

Onward Technologies
Conference Call to Discuss the Fund Raise Announcement
June 02, 2021

Moderator: Ladies and gentlemen, good day and welcome to the conference call of Onward Technologies Limited to discuss the fundraise announcement of Convergent Finance LLP. As a reminder, all participants lines will be in listen only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call please signal an operator by pressing '*' followed by '0' on your touch tone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Anuj Sonpal, CEO of Valorem Advisors. Thank you and over to you, sir.

Anuj Sonpal: Thank you operator. Good afternoon everyone and a warm welcome to you all. My name is Anuj Sonpal from Valorem Advisors. We represent the Investor Relations of Onward Technologies Limited. Before we start, I hope everybody joining us today is safe and well. On behalf of the company, I would like to thank you all for participating in the con call to discuss the recent fundraise announcement with Convergent Finance Limited LLP. Before we begin, a quick cautionary statement. Some of the statements made in today's earnings conference call may be forward looking in nature. Such forward looking statements are subject to risks and uncertainties which could cause actual results to differ from those anticipated. Such statements are based on management's beliefs as well assumptions made by and information currently available to management. Audiences are cautioned not to place any undue reliance on these forward looking statements in making any investment decisions. The purpose of today's conference call is purely to educate and bring awareness about the company's fundamental business and recent fundraise announcement of the company.

Now, without any further delay, let me introduce you to the participants of today's con call. We have with us Mr. Jigar Mehta, Managing Director of Onward Technologies Limited, Mr. Devanand Ramandasani - Chief Financial Officer and Mr. Harsha Raghavan who is joining us from his Managing Partner at Convergent Finance. Without any further delay, I request Mr. Jigar Mehta to start with his opening remarks. Thank you and over to you sir.

Jigar Mehta: Thank you Anuj and good afternoon to you all. Thank you again for your continued interest in Onward Technologies and joining us and participating in this call on short notice. As you know Onward Technologies and its board meeting held on 27th May 2021 has considered and approved the raising of funds of 70.2 crores from funds advised by Convergent Finance LLP. The fundraise is structured and subscription to equity shares and borrowings priced in accordance to applicable SEBI regulations. The investment result and approximately 24.78%

ownership state to Convergent on a fully diluted basis. Customarily closing conditions, including shareholder approval will apply. I believe that this industry there is a big vote of confidence for the onboard tech team reinforcing the tremendous transformation and growth underway within our organization.

Quick background, Onward Technologies was started by my father Mr. Harish Mehta in 1991, In May 2016, the Board appointed me Managing Director of the organization with a clear vision to transform the entire organization towards the ER&D or Engineering Research and Development services company focused on the global market. We have gone through major changes since then and I am very pleased to share some key highlights and the transformation that's underway within the organization. Before 2016 we were predominantly focused on the domestic India market and on the IT services side and on product reselling. Since then we have gone through major structural change and focusing on the international markets. 50% of our revenues comes from North America and Europe now. We have built a very strong management team and leadership team across the board to support the new growth. Vignesh, Pratish, Sankar, Sujata, Satish, Pramod, Dev, etc. We have also hired large number of experienced people who have been inducted recently over the last 9 months as we continue to grow and expand our offerings. As a young team, in the ER&D space over the last 5 years, very pleased to share that we have won and continue to win the trust of some of the Fortune 500 and largest manufacturing companies in the world. We have hired 500+ new engineers in the last 3 quarters & see similar visibility going forward. We have delivered good numbers strong topline and bottom-line growth in Q3 & feel positive going forward to see double digit growth. The speed of digital revolution as you guys already know has been a welcome change specially ER&D industry and as per industry reports, it's going to outperform most of the other industries in the offshoring space. Last couple of quarters has seen a robust & positive outlook in the global ER&D industry & I want to put some more structure on how well Onward Tech is positioned to deliver growth going forward.

