was a fifteen months period.

## FIRE

The flames of creativity, of innovation. This fire burns within every person at Onward – creating innovative software solutions for customers across the world. The burning desire to create, to excel, to achieve. We draw inspiration from Fire which creates tremendous energy through a thermo dynamic equation. The energies never cease when it comes to implementing solution for customer which in turn adds to his excellence.



### 3. ONWARD TECHNOLOGIES, INC. U.S.A.

During the year under review, Company's U.S. subsidiary, Onward Technologies, Inc. became operational with offices in the states of California and Utah. It has appointed Mr. Royden Olsen as Sr. Vice President and Director in charge. Mr. Olsen is a wellknown figure in the software world and particularly widely respected for his talents and contributions in the field of networking software.

### 4. BUSINESS OPERATIONS

The Company continues to provide high quality software services in our business model of customise solutions in the areas of Engineering Industry, Banking Industry and Novell Centric Network Applications. The Company has so far been predominantly a strong player in domestic market, naturally the strong pressure was felt on the margins as a result of sluggish domestic market. Despite this, we registered a net growth of 20% as compared to previous year in terms of turnover on an annualised basis. The Directors are pleased to inform that the Company has already bagged few project assignments from USA. The Company has also successfully completed export project assignment in the area of Engineering solution from customer in Europe.

To strengthen Company's operations, as also a step to build organisation, Mr. Ajit Chaphalkar has been appointed Chief Operations Officer. The Company will benefit from his wealth of experience to handle domestic as well as export business. The appointment of Mr. Ajit Chaphalkar and Mr. Roydon Olsen is going to strengthen the organisation in business development in a contemporary manner.



### 5. RESEARCH & DEVELOPMENT

The company continues its thrust on developing new products for the banking industry. The efforts through our R&D set up have resulted in delivering products which will address the needs of banking industry. The Company has made significant contribution to mechanize banking industry in India by way of various products such as Onconnect, Onsign, MOD Banker, Bankman and Bankware. In a short span of time our R&D efforts have succeeded in delivering several new software products.

### 6. CAPITAL EXPENDITURE

During the year under review, the Company has incurred capital expenditure of Rs. 4.69 Crores on its various on-going projects (including capital work in progress). The Company has plans to judiciously invest further amounts in setting up new software development centres and expanding and modernising the existing facilities.

### 7. DIRECTORS

During the year TDICI has withdrawn the nomination of Mr. P. D. Shedde as a Director of the Company and appointed Mr. A. J. V. Jayachander in his place. The Board wishes to place on record its deep appreciation of the valuable contribution made by Mr. Shedde during his tenure as the Director of the Company, and welcomes Mr. Jayachander on Board.

### 8. AUDITORS

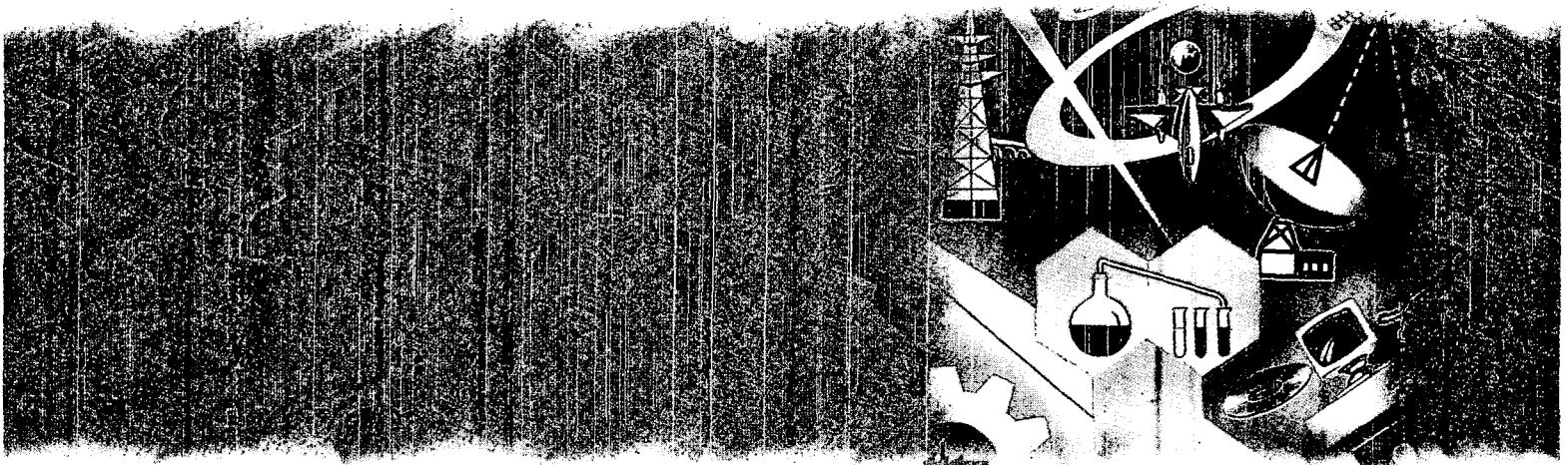
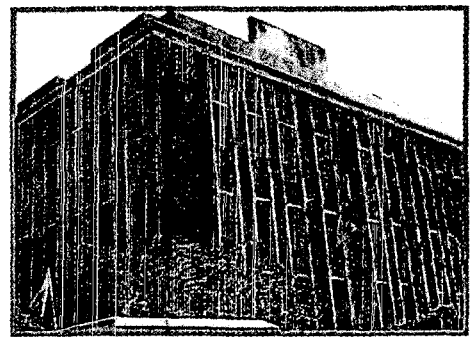
You are requested to appoint Auditors and to fix their remuneration. The retiring Auditors, M/s. Kirtane & Pandit are eligible for re-appointment.

### 9. PARTICULARS OF EMPLOYEES

Information as per Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, forms part of this report. However, as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Accounts are being sent to all shareholders of the Company excluding the aforesaid information. Any shareholder interested in obtaining such particulars may write to the Financial Controller of the Company.

# EARTH

The stability of the earth has enabled mankind to build upon it. The stability and solidity of Onward has enabled the organisation to build upon its solid Indian foundation and grow into the international arena. The foundation and a solid sub-surface rock can bear super structure of any size or shape. We draw inspiration from Land in terms of its people to bear super strategy of any size or shape. We learn to create the responsive arena with its systems and processes to maintain solutions for our customers.



# Stability

## 10. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO.

### i) CONSERVATION OF ENERGY

The operations of the Company involve only low energy consumption. Adequate measures have, however, been taken to reduce energy consumption.

### ii) TECHNOLOGY ABSORPTION

#### Research and Development

The convergence of computer technology and communication technology has opened excellent opportunities for developing software products/applications based on computer networks. The Company has been recognised as an inhouse R & D unit by the Govt. Of India.

#### a) Specific areas for R & D at Onward Technologies Ltd.

R & D activities in 1996-97 were mainly concentrated on Banking Application products using leading edge Network Operating System.

#### b) Benefits derived as a result of R & D effort

Availability of advanced technology based products for Banking customers leads in significant reduction in investment required for computerisation, overall faster cost effective processing and customer service.

#### c) Future Plans

Expansion of current activities by adding more R & D projects having potential for commercial applications.

#### d) Expenditure on R & D

R & D expenditure incurred during the year was as under :

Revenue	:	Rs.148.19 lacs
Capital	:	Nil

### iii) FOREIGN EXCHANGE EARNINGS AND OUTGO

	(Rs. In lacs)
Foreign Exchange earnings	72.46
Foreign Exchange outgo	1379.08

## 11. FUTURE OUTLOOK AND PLANS

The current year has begun on an encouraging note and your Directors are confident that barring unforeseen circumstances, your Company will show improved performance.

## 12. ACKNOWLEDGEMENTS

The Directors would like to place on record their sincere appreciation for the continued co-operation, guidance, support and assistance provided during the period under review by the Technology and Financial Institutions, Company Associates from U.S.A., Banks, Department of Electronics, other Government Departments and Authorities.

