

**A  
Global Engineering  
& IT Solutions  
Company**



**Industrial  
Equipment  
& Heavy  
Engineering**



**Automotive**



**Off-Highway**



**Consumer  
& Healthcare**

## Core Values



**Trust**



**Integrity**



**Accountability**



**Confidentiality**



Your trusted  
**Engineering Partner**

**Board of Directors**

Mr. Harish Mehta	Chairman and Managing Director
Mrs. Shaila Mehta	Director
Mr. Pradip Dubhashi	Director
Mr. Arun Meghani	Director
Mr. Samir Desai	Director (up to 16.1.2013)
Dr. Atul Wad	Director (up to 16.1.2013)
Mr. Sudhir Karnik	Alternate Director to Dr. Atul Wad (up to 17.11.2012)
Mr. Pranay Vakil	Director (w.e.f. 16.1.2013)
Mr. Nandu Pradhan	Director (w.e.f. 16.1.2013)

**Auditors**

Kirtane & Pandit  
Chartered Accountants  
'Sangati', Bhakti Marg  
Off. Law College Road  
Pune – 411 004.

**Registered Office**

Sterling Centre, 2<sup>nd</sup> Floor  
Dr. A. B. Road  
Worli  
Mumbai – 400 018.

**Registrar & Share Transfer Agents**

Link Intime India Pvt. Ltd.  
C-13, Pannalal Silk Mills Compound  
L.B.S. Marg  
Bhandup (West)  
Mumbai – 400 078.

**Corporate Website**

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

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**NOTICE** is hereby given that the Twenty Second Annual General Meeting of Onward Technologies Limited will be held on Monday, 22<sup>nd</sup> July, 2013 at Victoria Memorial School for the Blind, 73, Tardeo Road, Mumbai 400 034 at 3.30 p.m. to transact the following business:

#### **ORDINARY BUSINESS**

1. To receive, consider and adopt the audited Statement of Profit and Loss Account for the year ended 31<sup>st</sup> March, 2013, the Balance Sheet as at that date and the Report of the Auditors and that of the Directors thereon.
2. To appoint a director in place of **Mr. Pradip Dubhashi**, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a director in place of **Mrs. Shaila Mehta**, who retires by rotation and being eligible, offers herself for re-appointment.
4. To consider and if deemed fit, to pass with or without modification(s), the following Resolution as an ordinary resolution:

**“RESOLVED THAT M/s. Kirtane & Pandit, Chartered Accountants**, Pune, be and are hereby reappointed as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company and that the Board of Directors of the Company be and are hereby authorised to fix their remuneration.”

#### **SPECIAL BUSINESS**

5. To consider and if deemed fit, to pass with or without modification(s), the following Resolution as an ordinary resolution:

**“RESOLVED THAT**, subject to approval of the Members and in accordance with the provisions of Section 260 of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Pranay Vakil, who was appointed as an Additional Director on 16<sup>th</sup> January, 2013 holds the office up to the forthcoming Annual General Meeting be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

6. To consider and if deemed fit, to pass with or without modification(s), the following Resolution as an ordinary resolution:

**“RESOLVED THAT**, subject to approval of the Members and in accordance with the provisions of Section 260 of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Nandu Pradhan, who was appointed as an Additional Director on 16<sup>th</sup> January, 2013 holds the office up to the forthcoming Annual General Meeting be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

**By the order of the Board of Directors**

Place: Mumbai  
Date: May 17, 2013

**Harish Mehta**  
*Chairman & Managing Director*

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

## Notice (Contd.)

### Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Proxies to be effective should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
3. The Explanatory Statement pursuant to sub-section (2) of Section 173 of the Companies Act, 1956 is annexed to this notice. The bio data of the Directors proposed to be appointed / re-appointed is also annexed to this Notice as required under the Listing Agreement.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 18th July, 2013 to 22nd July, 2013 (both days inclusive).
5. Members are requested to address all correspondence pertaining to their securities mentioning either the Folio Number / Client ID and DP ID numbers as applicable including any change of address, if any, to the Registrars and Transfer Agents of the Company viz.:

Link Intime India Pvt. Ltd.