Onward Tech is structured into four main verticals. Two of which are currently high growth verticals, one is Transportation & Mobility where we focus on Automotive and Rail Transportation and second is Industrial Equipment and Heavy Machinery. This continues to be our largest revenue stream as of today and we see that in the future as well. There are two new high growth verticals that we are focusing on, which is Healthcare/ Medical Devices and High-Tech industry verticals. Our business model has changed substantially over the last few years and is going to change further going forward. We are today 100% pure play technology services company which is focused only on two revenue streams, which is Time and Material and our fixed price projects. Time & Material continues to be our choice in business model and fixed price is something which is where we are continuously getting better at. From being a pure play domestic services company IT services as I mentioned earlier, almost 50% of our revenue now comes from export & off-shoring and we believe that number will keep increasing as we build up our presence in North America & Europe. Over

the last few years, we have shared our plans to focus more on expanding our Embedded and Electronic capabilities and to build our Digital capabilities which includes Internet of Things (IoT), Cloud, Artificial Intelligence (AI) and Machine Learning (ML). To summarize we believe with the management team in place that we are rightly positioned to beat the average industry growth rate, over the next couple of quarters and beyond. We are also continue to remain focused in terms of growing our revenues from our top clients where we see exponential potential. With additional war chest of investment coming in from Convergent Finance team; I believe this will open us a lot more avenue for both organic and inorganic growth for us. This is an exciting time for everyone part of Onward Tech team & on behalf of everyone, I would like to welcome Harsha on the call. He and his team at Convergent have an excellent track record of value creation and I am very excited to work closely with them. Over to you Harsha.

Harsha Raghavan:

Thank you so much Jigar, thank you so much Anuj. This is Harsha Raghavan here, Managing Partner for the Convergent Finance. A warm welcome to everybody on this call. It's a real pleasure to have the opportunity to interact with you on this occasion and others. I do hope everybody has continued to maintain good health with their families and all safe and protected. Now I would like to simply address three points in the opening remarks and of course then hand back to Jigar who will be available for questions as will I. The three simple points are why Onward Tech, that's point #1, point #2 is why now and point #3 is why Convergent as a partner. With that the first point why Onward Tech. We looked at Onward Tech and within the large landscape of available options to invest within the broader IT services arena; Onward Tech is perhaps not the logical first step. However, we saw that Onward something that was a very unusual mix. The company has a rich history, a very rich parentage with Mr. Harish Mehta have really been an effective founder of the IT services industry in India through Onward and NASSCOM and so on. Rich history, work customer relationships that Jigar can speak about that go back 15 years already and the company itself has 30 years of operating history. Despite that Onward Tech is in the form of rapid transformation, led by Jigar in the last 3 to 5 years and hence it has a certain element of being a quasi-start-up. The team has under Jigar's leadership has completed about the business model in the last several years and hence leveraging their rich history; the company is leaner and better able to serve the customers compared to some of the legacy businesses that exist. That's the first point about why Onward Tech, why now is the second point. As we all know we are globally, there's been a move towards Cloud. There's been a move towards asset light working from home models of interaction and communication and delivery. Many of the large IT service companies that have built out large physical infrastructure are today asset heavy who are no longer lean and flexible. Those cost structures now need to be passed onto the customer based on the legacy working model. Onward Tech is freed of that despite the rich history, it does not have the high cost or base or infrastructure base. So can use funds much more intelligently based on the new model. With that and with the transformation that Jigar and his team, very capable team has been leading in the last several years; we believe

Onward is on an inflection point now towards hyper growth. Last question and point is why Convergent as a partner. Of course, Jigar is better equipped to answer this and I am sure he will but from my perspective, we have a core expertise at Convergent dating back to the days when the team. We have a history of helping companies, do bolt-on acquisitions, to create value and keep hyper growth. We believe with this fundraising round and with the partnership between the Convergent and Onward teams, we believe that we have the opportunity to assist Onward in this journey going forward. Thank you, Jigar.

Jigar Mehta: Thank you Harsha. Anuj, we can open it up for questions.

Moderator: Thank you very much. Ladies and gentlemen, we will now begin the question and answer session. The first question is from the line of Dhruv Shah from Ambika Fin Cap.

Dhruv Shah: First question is what happens to your IT services with the focus being on the ER&D?

Jigar Mehta: On the IT services business, the businesses that we had to exit, as we shared in the earnings presentation last week, we have already exited. Post the approval at the EGM, our team would do a detailed strategic review with the Convergent team. We see opportunities of growing in both and we should further updates for you very soon.

Dhruv Shah: My second question is, I just have a broader question on ER&D. So you guys are entering in the field where the Tata Elxsi or KPIT have been there and they have struggled a lot. Like it has taken them years to reach the size they have taken. What makes you confident that you can reach that size quicker than what they have done?

Jigar Mehta: I have a different view here. I believe Tata Elxsi & some of the companies you mentioned are exceptionally successful and they have created a very strong benchmark for everybody in the industry with their tremendous track record.