On behalf of the Board of Directors

**Harish Mehta**

Chairman & Managing Director

Place : Mumbai,

Date : 23rd September, 1997





## AUDITORS' REPORT

To  
The Members of  
ONWARD TECHNOLOGIES LIMITED

1. We report that we have audited the Balance Sheet of Onward Technologies Limited as on 30th June, 1997 and the Profit and Loss Account for the year ended on 30th June, 1997 both of which we have signed under reference to this report.
2. In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet and the Profit and Loss Account, read together with the notes thereon, especially, Schedule XVIII, and subject to Note No. 2 (relating to capitalisation of interest and provision for taxation), our having relied on management's representations, these being matters of technical and commercial judgements, financial forecasts and contemplated actions in case of ; a) recoverability of debtors balances, where the company has instituted or is instituting legal proceedings, amounting to Rs.14,35,019 and b) Note No. 4 (relating to treatment of expenses pertaining to STP project at SEEPZ as capital work in progress), Note No. 8 (relating to capitalisation of Research and Development expenditure covering capital expenditure and revenue cost capitalisation), Note No. 9 (relating to debtors and creditors balances being subject to confirmation) give in the prescribed manner, the information required by the Companies Act, 1956, and also give respectively, a true and fair view of the state of the Company's affairs as at 30th June, 1997 and in the case of Profit and Loss Account, of the Profit for the year ended on that date.
3. We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for our audit. In our opinion, proper books of account have been kept as required by law so far as appears from our examination of the books and the above mentioned accounts are in agreement therewith.
4. As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988 issued by the Central Government and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we further report that :
  - 4.1 The Company has maintained full particulars including quantitative details and the situation of fixed assets. As explained to us, a physical verification of fixed assets was conducted by the management at regular intervals, and no material discrepancies were noticed.
  - 4.2 The fixed assets of the Company have not been revalued during the year.
  - 4.3 The stocks of finished goods of the Company at all its locations have been physically verified by the management during the year at regular intervals.
  - 4.4 In our opinion, the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business. However, considering the nature and size of the business of the Company, the frequency of verification be increased.
  - 4.5 No material discrepancies were noticed between the physically verified stocks and the book records of the same.
  - 4.6 In our opinion, the valuation of stock of finished goods has been fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year.
  - 4.7 The Company has taken loans during the year from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 and/or from Companies under the same management within the meaning of Section 370(1B) of the Companies Act, 1956. The rate of interest and other terms and conditions however, were not prima facie prejudicial to the interest of the Company.
  - 4.8 The Company has not granted loans to Companies, listed in the register maintained under Section 301 of Companies Act, 1956 and/or to the Companies under the same management within the meaning of Section 370 (1B) of the Companies Act, 1956.
  - 4.9 The Company has given loans or advances in the nature of loans to its employees and Onward Group Employees Co-operative Credit Society during the year and they are repaying the principal amounts as stipulated and are also regular in the payment of interest, wherever applicable.

- 4.10 In our opinion, there is an adequate internal control procedure commensurate with the size of the Company and nature of its business for purchase of plant and machinery, equipments and other assets and for the sale of goods.
- 4.11 The purchase of goods and materials and sale of goods, materials and services in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and aggregating during the year to Rs.50,000/- or more value in respect of each party have been made. We were explained that the prices are reasonable having regard to the prevailing circumstances / market prices for such goods, materials and services the prices at which transactions for similar goods, materials or services have been made with other parties. However, there were instances of purchase of materials and sale of services which were of a specialised nature where no comparable prices were available.
- 4.12 As explained to us, the Company has an adequate system of determining unserviceable or damaged finished goods. Adequate provision has been made in the accounts for the loss arising out of the items so determined.
- 4.13 The Company has not accepted any deposits from the public.
- 4.14 We have been given to understand that the operation in which the Company is engaged does not result in any realisable scrap or by product.
- 4.15 In our opinion, the coverage of internal audit functions carried out by a firm of Chartered Accountants appointed by the Company is commensurate with the size of the Company and the nature of its business.
- 4.16 The Central Government has not prescribed the maintenance of cost records by the Company under Section 209 (1) (d) of the Companies Act, 1956 for any of the products.
- 4.17 The Company has generally been regular during the year in depositing Provident Fund and Employees' State Insurance dues with the appropriate authorities.
- 4.18 At the last day of the financial year there

were no amounts outstanding in respect of undisputed income tax, wealth tax, sales tax, customs duty and excise duty which were due for more than six months from the date they became payable.

- 4.19 During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices we have not come across any personal expenses which have been charged to the Profit and Loss Account other than those payable under contractual obligations or in accordance with the generally accepted business practices.

- 4.20 The Company is not a sick industrial company within the meaning of Clause (o) of Section 3(1) of the Sick Industrial Companies (Special Provisions) Act, 1985.

- 4.21 In respect of the services rendered :

(a) In respect of service activities, the Company has a reasonable system of recording receipts, issues and consumption of stores (Other than those purchased for immediate consumption) commensurate with its size and the nature of its service activities. There is no system of job costing and job wise allocation of materials and manhours, as it is considered impracticable.

(b) In our opinion, there is a reasonable system of authorisation at proper levels, and allocation of labour to its service activity where applicable and the related system of internal control of the Company is commensurate with the size of the Company and the nature of its business.

- 4.22 In respect of trading activities :

There were no damaged goods during the year.

For and on behalf of **KIRTANE & PANDIT**  
Chartered Accountants

Place : Mumbai  
Date : 23rd September, 1997

**J. V. NAIK**  
Partner

**ONWARD TECHNOLOGIES LIMITED****BALANCE SHEET AS AT 30TH JUNE, 1997**

	Schedule	Rupees	Rupees	As at 30.06.97 Rupees	As at 31.03.96 Rupees
<b>SOURCES OF FUNDS :</b>					
<b>Shareholders' Funds :</b>					
Share Capital	I		32,020,880		32,020,880
Reserves and Surplus	II		109,871,241		95,122,225
				<u>141,892,121</u>	<u>127,143,105</u>
<b>Loan Funds :</b>					
Secured Loans	III		88,694,814		65,903,717
Unsecured Loans	IV		12,323,948		10,600,000
				<u>101,018,762</u>	<u>76,503,717</u>
<b>TOTAL</b>				<u>242,910,883</u>	<u>203,646,822</u>
<b>APPLICATION OF FUNDS :</b>					
<b>Fixed Assets :</b>					
a) Gross Block	V		116,504,686		104,823,364
Less : Depreciation			25,770,752		12,709,654
Net Block				<u>90,733,934</u>	<u>92,113,710</u>
b) Capital Work in Progress				<u>36,330,586</u>	<u>1,075,000</u>
				<u>127,064,520</u>	<u>93,188,710</u>
<b>Investments</b>	VI			<u>10,995,663</u>	<u>10,905,663</u>
<b>Current Assets, Loans and Advances :</b>					
Inventory	VII	26,614,910			32,715,764
Sundry Debtors	VIII	169,465,098			140,515,227
Cash & Bank Balances	IX	12,855,108			16,825,336
Other Current Assets	X	394,147			115,257
Loans & Advances	XI	19,288,451			16,918,050
				<u>228,617,714</u>	<u>207,089,634</u>
<b>Less : Current Liabilities and Provisions :</b>					
Current Liabilities	XII	121,094,951			100,177,592
Provisions	XIII	7,162,841			12,682,770
				<u>128,257,792</u>	<u>112,860,362</u>
<b>Net Current Assets</b>				<u>100,359,922</u>	<u>94,229,272</u>
<b>Miscellaneous expenditure</b> (To the extent not written off or adjusted)				<u>4,490,778</u>	<u>5,323,177</u>
<b>TOTAL</b>				<u>242,910,883</u>	<u>203,646,822</u>
NOTES TO ACCOUNTS	XVIII				

As per our Report of even date

For **KIRTANE & PANDIT**  
Chartered AccountantsFor **ONWARD TECHNOLOGIES LIMITED****J. V. Naik**  
Partner**Harish Mehta**  
Chairman & Managing Director**Shaila Mehta**  
Director**Berjis Desai**  
Director

Place : Mumbai

Date : 23rd September, 1997



**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30TH JUNE, 1997**

	Schedule	Rupees	As at 30.06.97 (15 Months) Rupees	As at 31.03.96 Rupees
<b>INCOME</b>				
Sales and Other Income	XIV		518,973,575	339,695,554
<b>EXPENDITURE</b>				
Cost Of Goods Sold	XV	349,077,827		214,089,508
Administrative and other Expenses	XVI	117,982,998		79,639,682
Interest	XVII	16,629,540		7,853,163
Depreciation	V	13,257,208		6,586,712
			496,947,573	308,169,065
Preliminary Expenses Written off			832,400	665,920
<b>PROFIT BEFORE TAX</b>			21,193,602	30,860,569
Provision for Tax			0	2,700,000
<b>PROFIT AFTER TAX</b>			21,193,602	28,160,569
Balance B/F from previous year			29,094,225	15,790,954
Less: Expenses pertaining to previous years			1,161,141	1,211,660
<b>BALANCE AVAILABLE FOR APPROPRIATION</b>			49,126,686	42,739,863
<b>APPROPRIATION :</b>				
(a) Proposed Dividend			4,803,132	8,645,638
(b) Dividend Tax			480,313	0
(c) Transferred to General Reserve			5,000,000	5,000,000
<b>BALANCE CARRIED TO BALANCE SHEET</b>			38,843,241	29,094,225
NOTES TO ACCOUNTS	XVIII			