C-13, Pannalal Silk Mills Compound

L. B. S. Marg, Bhandup, Mumbai-400078

6. Members / Proxies attending the Meeting are requested to bring their copies of Annual Report together with attendance slip at the meeting.
7. Members seeking any information relating to Accounts are requested to write to the Company at least 10 days before the date of the Annual General Meeting to enable the Management to keep the required information ready at the meeting.
8. The Ministry of Corporate Affairs, has come out with a circular dated 29th April 2011 which allows the companies to send documents including Annual Reports and other intimation by an email. Therefore you are requested to register your email IDs with the Registrar and Transfer Agent of the Company. The Company is already having email ID of the members holding their shares in Demat through their respective Depository Participants, The said email ID shall be considered as registered email ID for the said members unless informed otherwise to the Company or Registrar and Transfer Agent.

## EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 173(2) OF THE COMPANIES ACT, 1956

### Item No. 5

Mr. Pranay Vakil was appointed as an Additional Director on 16<sup>th</sup> January, 2013 and holds the position upto the forthcoming Annual General Meeting. The Company has received a notice from a member under Section 257 of the Companies Act, 1956 signifying his intention to propose Mr. Pranay Vakil for the office of Director.

Mr. Pranay Vakil is involved in property business for over 25 years with basic education and training in Accountancy (CA) and Law (LLB). Presently, he is the Founder Chairman of Praron Consultancy (India) Pvt. Ltd., a consulting organization, involved in Real Estate.

He was the founder Chairman of Knight Frank in India, having set up the joint venture in 1995 with Knight Frank UK, a leading international property consulting firm, and retired on September 30, 2012.

Earlier he worked as Executive Director of Raychem in India (California based Fortune 500 company) and with various TATA Group companies including Tata Textiles, TCS and Tata Sons, for over 15 years. Also a short stint as Managing Director of GESCO Corporation Ltd., a company formed on demerger of The Great Eastern Shipping Co. Ltd.

**Notice (Contd.)**

He is a Director of one of the largest listed companies engaged in property development, Godrej, a company engaged in fertilizers and chemicals, Deepak Fertilizers, and associated with four Real Estate Funds.

Presently he is the Chairman of Housing & Real Estate Committee for 2012-13 with Indian Merchants Chamber (IMC). Jury member for industry awards and on advisory panels connected with industry awards, rating and media. He is amongst the first few in India to be honored with Fellowship of Royal Institute of Chartered Surveyors (RICS), the highest professional Real Estate Body. Also on RICS Advisory Board in India and on the World Governing Council of RICS.

He is a visiting faculty/speaker at seminars, schools/universities, both within and outside of India.

He is associated as a Trustee with organizations connected with setting up of old age homes (Dignity), a school for integrated education (Rites) and medical dispensaries (Prakash Charities).

He holds directorship in the following companies:

Godrej Properties Ltd.

Deepak Fertilisers and Petrochemicals Corp. Ltd.

Onward Technologies Ltd.

Usha Breco Ltd.

Praron Consultancy (India) Private Limited

Rutley Real Estate Investment Management ( India) Private Limited

Eden Design & Development Ltd, London

None of the Directors of the Company is, in any way, concerned or interested in the said resolution.

**Item No. 6**

Mr. Nandu Pradhan was appointed as an Additional Director on 16<sup>th</sup> January, 2013 and holds the position upto the forthcoming Annual General Meeting. The Company has received a notice from a member under Section 257 of the Companies Act, 1956 signifying his intention to propose Mr. Nandu Pradhan for the office of Director.

Mr. Pradhan has 34 yrs of industry experience of which 27 years has been in the Indian IT Industry, holding leadership position in leading global companies like Onward Novell, Patni Computers, Microsoft and Red Hat Inc. He has worked in Crompton Greaves and Tata Exports before joining the IT industry.

Mr. Nandu Pradhan is the founder of Onama offering business consultancy and mentoring to start ups and early stage companies. He is also the co-founder of Pocketside LLC USA developing software products for the mobility industry.

He is an Electrical Engineer from COEP, Pune University and MBA from JBIMS, Bombay University. He has also completed Advance Leadership program from Babsons School of executive education USA.

Mr. Nandu Pradhan was the former President and Managing Director of Red Hat India Ltd (Global leader in Open Source) since 2006 to Jan 2011. He was responsible for the business in the Indian Subcontinent and managing the Global Development and Services Center in India. He restructured and grew the India development center, which is one of the four global centers of Red Hat, making major contribution to the Linux operating system.