What has happened fundamentally is the whole industry is going through a major transformation & growing rapidly. This entire work from home (WFH) working model has forced customers globally to transition to digital quickly; which has enabled larger opportunities for both digital and for outsourcing /offshoring service companies. Hence, we see a massive opportunity with our current customers to scale the business and that's what we are very excited today.

Dhruv Shah: Jigar where I was coming is from also that you are entering lot of spaces like Auto, you said then semiconductor, Healthcare which are for our size is, aren't you diversifying a lot, that's what my point was?

Jigar Mehta: So absolutely Dhruv so there's two ways to look at it. One when we say, we are not talking about only new customers, majority of our business focus, our model and where my team is

focused is on existing customers. We are talking about already Fortune 500 companies and Global 2000 companies which are our existing customers. We already are preferred vendors to number of companies in Automotive space. We work with some of the largest OEMs in the world. We are supporting customers in the Industrial Equipment side. We work with the top Rail Transportation company in the world from North America. It's more about scaling our business with these customers of our 4 lines of business as our priority going forward.

Dhruv Shah: With the fund infusion you get the reach as well. That's what my understanding is and inorganic opportunity if it comes in the way?

Jigar Mehta: Absolutely and one is the funds. The second is also the expertise of Harsha and his management team of scaling our businesses. And that's what excited me towards Harsha when I first met him. The track record that they have of taking young companies and helping them grow in a very structured manner is what excited us because that's exactly how we are kind of structuring Onward going forward.

Moderator: The next question is from the line of Anmol Grover from Albatross Capital.

Anmol Grover: My first question is what was the deal wins in FY21 and what is the pipeline going forward?

Jigar Mehta: Can you repeat the first question?

Anmol Grover: My question is what were the deal wins in FY21 and what is the pipeline going forward?

Jigar Mehta: So we can't talk about deal wins but we can talk about our performance last one quarter, we have won 5 large Fortune 500 companies as our customers where we are a preferred vendor. Again, to clarify for everybody on the call, Onward Technologies being a young company; the biggest strength that we have is we work directly with the end customer. There is no intermediary, there is no reference point, there is no in-between companies or sub-contracting. So we get selected based on various pilot projects that we do over the last so many quarters. Number two in terms of our projections going forward is we continue to believe that we will beat average industry growth both on the top line and bottom line.

Anmol Grover: My second question is what is the strategy going forward for growing the digital side of your view?

Jigar Mehta: Can you elaborate a bit more of that?

Anmol Grover: I just wanted to know that basically we have very small portion of the revenues and we have seen a lot of listed companies going on right now. Digital is in not in flow right now. Probably we will get to know what is your thought process, what is your strategy going forward on the range of the digital pie?

Jigar Mehta: Our strategy again, what we are excited about is on the digital side is, our customers are going through a major digital transformation. So they are moving more and more towards latest technologies. We are building focused capabilities to cater to our existing clientele and for us, that's the biggest draw whether it's Cloud or the AWS side, whether it's Azure or whether it's going towards IoT and various on the technologies on the AI-ML side and we are investing behind our existing customers. In summary, we are accelerating our investments with focused capability & capacity buildup in our customer's digital transformation journey.

Moderator: The next question is from the line of Apurva Mehta from AM Investments.

Apurva Mehta: Just wanted to ask if you have any huge amount of dilution in your equity, is it necessary for you to dilute huge amount of 25% of equity because I don't think we need so much of cash to grow in a linear way. So I was little surprised to see this deal.

Jigar Mehta: This is definitely a very big question for us as well. As you know Onward is a 30-year-old organization and our focus in the past is very different. We were product selling company, IT services company, we were a banking product company, we have done lot of businesses in government sector, etc.

The new Vision is having a capable partner, where funds is not a challenge, where expertise of scaling is not a challenge. My young management team has so much to learn in scaling globally; and that's what excited us about Convergent team. If you see Convergent team's background, this is probably one of the smallest investments they have done and our board including my father were all very excited to get such accomplished partner on board.

Apurva Mehta: And when we have such huge fund, any acquisition plans? Do you have any such thing in your mind because now we have huge amount of cash also? So currently could you coming in another 30 crores which will be generated. So 100 crores of cash we will be having. Any thoughts on execution plans, growth after them what we see?