As per our Report of even date

For **KIRTANE & PANDIT**  
Chartered Accountants

For **ONWARD TECHNOLOGIES LIMITED**

**J. V. Naik**  
Partner

**Harish Mehta**  
Chairman & Managing Director

**Shaila Mehta**  
Director

**Berjis Desai**  
Director

Place : Mumbai  
Date : 23rd September, 1997



SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET  
AS AT 30TH JUNE, 1997

	Rupees	As at 30.06.97 Rupees	As at 31.03.96 Rupees
<b>SCHEDULE - I</b>			
SHARE CAPITAL :			
AUTHORISED 7,000,000 Equity Shares of Rs.10/-each		70,000,000	50,000,000
TOTAL		<u>70,000,000</u>	<u>50,000,000</u>
ISSUED, SUBSCRIBED AND PAID UP			
3,202,088 (Previous Year 3202088) Equity Shares of Rs.10/- each fully paid up		32,020,880	32,020,880
TOTAL		<u>32,020,880</u>	<u>32,020,880</u>
<b>SCHEDULE - II</b>			
RESERVES AND SURPLUS :			
SHARE PREMIUM			
Opening Balance		56,028,000	56,028,000
GENERAL RESERVE			
Opening Balance	10,000,000		5,000,000
Add : Transferred from Profit & Loss Account - Proposed	5,000,000		5,000,000
		<u>15,000,000</u>	<u>10,000,000</u>
PROFIT AND LOSS ACCOUNT			
Opening Balance	29,094,225		15,790,954
Add : Balance of Profit for the year	9,749,016		13,303,271
		<u>38,843,241</u>	<u>29,094,225</u>
TOTAL		<u>109,871,241</u>	<u>95,122,225</u>
<b>SCHEDULE - III</b>			
SECURED LOANS :			
1. Long Term Loan			
From Financial Institution		40,625,000	50,000,000
(Term loan from financial institution is secured/ to be secured by a first mortgage charge over all the Company's immovable property both present and future and a first charge of all the Company's movables (save & except book debts) including movable machinery spares, tools & accessories both present and future subject to prior charges created in favour of the Company's bankers on inventories, book debts and other specified movables for securing the borrowings for working capital requirements).			
2. Short Term Loans			
From Banks			
Cash Credit :		48,069,814	15,903,717
(Secured by Hypothecation of Stock in Trade, Spares and Book Debts)			
TOTAL		<u>88,694,814</u>	<u>65,903,717</u>

## SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET (Contd.)

	As at 30.06.97 Rupees	As at 31.03.96 Rupees
<b>SCHEDULE - IV</b>		
UNSECURED LOANS :		
Deferred Credit from a subsidiary company	10,540,000	10,600,000
Others	1,783,948	—
<b>TOTAL</b>	<b>12,323,948</b>	<b>10,600,000</b>

**SCHEDULE - V**

## FIXED ASSETS :

Particulars	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
	As at 31.03.96 Rs.	Additions during the year Rs.	Sale/Adj. during the year Rs.	Total upto 30.06.97 Rs.	Provided upto 31.03.96 Rs.	Provided during the year Rs.	Sale/Adj. during the year Rs.	Total upto 30.06.97 Rs.	As at 30.06.97 Rs.	As at 31.03.96 Rs.
Land & Building	23,780,450	—	—	23,780,450	2,371	313,690	—	316,061	23,464,389	23,778,079
Computer Equipment And Software	52,637,049	18,247,747	615,237	70,269,559	10,045,453	11,452,651	60,868	21,437,236	48,832,323	42,591,596
Instruments and Accessories	1,135,578	33,575	106,765	1,062,388	394,267	159,469	—	553,736	508,652	741,311
Office Equipments	2,033,933	793,807	103,113	2,724,627	279,170	192,062	23,252	447,980	2,276,647	1,754,763
Other Equipments	3,085,740	1,312,389	979,046	3,419,083	265,134	199,829	1,281	463,682	2,955,401	2,820,606
Furniture & Fixtures	18,893,372	3,036,239	8,975,860	12,953,751	1,366,279	779,067	84,539	2,060,808	10,892,943	17,527,093
Electrical Fittings	2,870,828	463,545	1,365,957	1,968,416	272,809	120,155	—	392,964	1,575,452	2,598,019
Vehicles	386,413	—	60,000	326,413	84,170	40,285	26,169	98,286	228,127	302,243
	104,823,363	23,887,302	36,093,280	116,504,687	12,709,653	13,257,208	196,109	25,770,753	90,733,934	92,113,710
Previous Year	45,666,557	59,319,321	162,515	104,823,363	6,198,432	6,586,712	75,491	12,709,653	92,113,710	39,468,125
Capital Work-in-Progress									36,330,586	1,075,000

	As at 30.06.97 Rupees	As at 31.03.96 Rupees
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**SCHEDULE - VI**

## INVESTMENTS (AT COST) :

**(Trade, Unquoted)****In Government Securities**

6 Years National Saving Certificates (Pledged with Sales Tax Authorities)	13,000	13,000
Bank of Baroda Bonds	200,000	200,000

**Investment in Subsidiaries**

Shantmurli Holdings Ltd. 5,000 shares of Rs. 10 each (Fully Paid up)	10,692,663	10,692,663
---	------------	------------

**Non-trade (Quoted)**

3000 Fully paid Equity Shares of Dena Bank Ltd (Market Value Rs. 75,300/- )	90,000	—
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<b>TOTAL</b>	<b>10,995,663</b>	<b>10,905,663</b>
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SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET (Contd.)

	As at 30.06.97 Rupees	As at 31.03.96 Rupees
<b>SCHEDULE - VII</b>		
INVENTORY : (Certified as to quantity and value by the Managing Director of the Company)		
Stock-in-Trade	21,313,001	27,379,204
Spares	5,301,909	5,336,560
TOTAL	<u>26,614,910</u>	<u>32,715,764</u>
<b>SCHEDULE - VIII</b>		
SUNDRY DEBTORS : (Unsecured, Considered Good)		
Due for more than 6 Months	15,688,308	19,030,361
Other Debts	153,776,790	121,484,866
TOTAL	<u>169,465,098</u>	<u>140,515,227</u>
<b>SCHEDULE - IX</b>		
CASH AND BANK BALANCES :		
Cash on hand	185,747	317,950
Balance with Scheduled Banks :		
- In Current Accounts	2,461,768	6,703,314
- In Fixed Deposit Accounts (Refer Note No. 5)	<u>10,207,593</u>	<u>9,804,072</u>
	<u>12,669,361</u>	<u>16,507,386</u>
TOTAL	<u>12,855,108</u>	<u>16,825,336</u>
<b>SCHEDULE - X</b>		
OTHER CURRENT ASSETS :		
Interest Receivable	394,147	115,257
TOTAL	<u>394,147</u>	<u>115,257</u>
<b>SCHEDULE - XI</b>		
LOANS AND ADVANCES : (Unsecured-considered good)		
(i) Loans :		
To staff	2,987,972	679,119
To Others	<u>500,000</u>	<u>0</u>
	<u>3,487,972</u>	<u>679,119</u>

**SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET (Contd.)**

	As at 30.06.97 Rupees	As at 31.03.96 Rupees
(ii) Advances recoverable in cash or in kind or for value to be received :		
Advance Taxes (Net)	3,167,077	6,064,123
Others ( includes Rs. 3,33,481 due from Onward Novell Software (I) Ltd. (maximum balance due during the year Rs. 6,38,584), (previous year – Nil) and Rs. 10,000 due from Onward Software Technologies Ltd. (previous year – Nil) being Companies under the same management	6,885,196	5,578,575
	10,052,273	11,642,698
Deposits	5,748,206	4,596,233
<b>TOTAL</b>	<b>19,288,451</b>	<b>16,918,050</b>

**SCHEDULE - XII**

**CURRENT LIABILITIES :**

Sundry Creditors	115,571,238	94,023,073
Advance payments for which value has still to be given	2,626,826	1,431,405
Interest accrued but not due	944,225	1,175,595
Other Liabilities	1,952,662	3,547,519
<b>TOTAL</b>	<b>121,094,951</b>	<b>100,177,592</b>

**SCHEDULE - XIII**

**PROVISIONS :**

Provision for Tax	—	2,700,000
Provision for Leave Encashment	1,879,396	1,337,132
Proposed Dividend	4,803,132	8,645,638
Provision for Dividend Tax	480,313	—
<b>TOTAL</b>	<b>7,162,841</b>	<b>12,682,770</b>