Mr. Pradhan was instrumental in starting open source business units in leading Global SI's like TCS, Wipro, IBM and HP. He has worked very closely with the Open source developer community making India a leading global contributor to the Linux Operating system.

As the Vice President APAC at Patni from Feb 2004 to Oct 2005 he managed the IT services and outsourced product development (OPD) business in Australia, Korea and ASEAN.

Prior to Patni he was one of the key members involved in the formation of the Onward Group and the Onward Novell India the joint venture between Novell Inc USA and Onward Technologies. Mr. Nandu Pradhan was the Executive Director for Onward Novell India for 12 years from 1991 to 2003. He has successfully managed the business in India making India one of the fastest growing regions for Novell Inc. He was also instrumental in setting up the India development center for Novell Inc.

As General Manager of Hinditron Computers (Rated amongst the Top 5 IT companies by Dataquest) from 1985 to 1991, Mr. Pradhan led the company's hardware and software business in India.

## Notice (Contd.)

He has closely worked with the Indian Govt. and Industry associations like NASSCOM, CII on various policy issues.

He is Charter member of TiE.

He holds directorship in the following company:

Onward eServices Ltd.

None of the Directors of the Company is, in any way, concerned or interested in the said resolution.

**As required under Clause 49 VI of the Listing Agreement given below are the details of the director proposed for re-appointment of Mr. Pradip Dubhashi and Mrs. Shaila Mehta.**

**Mr. Pradip Dubhashi** has expertise in management consultancy and finance related fields. Mr. Dubhashi holds a BE in Electrical Engineering and a post graduation in Management from XLRI, Jamshedpur. He was holding senior executive positions in SICOM, Mahindra Group and Venky Group. He is having in depth knowledge of various industries such as, Engineering, Cement, Chemicals and Specialities, Software and Biotechnology businesses. He has consulted for both Indian as well as foreign companies. He also nominated on the Boards of Directors of various companies including as a nominee Director of financial institutions. He has attended several courses conducted by IIMA, IEEE, NCST, ASCI and others in advanced topics in finance, management and technology areas.

He holds directorship in the following companies:

### **Directorships in other Companies**

Onward eServices Ltd.

Prime Securities Ltd

Microline India Pvt. Ltd.

Krishidhan Seeds Ltd.

Divgi Metalwares Pvt. Ltd.

### **Member of Audit Committee**

Prime Securities Ltd.

Krishidhan Seeds Ltd.

Onward eServices Ltd.

**Mrs. Shaila H. Mehta** holds a Master in Science (Statistics) Degree from the University of Mumbai and a Diploma in Systems Design & Analysis from Connecticut, USA. Mrs. Mehta is also a Director in Onward eServices Limited, a Company engaged in providing solution to Banking & Financial Institutions.

She holds directorship in the following companies:

Onward eServices Ltd.

Onward Technologies GmbH, Germany

Onward Properties Pvt. Ltd. (erstwhile Shantimurti Holdings Pvt. Ltd.)

Onward Technologies, Inc., USA

Onward Network Technologies Pvt. Ltd.

Desai Finwealth Investments & Securities Pvt. Ltd.

Onward Software Technologies Pvt. Ltd.

**By the order of the Board of Directors**

Place: Mumbai

Date: May 17, 2013

**Harish Mehta**

*Chairman & Managing Director*

### **Registered Office:**

Sterling Centre, 2nd Floor

Dr. A. B. Road

Worli

Mumbai 400 018



## Director's Report

To  
The Members,

Your Directors are pleased to present before you the TWENTY SECOND ANNUAL REPORT together with Audited Annual Accounts of the Company for the financial year ended 31<sup>st</sup> March, 2013.

### Financial Performance

As a globally integrated unit, your Company operates through its subsidiaries in North America (Onward Technologies, Inc. (OTI)) & Germany (Onward Technologies GmbH (OTG)) and with branch office in UK (Onward Technologies Ltd., UK) and Indian Subsidiary (Onward eServices Limited (OeSL)).