Jigar Mehta: We are positive in delivering double digit organic growth. As discussed during the last earnings call, we have evaluated few smaller companies in 2020 in the ER&D & Digital space. Now with a bigger war chest and experience Convergent team brings on board, we will look at in-organic opportunities as an important growth driver.

Moderator: The next question is from the line Kaushal Kedia as an Individual Investor.

Kaushal Kedia: My question is, can you give a little more detailed guidance going forward? Because others are doing an EBITDA margin (+20%) and we are currently at 7% to 8%. Can this improve from here?

Jigar Mehta: Yes, we are positive the EBDITA margins will improve going forward. Last year, we invested in building our teams in Transportation & Mobility, Industrial Equipment, Heavy Machinery verticals. We also invested in building services teams focused on USA and European customers. Now with the foundation in place, you will see positive improvement in margins.

Kaushal Kedia: By how much can you go up, any guidance?

Jigar Mehta: I don't think we are ready to announce it yet but as I shared earlier, we are confident this team should be able to beat the average industry guidance going forward.

Kaushal Kedia: These new accounts that you won in the last quarter that you said four to five big accounts that you won. What do you look at it, how much percent of revenues can these accounts contribute to?

Jigar Mehta: All new client wins, we quantify as strategic accounts or high growth accounts which has potential of minimum of \$1 million per year & has potential to generate at least \$10 million per year in the near future.

Kaushal Kedia: So was the fundraising something to do in connection to do with any of these account winning clients that you needed at any investment or it was majorly cause any inorganic growth?

Jigar Mehta: It was for both, our existing and new client wins so we are geared in supporting our customers in their accelerated Digital transformation journey. It also gives us additional strength to expand our services to new geographies like Canada, Netherlands, etc and look at inorganic growth opportunities.

Kaushal Kedia: Can growth going forward be 15%-20% or faster than that?

Jigar Mehta: I know you are trying to get to a number again. My estimation continues to be that we are focused, aligned, and working very hard to make sure that we deliver a better than industry average numbers.

Kaushal Kedia: You said you are looking at inorganic opportunities in which sector?

Jigar Mehta: In the ER&D industry itself in the focused 2 verticals where we are continuously looking at adding new capabilities i.e. 1) Transportation & Mobility (Auto, Rail Transport) 2) Industrial Equipment & Heavy Machinery (Off-highway, Agricultural Equipment, Construction, Mining, etc)

Moderator: The next question is from the line of Piyush from Resurgence Capital.

Piyush: The first question is where do we see our growth coming from, the larger chunk of growth coming from in future? Would it be the ERD space or the digital space?

Jigar Mehta: The growth will come from both our engines; 1) ER&D space and 2) Digital space.

The new terminology will be Digital Engineering as the blur lines get merged in the new everything connected world. This year, we are seeing continued traction from the two verticals; Transportation & Mobility and Industrial Equipment & Heavy Machinery industry verticals today. And the future new opportunities will come from investments in building new age capability and capacity on the Healthcare & Medical Devices industries.

Piyush: Another related question. Can you highlight how much of an overlap is there right now between digital and ER&D and how do you see this going forward? Where I am coming from is or what I understand is your clients are already some of the biggest companies, correct and you have been working with them with a niche and ER&D and now you are saying, you are also expand with digital with them. You continue cross mining them. So where would have vendors to this? What is your niche share? Why would they select you for this particular aspect?

Jigar Mehta: Great question. For us, the customers that you are talking about obviously competition is very strong, competition is some of the biggest players not only from India but also from Europe and US. We believe we can continue to win as we have very limited overheads & a very self-reliant cost structure. Our young team of 2100 employees today provide the agility, flexibility and lowest cost of innovation to our customers globally are looking for. It is important that we maintain the freshness, culture, cost structure & speed of a startup decision making as we roll out our operations outside India.

Piyush Jain: Can you elaborate on what size of contracts or how these contract wins have been for you? How many competitors are there, what is the typical size or engagement period the space that you compete with over the past few months that you have seen?

Jigar Mehta: When we talk about some of the biggest companies/customers in the world, we are talking about competing with let's say the top 20 technology services companies or digital engineering services/ ER&D services companies in the world. We have attracted some of the most phenomenal talent over the last couple of years.

Our contracts are multi-year T&M or fixed price contracts. We provide the customer the flexibility to deliver the services from our Design centers in Mumbai, Pune, Chennai and now Bangalore or from their premises globally.