**SCHEDULES ANNEXED TO AND FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30TH JUNE, 1997**

	30.06.97 (15 Months) Rupees	31.03.96 Rupees
<b>SCHEDULE - XIV</b>		
<b>SALES AND OTHER INCOME :</b>		
Sales (Net)	471,594,088	287,057,677
Sale of Services	44,660,930	46,078,413
Leasing & Hire Charges	576,647	24,000
Profit on sale of fixed assets	1,975	12,621
Miscellaneous Income	1,081,417	3,596,038
<b>OTHER INCOME :</b>		
– Interest from Bank	574,934	2,533,104
– Interest from Others	483,584	393,701
	1,058,518	2,926,805
<b>TOTAL</b>	<b>518,973,575</b>	<b>339,695,554</b>

**SCHEDULES ANNEXED TO AND FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30TH JUNE, 1997 (Contd.)**

	30.06.97 (15 Months) Rupees	31.03.96 Rupees
<b>SCHEDULE - XV</b>		
COST OF GOODS SOLD :		
Opening Stock	27,379,204	11,589,700
Purchases	<u>343,011,624</u>	<u>229,879,012</u>
	370,390,828	241,468,712
Less: Closing Stock	<u>21,313,001</u>	<u>27,379,204</u>
<b>TOTAL</b>	<u><u>349,077,827</u></u>	<u><u>214,089,508</u></u>
<b>SCHEDULE - XVI</b>		
ADMINISTRATIVE AND OTHER EXPENSES :		
Remuneration and Benefits to Employees		
Salaries and Bonus	34,150,951	20,053,205
Company's Contribution To Provident Fund and Other Funds	2,323,742	1,134,055
Superannuation	369,225	195,312
Group Gratuity	598,878	538,224
Staff Welfare Expenses	<u>2,671,856</u>	<u>1,942,017</u>
	40,114,652	23,862,813
Compensation for the use of Premises	7,020,427	3,919,554
Electricity Charges	2,072,525	1,197,221
Leasing and Hire Charges	2,211,615	757,973
Travelling Expenses	10,471,604	8,934,366
Rates & Taxes	460,220	145,347
Repairs and Maintenance		
A) Computer Equipment	54,960	57,839
B) Others	<u>1,120,781</u>	<u>665,638</u>
	1,175,741	723,477
Consumption of Spares and consumables	4,801,147	5,879,937
Insurance Premium	1,688,425	1,956,709
Commission Paid	1,491,457	1,512,511
Professional Fees	1,317,796	2,522,000
Remuneration to Auditors (Refer Note No. 7)	182,500	188,544
Telephone, Telex and Postage	11,818,991	6,813,000
Advertisement & Publicity	1,508,437	3,799,847
Conveyance	10,677,198	5,297,180
Bad Debts	2,690,140	1,046,644
Miscellaneous Expenses	<u>18,280,123</u>	<u>11,082,559</u>
<b>TOTAL</b>	<u><u>117,982,998</u></u>	<u><u>79,639,682</u></u>
<b>SCHEDULE - XVII</b>		
INTEREST :		
On Fixed Loans	10,639,919	7,712,598
On Other Loans	<u>9,348,804</u>	<u>2,300,565</u>
	19,988,723	10,013,163
Less : Interest/Other Charges related to project capitalised	<u>3,359,183</u>	<u>2,160,000</u>
<b>TOTAL</b>	<u><u>16,629,540</u></u>	<u><u>7,853,163</u></u>

**SCHEDULE XVIII**

NOTES TO ACCOUNTS FORMING PART OF THE BALANCE SHEET AS AT 30TH JUNE, 1997 AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30TH JUNE, 1997

**1. Significant Accounting Policies :**

**A. Accounting Assumptions :**

These Accounts have been prepared under the historic cost convention on the basis of a going concern, with revenues recognised and expenses accounted on their accrual including provisions / adjustments for committed obligations and amounts determined as payable or receivable during the year.

**B. Fixed Assets & Depreciation**

Fixed Assets are stated at their original Cost less Depreciation.

Fixed Assets are accounted at cost of acquisition inclusive of inward freight, duties taxes and other incidental expenses related to acquisitions. The revenue expenses related to project are capitalised upto the date on which the assets are put to use.

Depreciation is provided for in the Accounts on Straight Line Method at the rates computed in accordance with Section 205(2)(b) of the Companies Act, 1956 and in accordance with Schedule XIV to the Companies Act, 1956.

**C. Research and Development :**

The capital as well as revenue expenditure incurred on Research & Development relating to development of new software and software tools has been reflected in the accounts as capital expenditure forming part of the fixed asset schedule rather than under "Miscellaneous expenditure" as is recommended by the Institute of Chartered Accountants of India. The Company has followed this policy, since, in its opinion, such expenditure properly constitutes fixed asset for the nature of its business.

**D. Foreign Currency Transactions :**

The income or expenses in foreign currency during the year are recorded at the rate of exchange prevailing on the dates when the relevant transactions took place. The current assets and the current liabilities in foreign currencies are converted at year end exchange rates and the overall resultant loss if any is charged to the Profit and Loss Account. However, if the overall resultant figure is gain it is not taken into account.

**E. Investments :**

Investments are stated at cost i.e. cost of acquisition inclusive of expenditure incidental to acquisition.

**F. Inventories :**

Inventories are valued at cost or market value whichever is lower. The method of valuation is "First In First Out" basis.

Consumables are charged to revenue as and when purchased.

**G. Payments & Benefits to Employees :**

Regular contribution made to various provident funds, pension funds, staff gratuity funds are charged to revenue each year.

Similarly , provision for leave encashment is charged to revenue each year on the assumption that such benefits are payable to all employees at the end of the accounting year.

**H. Contingent Liabilities :**

Contingent Liabilities are not provided for and are disclosed by way of notes.

**I. Sales :**

Sales are stated at Net Selling Price exclusive of Sales Tax. The Sales Tax collected is treated as a liability.

Sale of bought out software is recognised as soon as delivery is effected from the company's warehouse although in many cases payment terms stipulate payment after installation.

**J. Warranty Cost and Revenue :**

The Company accounts for warranty cost as and when incurred in connection with post sale service to be rendered during the warranty period which extends to the period after the Balance Sheet date. Similarly, The Company accounts for revenue of Annual Maintenance Services and costs thereof which are similar to warranty services as and when billed / incurred.

**K. Miscellaneous Expenditure :**

Miscellaneous Expenditure represents incorporation expenses, public issue expenditure, etc. It is written off over a period of ten years.

**2. Interest Capitalisation and Provision for Taxation :**

Interest /Other charges amounting to Rs.33.59 lacs (P.Y. Rs. 21.60 lacs) on borrowings used for capital expenditure has been capitalised / shown



as capital work in progress for the period upto the date on which the asset has been put to use.

In line with practice followed by many reputed companies, the Company has treated all interest on borrowings as deductible expenditure for the computation of taxable income, notwithstanding the capitalisation / pending capitalisation of interest in the books of account and the provision for taxation for the current year has been made on that basis.

Had the provision for tax been computed on the basis followed otherwise, then the provision for tax for the current year would have been higher by **Rs. NIL** (P.Y. Rs. 9.94 lacs).

Provision for Taxation relates to income for the period 1st April 1996 to 31st March 1997. Provision for taxation pertaining to income relevant for the period 1st April 1997 to 30th June 1997 will be considered in the subsequent accounting period in accordance with the provisions of the Income Tax Act, 1961.

**3 (a) Contingent Liabilities not provided for :**

(i) Counter guarantees given by the Company against the Guarantees issued by Company's bankers - **Rs.1,73,86,069/-** (P.Y. Rs.1,08,48,781/-) Net of Margin

(ii) Gratuity payable to employees at the time of death, resignation, premature retirement, etc., may result into payment in excess of that recoverable under Group Gratuity Scheme of L.I.C. of India. The amount of liability of the Company as on this date is not ascertainable.

(iii) Income Tax demand disputed **Rs.5,38,428/-** (P.Y. Rs.7,40,086/-). However, the legal decisions are in favour of the Company. Therefore, it is most likely that this amount may not become due.

**(b) Capital Commitments - Rs.16,81,595/-** (P.Y. Rs. 43,23,186/-).

4. In the year 95-96, the Company had capitalised an amount of Rs.38,09,254/- relating to STP unit at SEEPZ. It is now felt by the management that the project is not yet fully operational and expenses of Rs.1,13,90,614/- relating to this project, including interest on term loans of Rs.19,92,136/- are required to be further capitalised.

As a result of the above perception of the management, an amount of Rs. 1,38,25,325/- previously shown as assets are treated as capital WIP, depreciation of Rs. 11,222/- charged in the

year 95-96 is now reversed and operational expenses relating to this project consisting of Manpower and other expenses as above are treated as capital WIP during the year 96 - 97.