During the year your Company showed all around growth and the investments made over the last two years in North America and Germany have started showing positive traction & revenues from Overseas markets has started growing faster than the domestic market. There has been combination of volume growth and value addition. Total Revenue grew 12% from ₹ 132.00 Crs to ₹ 147.50 Crs. Earnings Before Interest, Tax and Depreciation charge (EBITDA) jumped 16% from ₹ 12.95 Crs to ₹ 15.00 Crs. Correspondingly the profit before tax increased from ₹ 5.30 Crs to ₹ 7.80 Crs.

The summarized consolidated results of the Company are as under:

	For the year ended 31.3.2013	For the year ended 31.3.2012
		(₹ in Lac)
Sales and other income (Net)	14,754.58	13,196.97
Profit before finance cost and depreciation	1,499.80	1,295.41
Finance costs	338.53	313.35
Depreciation	405.60	453.27
Operating profit/(loss) before prior period expenses	755.67	528.79
Prior period expenses	1.45	1.16
Exceptional items	26.36	–
Profit/(loss) before tax	780.58	527.63
Provision for taxation		
- Current tax	61.14	12.49
- Current tax (Mat)	97.65	114.99
- Mat credit	(65.66)	(114.99)
- Deferred tax expenses/(benefits)	154.21	(135.80)
Profit/(loss) after tax	533.24	650.94

### Transfer to reserves

During the year, the Company has not transferred any amount to reserves.

### Dividend

The overall performance of your Company has been satisfactory. The Company sees tremendous growth prospects and to capitalise on the opportunities the management has not recommended any dividend for the current financial year.

### Operations

Your Company has two major lines of focussed areas:

- 1) Engineering Design Services (EDS)
- 2) IT Consulting Services (ITS) (Refer note on the subsidiaries, Onward Technologies, Inc. and Onward eServices Ltd. for operational details).



## Director's report (Contd.)

EDS Operations are part of Onward Technologies in India & ITS operations are run through its wholly owned subsidiary, Onward eServices Ltd. (OeSL). Both these business lines are supported through subsidiaries in North America & Germany with branch office in UK.

Your Company's engineering operations can be broadly divided under two groups:

- Product Engineering Group (PEG)
- Manufacturing Engineering Group (MEG)

PEG – Product Engineering Group operates in the area of Product Design & development and Product sustenance using a proven Design process and state of the art Design tools and Verification tools. These activities are performed by a pool of highly experienced professionals with support from team of Engineers mainly in the area of Automotive, Off Road equipment and Industrial Equipment. A team of Experts certified by SAVE (Society of Value Engineers) carries out the Product Sustenance Engineering work which involves Value Engineering and continuous Improvement.

MEG – Manufacturing Engineering Group supports customers in bringing the designed product into reality. The Group provides the cost effective engineering solution to the complexities of manufacturing. Highly experienced team has delivered several solutions to the Robotic welding, Manual welding, Machining, Assembly and Inspection needs of the Automotive, Off Road and Industrial products. A team of experts in Process planning, Should costing and Alternate sourcing act as consultants to the product Development.

**Customer First:** Onward's **Customer First** philosophy has continued to help your Company sign major contracts with Original Equipment Manufacturers (OEM), their Captives and Tier-I suppliers. Customers have applauded deliveries which were highly complex in nature, further establishing your Company as a Global Leader in Mechanical Engineering Services and Solutions. 4 of top 10 revenue contributing clients are Fortune 500 companies. 7 of Onward's top 10 customers are billion dollar organizations with global operations. For 8 of the top 10 revenue contributing clients, your Company is providing multiple level of deliveries with both onsite and offshore & across multiple engineering service lines. By providing first time right delivery, we are able to further increase our share of the customer's engineering budget.

**COE – Centers of Excellence:** Your Company has established COE's to improve the knowledge of the organization with which there is a continuous improvement and value in the service to the customer. This investment helps acquiring, imparting and implementing the knowhow of new materials, new technologies and new processes across the organization. COEs will bring competitive strength to face any challenges. Your Company has 6 Center's of Excellence dedicated to different product lines.

**Quality Processes & Customer Data Security:** Engineering is a highly IPR driven business. With the high level of engineering services provided by your Company, customer data security and secure exchange of information is of paramount importance. Rigorous trainings on the importance of data security have been conducted for the staff. With confidential data being received from diverse customers in Company's state-of-art servers, it is incumbent upon the Company to secure the same. Your Company has had another incident free year because of the steps taken to secure the customer data.