Piyush Jain: So just one last question. From now onwards post this capital raise as well as looking at the future and the pipeline and the kind of deal wins that you are having. Can we say that single digit margins on history for you and we will see all double-digit margins going forward considering the kind of contracts and the kind of work that you guys are doing now?

Jigar Mehta: Yes. thats our goal.

Piyush Jain: If I can just ask one more, Harsha since you were talking about investment and invested in a very young company, so what is your vision for Onward for the next 4-5 years? I'm pretty sure you would have some view on that, while I understand you're backing the team and everything. You would definitely have some vision towards the team, so can you elaborate on that?

Harsha Raghavan: Yes, happy to, the role we play at Convergent and our tagline, our motto is bringing together ideas, capital and passionate entrepreneurs. So, the role we play at Convergent, of course, is to provide the capital but we need to marry that with ideas which also means innovation and passionate entrepreneurs. So, we see both as elements in Onward with respect to a highly entrepreneurial team, led by Jigar, a level of innovation, which is in an industry that has now matured. This company is not stuck with the legacy ways of doing things or legacy cost structures of the large IT services companies. This company has the ability to provide much better value addition to the service, at the same or more economical prices to customers around the world. In the meantime, as everybody will be aware and Jigar I think could speak about of them all the auto companies, robot companies, industrial machinery companies, they are all going digital, our car windows were manual but not an electronic. Every heater electronic, everything is electronic in all these equipment, sensors all that needs specialty engineering, digital engineering, as Jigar pointed out.

So, the scope and scale is tremendous. The larger IT companies are very good at certain things, but they're focused on billion-dollar contracts. They're focused on much bigger billion-dollar contracts and the specialty work. That's where the opportunities are for Onward. I'd say the vision is to expand Onward dramatically over the next 5 years.

Moderator: The next question is from the line of Nirmal Shah from Seraphic Management.

Nirmal Shah: I have a question with respect to the growth aspirations of the company, looking at the scale of our revenue and operations along with the huge opportunities lying in front of us in that in addition to having the backing of the investor to support our growth ambition, when we give a guidance of 15% to 20%, is it an understatement or you think that the current management bandwidth can't support more than 15% to 20% growth rate? I was just wondering that the size of the company is not so big, so obviously we would be beating the industry growth rate but what is the magnitude of outbid, that would be the key question I want to understand.

Jigar Mehta: I'll break it down into 2 points.

- 1) Our first goal & milestone is to deliver double digit growth rate of 15-20% consistently which we have not delivered in the past. Our new focus and investment in high growth Digital Engineering industry over the last 7 years has given us a strong platform.

2) To answer the second point, is the industry big enough for Onward to deliver much bigger growth? Absolutely the potential is enormous for both organic & inorganic growth opportunities.

Nirmal Shah: What you are trying to say is for next two quarters your focus would be to get into the new growth trajectory, experience the challenges of service scaling up and then probably you can go into the hyper growth trajectory. Are you pointing out that?

Jigar Mehta: yes.

Moderator: The next question is from the line of Mridul Shah from Aamara Capital.

Mridul Shah: Harsha, my question is to you, as an investor how should one read to this alliance or strategic partnership? How do you see adding value over the next few years of your association here?

Harsha Raghavan: That's a great question. We are a very long-term investor, at Convergent we have already demonstrated this with a number of our past investments and current investments, whether it was in Fairfax, in context of Thomas Cook or Quess Corporation or others. So, what you see, is a consistent pattern where as a long-term investor, who's looking to help startups and the management team to build the business. We are helping guide management teams to make the right decisions for the long-term success of the company and to build a strong foundation for the company. Frankly, we are not overly fast about these numbers, the right decisions are making in the long-term. And so, we provide that kind of a sounding board. We also have resident expertise within our team on due diligence, on deal execution, contract negotiations, securities matter etc. all within our team and based on a past experience that will collide as a value added to a company for no competition whatsoever. We look at this as a strategic investment.

Mridul Shah: And just a quick question. This obviously gets classified as a promoter holding, right? You have 24% stake which you will be coming into as.

Harsha Raghavan: As of today, it's not classified as a promoter holding which is unfortunate, but then had we been classified as a promoter holding, we would have to trigger an open offer. However, there were complications with the investors at this point in time and so that was not called.

Moderator: The next question is from the line of Devang Bhat from ICICI Direct.

Devang Bhat: Can you open with that again; secondly, we do get access to some of the clients of Convergent or where Convergent help you in winning some clients or things like that and will there be further dilution in future?