5. Some of the Fixed Deposits shown under the head "Cash and Bank Balances" are pledged with the banks as margins to secure Letters of Credit and Guarantees issued by banks.

6. In the opinion of the Board and to the best of their knowledge, the Current Assets, Loans and Advances, shown in the Balance Sheet have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated therein.

**7. Auditors' Remuneration :**

	1996 - 97 (Rs.)	1995 - 96 (Rs.)
Audit Fees	1,45,000	1,05,000
Tax Audit Fees	30,000	25,000
Other Services	2,000	49,855
Reimbursement of out of pocket expenses	5,500	8,689
<b>TOTAL</b>	<b>1,82,500</b>	<b>1,88,544</b>

8. During the year revenue expenditure of **Rs. 1,48,18,924/-** (P.Y. Rs. 68,16,715/-) incurred on Research & Development relating to development of new software as well as software tools is capitalised and **Rs. Nil** (P.Y. Rs. 1,62,48,706/-) was incurred on acquisition of other capital assets for Research & Development.

9. Debtors & Creditors balances are subject to confirmation.

10. Additional Information Pursuant to the Provisions of Paragraphs 3, 4C and 4D of Part II of Schedule VI to the Companies Act, 1956 :

**(A) Information in respect of capacity and class of goods manufactured :**

The Company, being a trading concern, the details in respect of Licensed capacity, Installed capacity and production/consumption of raw materials etc. are not given.

**(B) Purchases / sales and stock :**

	Quantity (Nos.)	Value (Rs.)
(i) <b>Opening Stock :</b> (Stock in Trade)		
Personal Computers & related Hardware items	2695 (1557)	2,61,81,670 (95,76,859)
Software Items	168 (206)	11,97,534 (20,12,841)
		<b>2,73,79,204</b>
		<b>(1,15,89,700)</b>



	Quantity (Nos.)	Value (Rs.)		1996-97 (Rs)	1995-96 (Rs)
<b>(ii) Purchases :</b>			<b>(C) Consumption of Stores and spares :</b>		
Personal Computers & related Hardware Items	24799 (20794)	8,05,32,230 (17,78,99,210)	Indigenous	48,01,147 (100%)	58,79,937 (100%)
Software Items	1441 (903)	26,24,79,394 (5,19,79,802)	Imported	Nil (Nil)	Nil (Nil)
		<u>34,30,11,624</u>		<u>48,01,147</u>	<u>58,79,937</u>
		(22,98,79,012)	<b>(D) Earnings in Foreign Currency :</b>		
<b>(iii) Sales : Rs.47,15,94,088/- (P.Y. Rs.28,70,57,677)</b>			Export of Goods on FOB basis (Including Deemed Export)	30,61,955	26,88,348
Personal Computer & related Hardware Items	20929 (19656)	Refer Note Below	Commission & Services	41,84,017	1,25,63,546
Software Items	1341 (941)	- do -		<u>72,45,972</u>	<u>1,52,51,894</u>
<b>(iv) Closing Stock (Stock in Trade)</b>			<b>(E) Expenditure in Foreign Currency :</b>		
Personal Computers & related Hardware Items	6565 (2695)	1,61,02,154 (2,61,81,670)	Purchases	13,34,26,120	12,73,62,905
Software Items	268 (168)	52,10,847 (11,97,534)	Subscription Books & Periodicals	1,82,248	38,669
		<u>2,13,13,001</u>	Travelling	18,50,383	15,20,845
		(2,73,79,204)	Professional fees	13,76,570	Nil
			Miscellaneous Expenditure	10,72,976	Nil
				<u>13,79,08,297</u>	<u>12,89,22,419</u>

**Notes :**

- (i) It is not possible to state the value of sales separately for each class of products above, as sales are usually made of several types of items together for a composite price, the bifurcation of which, is not practicable.
  - (ii) The items grouped under the head Others in the previous year, have been regrouped either under "Hardware" or "Software", as thought appropriate by the Company.
11. The amount of Term Loan payable within a year Rs.1,25,00,000/- (P.Y.Rs. 62,50,000/-).
  12. From this year, the Company has changed its Accounting Year from March to June. The current accounting year therefore consists of a period of Fifteen months. Hence, the current year's figures are not comparable with the previous year.
  13. Figures are rounded off to the nearest rupee.
  14. Figures in bracket pertain to the previous year.
  15. Previous Year's figures have been regrouped / recast wherever necessary.

As per our Report of even date

For **KIRTANE & PANDIT**  
Chartered Accountants

**J. V. Naik**  
Partner

**Harish Mehta**  
Chairman & Managing Director

**Shaila Mehta**  
Director

**Berjis Desai**  
Director

Place : Mumbai  
Date : 23rd September, 1997



BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details [ - 6 2 5 4 2 ] State Code [ 1 1 ] (Refer Code)
Balance Sheet Date [ 3 0 ] [ 0 6 ] [ 9 7 ]
Date Month Year

II. Capital Raised During the Year (Amount in Rs. Thousands)
Public Issue [ ] N I L [ ] Rights Issue [ ] N I L [ ]
Bonus Issue [ ] N I L [ ] Private Placement [ ] N I L [ ]

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)
Total Liabilities [ 2 4 2 9 1 1 ] Total Assets [ 2 4 2 9 1 1 ]
Sources of Funds : Application of Funds :
Paid-Up Capital [ ] 3 2 0 2 1 Net Fixed Assets [ 1 2 7 0 6 5 ]
Reserves & Surplus [ 1 0 9 8 7 1 ] Investments [ ] 1 0 9 9 6
Secured Loans [ ] 8 8 6 9 5 Net Current Assets [ 1 0 0 3 6 0 ]
Unsecured Loans [ ] 1 2 3 2 4 Misc. Expenditure [ ] [ ] 4 4 9 0
Accumulated Losses [ ] [ ] N I L [ ]

IV. Performance of Company (Amount in Rs. Thousands)
Turnover [ 5 1 8 9 7 4 ] Total Expenditure [ 4 9 7 7 8 0 ]
+ - Profit/Loss Before Tax + - Profit After Tax
[ + ] [ ] [ 2 1 1 9 4 ] [ + ] [ ] [ 2 1 1 9 4 ]

Please tick Appropriation Box + for Profit - for Loss

Earning Per Share in Rs. [ 5 ] [ . ] [ 3 ] [ 0 ] Dividend Rate (%) [ ] [ ] 1 5 %
Annualised

V. Generic Names of Three Principal Products/Services of Company
Item Code No. [ N ] [ A ]
Product Description i. [ N ] [ E ] [ T ] [ W ] [ O ] [ R ] [ K ] [ ] [ I ] [ N ] [ T ] [ E ] [ G ] [ R ] [ A ] [ T ] [ I ] [ O ] [ N ]
ii. [ S ] [ O ] [ F ] [ T ] [ W ] [ A ] [ R ] [ E ] [ ] [ D ] [ E ] [ V ] [ E ] [ L ] [ O ] [ P ] [ M ] [ E ] [ N ] [ T ]
iii. [ S ] [ O ] [ F ] [ T ] [ W ] [ A ] [ R ] [ E ] [ / ] [ H ] [ A ] [ R ] [ D ] [ W ] [ A ] [ R ] [ E ]
[ P ] [ R ] [ O ] [ D ] [ U ] [ C ] [ T ] [ S ]

As per our Report of even date

For KIRTANE & PANDIT
Chartered Accountants

For ONWARD TECHNOLOGIES LIMITED

J. V. Naik
Partner

Harish Mehta
Chairman & Managing Director

Shaila Mehta
Director

Berjis Desai
Director

Place : Mumbai
Date : 23rd September, 1997

**CASHFLOW STATEMENT FOR THE YEAR ENDED 30TH JUNE 1997**

SOURCES :-	Current Year Rs.
<b>A) OPERATING PROFIT</b>	
Profit after Tax	21193602
Add : Non-Cash Expenditure	
Depreciation	13257208
Misc. Exp. W/Off	832400
Net Loss on Sale of Fixed Assets	138751
Less : Taxes & Expenses in respect of prior years	-1161141
<b>TOTAL (A)</b>	<b>34260820</b>
<b>B) CASH FROM FINANCING</b>	
Equity Share Issue	0
Secured Loans	22791097
Unsecured Loans	1723948
<b>TOTAL (B)</b>	<b>24515045</b>
<b>C) CASH FROM INVESTING</b>	
Sale of Fixed Assets	86095
Sale of Investments	0
<b>TOTAL (C)</b>	<b>86095</b>
<b>D) TOTAL SOURCES (A+B+C)</b>	<b>58861960</b>
<b>APPLICATIONS :-</b>	
<b>E) FINANCING</b>	
Payment of Dividend	8645638
Share Issue Expenses	0
Repayment of Unsecured Loans	0
<b>TOTAL (E)</b>	<b>8645638</b>
<b>F) INVESTING</b>	
Additional Investments	90000
Additions to Fixed assets	12102279
Capital Work-in-Progress	35255586
<b>TOTAL (F)</b>	<b>47447865</b>
<b>G) WORKING CAPITAL</b>	
Decrease(-)/Increase in stocks	-610085±
Decrease(-)/Increase in Sundry Debtors	28949871
Decrease(-)/Increase in Current Assets	278890
Decrease(-)/Increase in Loans & Advances	2370401
Decrease/Increase(-) in Current Liabilities	-20917359
Decrease/Increase(-) in Provisions	2157736
<b>TOTAL (G)</b>	<b>6738685</b>
<b>H) TOTAL APPLICATIONS (E+F+G)</b>	<b>62832188</b>
Net Increase (D-H)	-3970228
Opening Balance	16825336
Closing Balance	12855108