As an organizational directive we formed a "Complaint Committee" to address grievances and ensure compliances. Successful **TUV recertification** for ISO9001:2008 QMS and ISO 27001:2005 ISMS was accomplished giving us continued privilege of confirming to Quality Standards ensuring Customer Satisfaction.

**Project Management** - The Project Management Office (PMO) initiative is an important part of a projects based business. This office provides support to the Projects function. PMO evaluates the enquiries from sales, assess the resource needs and allots projects to right resources in the initial stage. In the following stage PMO continuously monitors the performance of the project team and takes course corrective action whenever needed. In the finishing stage PMO ensures the process of project closure, documentation of lessons learnt and achievements from the project in the organizational knowledge base. All of the above initiatives are linked together internally to ensure that the net result is a **First Time Right** Delivery to the customer.

## Director's report (Contd.)

**Facility Upgradation :** The year of FY 2012-13 saw efforts towards facility up gradation at our offices across the globe. A new customer centric delivery center was opened in Bangalore, India and a new marketing office was opened in Troy, Michigan – The global automotive hub of the world. We also expanded & moved into a new state of the art office in Boston, USA. All offices were designed in purview of Onward SHINE and our Core Offerings in the areas of Automotive, Off-highway, Aerospace, Locomotives, Lab Equipment, Industrial equipment, etc.

### Human Resource Initiatives

Your Company has strategically partnered with every professional, leveraging human capital to support its business model successfully. With primary focus on the need to get the right people into the right jobs, HR's role evolved to that of a true partner in the business. The importance of encouraging behaviors that drive our organizational goals forward comes to the fore when considering innovation and quality, core values that are fundamental to our Company's current and future success. Innovative ways instituted to ensure we are the very best employer we can be.

Major progress in the skills required by HR professionals' team and Employee Relationship Executives for highly advanced strategic, financial, analytical, and technical skills were developed to support organizational growth. Apart from the traditional issues such as employee relations, payroll and benefits, the focus on organizational development, skill set development, employee well being, corporate social responsibility, job rotation and succession plan was integrated effectively to support business continuity. HR's function was well played to ensure that we have an open, free, and empowered culture and that we recruit, retain and nurture talent within the Organization. Your Company's index has up - scaled as Employer of choice during the year based on the world class opportunities, international careers, clientele engagements, work-life balance initiatives, best practices that attract, optimize, and hold top talent and being in the growth trajectory towards achieving corporate objectives.

With an objective of connecting with employees, we have put a culture in place that is based on a participatory environment by organizing many events during the year, bringing in healthy participation from employees. An overwhelming response was received from employees during our Traditional Annual Day Function, creating an atmosphere of esprit de corps among them.

Internal Centre of Excellence (COE) driven best innovation ideas with employee involvement have been great mesmerizers during the year. Initiatives such as "HR Workshops", for onsite employees at client location and the overall performance periodical review process have been appreciated by clients as well as employees.

Centre of Excellence (COE) and the training team conducted several Internal and External Training programs aimed at knowledge enhancement, technology awareness, design development, communication and behavioral skills. Onward thrives to rightly discern and develop Leaders making them passionate, accountable, collaborative and enterprising bringing forth business values and creating the conditions for team players to succeed. Certification programs on "Six Sigma" and "Project Management" were initiated towards strengthening Leadership Skills

Achievement of Teams seeking the goal 'First Time Right and "Every Time Right quality" were appreciated based on project delivery targets and performance by rewards in form of certificates "Pat On Back", increment, incentive etc. were extended escalating motivation among employees.

Unique feature of offering ESOPs has allowed our employees to be proactive in perpetuating the business and appraising an employee ownership culture. We now have almost 20% of active employees who are offered ESOP's. This has increased the level of commitment and sense of ownership amongst these employees. This brings along with itself an higher level of commitment and sense of ownership for quality & delivery in our highly technical services field.

### Subsidiaries

The subsidiaries of your Company are as follows:

#### Onward Technologies, Inc.

The Company's focus on growing its North American business continues with the strengthening and expansion of its US operations through investment in new larger offices and expansion of its US team both in the Northeast and the Midwest.