For ONWARD TECHNOLOGIES LIMITED

Place : Mumbai  
Date : 23rd September, 1997

**Harish Mehta**  
Chairman & Managing Director

**Shaila Mehta**  
Director

**Berjis Desai**  
Director



STATEMENT IN ACCORDANCE WITH THE PROVISIONS OF SECTION 212 OF THE COMPANIES ACT, 1956

Name of the Subsidiary	Onward Software Technologies Ltd.	Shantmurli Holdings Ltd.
1. Financial year of the Subsidiary ended on	31.3.1997	31.3.1997
a) No. of shares held by the Company in the subsidiary as on June 30, 1997	Nil	5000
b) Extent of interest of the Company in the capital of the subsidiary	Nil	100%
2. a) No. of shares held by the Company in the subsidiary as on June 30, 1997	Nil	5000
b) Extent of interest of the Company in the capital of the subsidiary	Nil	100%
3. a) Net aggregate amount of profits less losses so far as they concern members of the Company and not dealt with in the Company's account : (Rs.)		
i) For the financial year Ended 31st March, 1997	(7,140)	(17,089)
ii) For the previous financial years since it became a Subsidiary	31,930	1,02,69,798
b) The net aggregate amount of Profits less losses so far as they concern members of the Company and dealt with in the Company's account (Rs.)	Nil	Nil

For ONWARD TECHNOLOGIES LIMITED

Place : Mumbai  
Date : 23rd September, 1997

**Harish Mehta**  
Chairman & Managing Director

**Shaila Mehta**  
Director

**Berjis Desai**  
Director

**BOARD OF DIRECTORS**

Harish Mehta  
Shaila Mehta

**AUDITORS**

Kirtane & Pandit  
Chartered Accountants  
31, Islam Building  
46, Veer Nariman Road, Fort  
Mumbai 400 023

**BANKERS**

Bank of Baroda

**REGISTERED OFFICE**

Krislon House, 2nd Floor  
Saki Vihar Road,  
Saki Naka, Andheri (E),  
Mumbai 400 072.

## REPORT OF THE DIRECTORS TO THE SHAREHOLDERS

To  
The Members,

Your Directors present their Annual Report and the Audited Statement of Accounts for the year ended 31st March, 1997

### FINANCIAL RESULTS :

	Year ended 31.03.1997 (Rupees)
Sales and other Income	NIL
Net Loss	(17,089)
Balance B/f from previous year	1,02,10,207
Balance carried forward	1,01,93,118

### DIVIDEND

No Dividend is recommended for the year.

### OPERATIONS

The Company has not commenced any business activity.

### AUDITORS

You are requested to appoint Auditors and fix their remuneration; the retiring Auditors M/s. Kirtane & Pandit, Chartered Accountants being eligible offer themselves for re-appointment.

### PERSONNEL

The particulars required under Section 217 (2A) of the Companies Act, 1956 and the rules thereunder are not given as there is no person employed by the Company.

### DISCLOSURE OF SIGNIFICANT ACCOUNTING POLICIES

#### CONSERVATION OF ENERGY, ETC.

Pursuant to Section 217 (1)(e) of the Companies Act, 1956 read the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, the details are given hereunder as required under the said Rules :

A. CONSERVATION OF ENERGY (FORM A)	NOT APPLICABLE
B. TECHNOLOGY ABSORPTION (FORM B)	NOT APPLICABLE
C. FOREIGN EXCHANGE EARNINGS AND OUTGO	NOT APPLICABLE

Registered Office

Krislon House, 2nd Floor  
Saki Vihar Road  
Saki Naka  
Mumbai 400 072

Date : 9th June, 1997

For SHANTMURLI HOLDINGS LIMITED

**HARISH MEHTA**  
Director

## AUDITORS' REPORT

To  
The Members of  
SHANTMURLI HOLDINGS LIMITED

- 1 We report that we have audited the Balance Sheet of Shantmurli Holdings Limited as at 31st March, 1997 and the Profit and Loss Account for the year ended on that date, both of which we have signed under reference to this report.
- 2 In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet and the Profit and Loss Account, together with the notes thereon/ attached thereto given in the prescribed manner, the information required by the Companies Act, 1956 and also give respectively, a true and fair view of the state of the Company's affairs as at 31st March, 1997 its Profit for the year ended on that date.
- 3 We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for our audit. In our opinion, proper books of account have been kept as required by law so far as appears from our examination of the books and the above mentioned accounts are in agreement therewith.
- 4 As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988 issued by the Central Government and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, as the company has not commenced any business activity, we further report that :

4.1 The Company does not own any fixed assets.

4.2 The sub-clause nos. (iii), (iv), (v), (vi), (ix), (x), (xi), (xii), (xiii), (xiv), (xv), (xvi) and (xvii) of para 4 of the abovementioned order are not applicable. Therefore, no comments are offered in this matter.

4.3 The Company has granted interest free deferred credit to its holding Company, listed in the register maintained under Section 301 of Companies Act, 1956. The terms and conditions are not prima facie prejudicial to the interest of the company.

4.4 At the last day of the financial year there were no amounts outstanding in respect of undisputed income tax, wealth tax, sales tax, customs duty and excise duty which were due for more than six months from the date they became payable.

4.5 During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices we have not come across any personal expenses which have been charged to the Profit and Loss Account other than those payable under contractual obligations or in accordance with the generally accepted business practices.

4.6 The Company is not a sick industrial company within the meaning of Clause (o) of section 3(1) of the Sick Industrial Companies (Special Provisions) Act, 1985.

For and on behalf of KIRTANE & PANDIT  
Chartered Accountants

Place : Mumbai  
Dated : 9th June, 1997

J. V. NAIK  
Partner

**SHANTMURLI HOLDINGS LIMITED**

**BALANCE SHEET AS AT 31ST MARCH, 1997**

	Schedule	Rupees	Rupees	As at 31.03.97 Rupees	As at 31.03.96 Rupees
<b>SOURCES OF FUNDS :</b>					
<b>Shareholders' Funds :</b>					
Share Capital	I		500,000		500,000
Reserves and Surplus	II		<u>10,193,118</u>		<u>10,210,207</u>
				<b>10,693,118</b>	<b>10,710,207</b>
<b>Loans Funds :</b>					
Unsecured Loans	III		<u>—</u>		<u>49,765</u>
<b>TOTAL</b>				<u><b>10,693,118</b></u>	<u><b>10,759,972</b></u>
<b>APPLICATION OF FUNDS :</b>					
<b>Current Assets, Loans and Advances :</b>					
Bank Balances			8,548		22,177
Loans & Advances	IV		<u>10,692,070</u>		<u>10,758,660</u>
				<b>10,700,618</b>	<b>10,780,837</b>
<b>Less : Current Liabilities &amp; Provisions</b>					
Current Liabilities			<u>7,500</u>		<u>20,865</u>
				<u><b>7,500</b></u>	<u><b>20,865</b></u>
<b>Net Current Assets</b>				<u><b>10,693,118</b></u>	<u><b>10,759,972</b></u>
<b>TOTAL</b>				<u><b>10,693,118</b></u>	<u><b>10,759,972</b></u>
Notes To Accounts	VII				

As per our report of even date

For **KIRTANE AND PANDIT**  
Chartered Accountants

**J.V. Naik**  
Partner

Place : Mumbai  
Date : 9th June, 1997

For **SHANTMURLI HOLDINGS LIMITED**

**Harish Mehta**  
Director

**Shaila Mehta**  
Director



**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1997**

	Schedule	Rupees	31.03.97 Rupees	31.03.96 Rupees
<b>INCOME</b>				
Other Income	V		—	10,369,711
<b>EXPENDITURE</b>				
Administrative and other Expenses	VI	17,089		31,309
Interest		—		64,630
Depreciation		—		3,974
<b>TOTAL EXPENDITURE</b>			<b>17,089</b>	<b>99,913</b>
<b>PROFIT BEFORE TAXATION/(LOSS)</b>			<b>(17,089)</b>	<b>10,269,798</b>
Provision for Taxation			—	—
<b>NET PROFIT/(LOSS)</b>			<b>(17,089)</b>	<b>10,269,798</b>
Balance B/F from previous year			10,210,207	(59,591)
<b>BALANCE CARRIED TO BALANCE SHEET</b>			<b>10,193,118</b>	<b>10,210,207</b>
Notes To Accounts	VII			

As per our report of even date

For **KIRTANE AND PANDIT**  
Chartered Accountants

**J.V. Naik**  
Partner

Place : Mumbai  
Date : 9th June, 1997

For **SHANTMURLI HOLDINGS LIMITED**

**Harish Mehta**  
Director

**Shaila Mehta**  
Director

**SHANTMURLI HOLDINGS LIMITED**

**SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 1997**

	As at 31.03.97 Rupees	As at 31.03.96 Rupees
<b>SCHEDULE - I</b>		
<b>SHARE CAPITAL :</b>		
<b>AUTHORISED</b>		
5000 Equity Shares of Rs. 100/- each	500,000	500,000
<b>TOTAL</b>	<u>500,000</u>	<u>500,000</u>
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
5000 (Previous year 5000) Equity Shares of Rs.100/-each Fully paid up in cash	500,000	500,000
<b>TOTAL</b>	<u>500,000</u>	<u>500,000</u>
<b>SCHEDULE - II</b>		
<b>RESERVES AND SURPLUS :</b>		
Profit and Loss Account Balance As Per Profit & Loss Account	10,193,118	10,210,207
<b>TOTAL</b>	<u>10,193,118</u>	<u>10,210,207</u>
<b>SCHEDULE - III</b>		
<b>UNSECURED LOANS :</b>		
Interest accrued and due	—	49,765
<b>TOTAL</b>	<u>—</u>	<u>49,765</u>
<b>SCHEDULE - IV</b>		
<b>LOANS AND ADVANCES</b>		
(Unsecured-considered good)		
(i) Deferred Credit Extended to Onward Technologies Ltd.	10,540,000	10,600,000
(ii) Advances recoverable in cash or in kind or for value to be received:		
Prepaid Expenses	1,700	8,290
Deposit	150,370	150,370
<b>TOTAL</b>	<u>10,692,070</u>	<u>10,758,660</u>

**SCHEDULES ANNEXED TO AND FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1997**

	31.03.97 Rupees	31.03.96 Rupees
<b>SCHEDULE – V</b>		
<b>OTHER INCOME</b>		
Profit on Sale of Fixed Asset	—	10,357,262
Interest received on FDR	—	12,449
	—	10,369,711
	—	10,369,711

**SCHEDULE – VI**

**ADMINISTRATIVE AND OTHER EXPENSES :**

Rates & Taxes	850	5,200
Insurance	5,740	8,035
Printing & Stationery	779	4,441
Remuneration to Auditors	7,500	4,000
Professional Fees	2,000	6,000
Miscellaneous Expenses	220	3,633
<b>TOTAL</b>	<b>17,089</b>	<b>31,309</b>
	<b>17,089</b>	<b>31,309</b>

**SCHEDULE – VII**

**NOTES TO ACCOUNTS FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 1997 AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1997.**

**1. Significant Accounting Policies :**

A. Accounting Assumptions :

These Accounts have been prepared under the historic cost convention on the basis of a going concern, with revenues recognised and expenses accounted on their accrual including provisions / adjustments for committed obligations and amounts determined as payable or receivable during the year.

2. Figures are rounded off to the nearest rupee.
3. Previous years figures have been regrouped wherever necessary.

As per our Report of even date

For **KIRTANE & PANDIT**  
Chartered Accountants

**J. V. Naik**  
Partner

Place : Mumbai  
Date : 9th June, 1997

For **SHANTMURLI HOLDINGS LIMITED**

**Harish Mehta**  
Director

**Shaila Mehta**  
Director

**SHANTMURLI HOLDINGS LIMITED**

**SCHEDULE VIII**

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

I. Registration Details 

4	5	1	1	5
---	---	---	---	---

 State Code 

1	1
---	---

 (Refer Code)

Balance Sheet Date 

3	1
---	---

0	3
---	---

9	7
---	---

  
Date Month Year

II. Capital Raised During the Year  
(Amount in Rs. Thousands)

Public Issue 

	N	I	L	
--	---	---	---	--

 Rights Issue 

	N	I	L	
--	---	---	---	--

Bonus Issue 

	N	I	L	
--	---	---	---	--

 Private Placement 

	N	I	L	
--	---	---	---	--

III. Position of Mobilisation and Deployment of Funds  
(Amount in Rs. Thousands)

Total Liabilities 

1	0	6	9	3
---	---	---	---	---

 Total Assets 

1	0	6	9	3
---	---	---	---	---

Sources of Funds Application of Funds

Paid-Up Capital 

		5	0	0
--	--	---	---	---

 Net Fixed Assets 

	N	I	L	
--	---	---	---	--

Reserves & Surplus 

1	0	1	9	3
---	---	---	---	---

 Investments 

	N	I	L	
--	---	---	---	--

Secured Loans 

	N	I	L	
--	---	---	---	--

 Net Current Assets 

1	0	6	9	3
---	---	---	---	---

Unsecured Loans 

	N	I	L	
--	---	---	---	--

 Misc. Expenditure 

	N	I	L	
--	---	---	---	--

Accumulated Losses

IV. Performance of Company  
(Amount in Rs. Thousands)

Turnover 

	N	I	L	
--	---	---	---	--

 Total Expenditure 

			1	7
--	--	--	---	---

+	-
---	---

 Profit/Loss Before Tax 

		-	1	7
--	--	---	---	---

+	-
---	---

 Profit After Tax 

		-	1	7
--	--	---	---	---

Please tick Appropriation Box + for Profit - for Loss

Earning per Share in Rs. 

		-		
--	--	---	--	--

 Dividend Rate (%) 

	N	I	L	
--	---	---	---	--

V. Generic Names of Three Principal Products/Services of Company

Item Code No. N.A.

Product Description : The Company has not commenced any business activity.

As per our report of even date

For **KIRTANE & PANDIT**  
Chartered Accountants

**J.V. Naik**  
Partner

For **SHANTMURLI HOLDINGS LIMITED**

**Harish Mehta**  
Director

**Shaila Mehta**  
Director

Place : Mumbai  
Date : 9th June, 1997

**ONWARD SOFTWARE TECHNOLOGIES LIMITED ——— Annual Report 1996-97**

**BOARD OF DIRECTORS**

Harish Mehta  
Shaila Mehta  
Arun Meghani

**AUDITOR**

Dhiren V. Mehta  
Chartered Accountant

172/174, Hornby Building  
Dr. D. N. Road  
2nd Floor, Fort  
Mumbai 400 023

**BANKER**

Bank of Baroda

**REGISTERED OFFICE**

Krislon House, 2nd Floor  
Saki Vihar Road,  
Saki Naka, Andheri (E),  
Mumbai 400 072.

**REPORT OF THE DIRECTORS TO THE SHAREHOLDERS**

To  
The Members,

Your Directors present their Fourth Annual Report and the Audited Statement of Accounts for the year ended 31st March, 1997.

**FINANCIAL RESULTS :**

	Year ended 31.03.1997 (Rupees)
Sales and other Income	Nil
Net Profit/Loss(-)	-7,140
Balance surplus B/f from previous year	19,186
Balance carried forward to Profit & Loss Account	12,046

**DIVIDEND**

No Dividend is recommended for the year.

**OPERATIONS**

The Company has not commenced any business activity.

**AUDITORS**

D. V. Mehta, Chartered Accountant, retires as auditor of the company and being eligible offers himself for re-appointment.

**PERSONNEL**

The particulars required under Section 217 (2A) of the Companies Act, 1956 and the rules thereunder are not given as there is no person employed by the employer.

**DISCLOSURE OF SIGNIFICANT ACCOUNTING POLICIES**

**CONSERVATION OF ENERGY, ETC.**

Pursuant to Section 217 (1)(e) of the Companies Act, 1956 read the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, the details are given hereunder as required under the said Rules :

A. CONSERVATION OF ENERGY (FORM A)	NOT APPLICABLE
B. TECHNOLOGY ABSORPTION (FORM B)	NOT APPLICABLE
C. FOREIGN EXCHANGE EARNINGS AND OUTGO	NOT APPLICABLE

Registered Office

Krislon House, 2nd Floor  
Saki Vihar Road  
Saki Naka  
Mumbai 400 072

Date : 9th June, 1997

For ONWARD SOFTWARE TECHNOLOGIES LIMITED.

**Harish Mehta**  
Director

## AUDITORS' REPORT

To  
The Members of  
ONWARD SOFTWARE TECHNOLOGIES LIMITED

I have audited the attached Balance Sheet of ONWARD SOFTWARE TECHNOLOGIES LIMITED as at 31st March, 1997 and also the Profit and Loss Account of the Company for the year ended on that date, annexed thereto and report that :

1. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of my audit,
2. In my opinion, proper books of accounts as required by law have been kept by the Company so far as appears from my examination of the books,
3. The Balance Sheet and Profit and Loss Account dealt with by this Report are in agreement with the books of account,
4. In my opinion and to the best of my information and according to the explanations given to me, the accounts read together with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :
  - i. in the case of Balance Sheet of the state of affairs of the Company as at 31st March, 1997,  

and
  - ii. in the case of Profit and Loss Account of the Loss for the year ended on that date.
5. As required by the Manufacturing and other Companies (Auditors' Report) Order, 1988, issued by the Central Government in terms of Section 227 (4-A) of the Companies Act 1956, and on the basis of such checks of the books and records of the Company as were considered appropriate and as per the information and

explanations given to me during the course of audit, I further report that :

- i. The Company has no fixed assets.
- ii. The Company has taken unsecured loans from its directors and shareholders, and a company. In my opinion the rate of interest, where applicable and other terms and conditions of such loans are prima facie not prejudicial to the interest of the company.
- iii. The Company has not given any loans.
- iv. According to the information and explanation given to me, there were no undisputed amounts payable in respect of Income Tax and Wealth Tax as at 31st March, 1997 which were outstanding for a period of more than six months from the date they became payable.
- v. According to the information and explanations given to me and the records of the company examined by me, no personal expenses have been charged to revenue account.
- vi. The Company is not a sick industrial company within the meaning of Clause (O) of Sub-section (1) of Section 3 of the Sick Industries Companies (Special Provisions) Act, 1985.
- vii. The provisions of para 4(A) sub clauses (iii), (vi), (vii), (viii), (ix), (x), (xi), (xii), (xiii), (xiv), (xv), (xvi), (xvii), (xx) and para 4(D) sub clauses (ii), (iii) and (iv) of Manufacturing and Other Companies (Auditor's Report) Order, 1988 do not apply to the company during the year covered under audit.

**D.V. MEHTA**  
Chartered Accountant

Place : Mumbai  
Date : 9th June, 1997

**ONWARD SOFTWARE TECHNOLOGIES LIMITED**

**BALANCE SHEET AS AT 31ST MARCH, 1997**

	Sche- dule	Rupees	Rupees	As at 31.03.97 Rupees	As at 31.03.96 Rupees
<b>SOURCES OF FUNDS :</b>					
<b>Shareholders' Funds :</b>					
Share Capital	I		700		700
Reserves and Surplus			12,046		19,186
				12,746	19,886
<b>Loan Funds :</b>					
Unsecured Loans				--	36,521
<b>TOTAL</b>				<u>12,746</u>	<u>56,407</u>
<b>APPLICATION OF FUNDS :</b>					
<b>Current Assets, Loans and Advances :</b>					
Bank Balances		10,805			1,766
Accrued Interest due from Shantmurli Holdings Ltd.		--			49,765
Income Tax		25,415			14,865
Pre-paid Expenses		1,700			2,550
			37,920		68,946
<b>Less : Current Liabilities and Provisions</b>					
Sundry Creditors & Advances		12,250			1,795
Provision for Taxation		26,000			26,000
			38,250		27,795
<b>Net Current Assets</b>				(330)	41,151
<b>Preliminary Expenses</b>		15,256			17,436
<i>Less : Written off during the year</i>		2,180			2,180
				13,076	15,256
<b>TOTAL</b>				<u>12,746</u>	<u>56,407</u>

NOTES TO ACCOUNTS III

The schedules referred to above form an integral part of the Balance Sheet

As per my report attached

D. V. Mehta  
Chartered Accountant

Place : Mumbai  
Date : 9th June, 1997

For ONWARD SOFTWARE  
TECHNOLOGIES LIMITED

Harish Mehta      Shaila Mehta  
Director              Director

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1997**

	Sche- dule	Rupees	31.03.97 Rupees	31.03.96 Rupees
<b>INCOME</b>				
Other Income			--	64,630
<b>EXPENDITURE</b>				
Administrative and other Expenses	II	7,140		6,700
<b>TOTAL EXPENDITURE</b>			<u>7,140</u>	<u>6,700</u>
<b>PROFIT/LOSS (-) BEFORE TAXATION</b>			<u>-7,140</u>	<u>57,930</u>
Provision for Taxation			--	26,000
<b>NET PROFIT / LOSS (-)</b>			<u>-7,140</u>	<u>31,930</u>
Balance B/F from previous year			19,186	-12,744
<b>BALANCE CARRIED TO BALANCE SHEET</b>			<u>12,046</u>	<u>19,186</u>

Notes To Accounts III

As per my report attached

D. V. Mehta  
Chartered Accountant

Place : Mumbai  
Date : 9th June, 1997

For ONWARD SOFTWARE  
TECHNOLOGIES LIMITED

Harish Mehta      Shaila Mehta  
Director              Director



**SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT**

	As at 31.03.97 Rupees	As at 31.03.96 Rupees
<b>SCHEDULE - I</b>		
<b>SHARE CAPITAL :</b>		
AUTHORISED		
1,00,000 Equity Shares of Rs. 10/- each	1,000,000	1,000,000
<b>TOTAL</b>	<u>1,000,000</u>	<u>1,000,000</u>
ISSUED, SUBSCRIBED AND PAID UP		
70 (Previous year 70) Equity Shares of Rs. 10/-each Fully paid up in cash	700	700
<b>TOTAL</b>	<u>700</u>	<u>700</u>

**SCHEDULE - II**

**ADMINISTRATIVE AND OTHER EXPENSES :**

Rates & Taxes	850	850
Professional Fees	1,500	1,500
Remuneration to Auditors	2,250	1,500
Miscellaneous Expenses		
Stamp Paper	—	150
Filing Fees	200	200
Bank Charges	160	320
Preliminary Exp. W/Off	2,180	2,180
<b>TOTAL</b>	<u>7,140</u>	<u>6,700</u>

**SCHEDULE - III**

**NOTES TO ACCOUNTS FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 1997 AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1997**

1. The Company maintains its accounts on accrual method of accounting.
2. The company has not commenced any business activity, therefore no additional information pursuant to the provisions paragraph 3, 4C of part II of the Schedule VI to the Companies Act, 1956 is given.
3. Figures are rounded off to the nearest rupee.
4. Previous years figures have been regrouped wherever necessary.

As per my report attached

For **ONWARD SOFTWARE TECHNOLOGIES LIMITED**

**D.V. Mehta**  
Chartered Accountant

**Harish Mehta**  
Director

**Shaila Mehta**  
Director

Place : Mumbai  
Date : 9th June, 1997.

**ONWARD SOFTWARE TECHNOLOGIES LIMITED**

**SCHEDULE IV**

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

I. Registration Details	7 4 4 5 8	State Code	1 1 (Refer Code)
Balance Sheet Date	3 1	0 3	9 7
	Date	Month	Year
II. Capital Raised During the Year (Amount in Rs. Thousands)			
Public Issue	N I L	Rights Issue	N I L
Bonus Issue	N I L	Private Placement	N I L
III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)			
Total Liabilities	1 3	Total Assets	1 3
Sources of Funds		Application of Funds	
Paid-Up Capital	1	Net Fixed Assets	N I L
Reserves & Surplus	1 2	Investments	N I L
Secured Loans	N I L	Net Current Assets	N I L
Unsecured Loans	N I L	Misc. Expenditure	1 3
		Accumulated Losses	
IV. Performance of Company (Amount in Rs. Thousands)			
Turnover	N I L	Total Expenditure	7
+ -	Profit/Loss Before Tax	+ -	Profit After Tax
	- 7		- 7
Please tick Appropriation Box + for Profit - for Loss			
Earning per Share in Rs.	-	Dividend Rate (%)	N I L
V. Generic Names of Three Principal Products/Services of Company			
Item Code No.	: N.A.		
Product Description	: The Company has not commenced any business activity.		

As per my report attached

For ONWARD SOFTWARE TECHNOLOGIES LIMITED

**D.V. Mehta**  
Chartered Accountant

**Harish Mehta**  
Director

**Shaila Mehta**  
Director

Place : Mumbai  
Date : 9th June, 1997



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THE SOFTWARE TECHNOLOGISTS

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