Jigar Mehta: Yes, we are optimistic about the new investment & partnership will open up numerous new doors / clients for us which will be a significant revenue contributor in the future.

Devang Bhat: But you are already debt free and you already have good set of existing clients, so all you need to do is to grow organically you need to ramp-up your employee base. I don't know why we need this fund raising, why do we need the fund assets?

Jigar Mehta: So again, it wasn't just the fund. Just to clarify again, for the Board of Directors, the new investment was one positive aspect, second it was more about getting a highly competent experienced team to help us execute on our vision. I spoke to Harsha's partners Sarvjit and Amruta, and it was exciting to see than they have been working to strengthen their portfolio companies. I believe can help me and my management team to scale much more efficiently. There's a whole package and again I'm very happy that they had the confidence in us.

Devang Bhat: So, from the Convergent point of view how will Convergent help you out? If you could help me, somebody from the Convergent can help and will there be further fundraised by you in future?

Harsha Raghavan: Convergent is here as a value-added partner. We have global networks; we have substantial amount of connects that potentially needs arising the customer relationships. All of that is available to the Onward team once again for no compensation, but as a partnership. Given the scale of the opportunity and Jigar spoke about this in transportation and mobility alone, where the connected car is now an absolute reality every single auto company around the world, in industrial machinery as well given the scale of the opportunity there are multi hundred-billion-dollar opportunities, perhaps trillion dollar opportunities. That components of Onward can address here of course smaller but still very large. Given the scale of these opportunities, these funds which is only \$9 million plus any cash reserves credible \$13 million are perhaps just a small starting point. If Onward is to succeed in become a dominant player.

Devang Bhat: Will there be a further future dilution, will you be infusing more fund going forward?

Harsha Raghavan: Jigar can speak about that but then it'll be opportunity based. It will not be other than that.

Jigar Mehta: Our Board remains open to add the strategic partners which can help us scale more efficiently. There are several successful case studies in our industry where services companies have gained scale and strength with the right partner example: Tata companies, Cyeint, KPIT-Cummins, Quest, etc.

For the last 5 years, we have had a good run in generating free cashflow by transitioning to pure ER&D company and exiting all other historic business. On the ER&D side, our biggest strength has been on providing Mechanical and Manufacturing engineers services to our customers. Now with the global shift towards Embedded, Electronics requirements and now Digital, we at Onward Technologies have always played catchup and hence slower growth.

So the current fun raise is a starting point of investing in the future & we are very excited with the global opportunities.

Devang Bhat: In your presentation you have said that you grow by 15% to 20%. This is organic or inorganic? Secondly, if I heard you right, you're going to stop the 26% revenues from IT services, so is it that you are going to stop it or you're going to divert that?

Jigar Mehta: We believe we should be able to deliver the numbers with organic growth based on the various discussions, deal wins and pipeline from our existing customers who we have a long relationship. The new investment in Digital and Embedded/ Electronics capabilities will drive the new growth.

On the second question of our domestic IT business. Our plan is to do a detailed strategic review next quarter to plan the future growth charter of this unit. To clarify, the current IT business is profitable and scalable as we service some of the biggest companies in India.

Devang Bhat: My last question is normally mid-cap companies focus on a particular space and what I know is you are good in automotive side, but in the presentation, I've seen you are expanding into healthcare. You are expanding geographies and you are in even your existing business you are planning to expand more in US, Europe, UK and you're going to open more subsidiaries in Netherland, Canada, Japan, Sweden. So, wouldn't we more than we are focusing more outside our core strength and more than what we should do is it or we should be more focused?

Jigar Mehta: Like my father says, Onward Technologies is a like a startup in in a 30-year-old organization with all the strengths of strong team, brand, culture, and platform to scale.

In the last 12 months, we have invested in USA and Europe with local teams after a long time. Our goal is to scale up the local offices and then expand into new territories. To clarify again, most of the new investments are to support the growth of our existing customers. For example, when we open a subsidiary in Canada, we already have existing clients in the country. To build stronger & deeper relationships with our customers customers, it is imperative in our services industry to have local presence first and then build local delivery/ execution capabilities. We are providing our core mechanical, embedded and digital engineering services to the customers in our primary two verticals.

Moderator: The next question is from the line of Chirag Gupta an individual investor.

Chirag Gupta: The first question that I have is regarding current landscape, so my understanding is that in this industry any company which wants to grow has to focus on acquiring lot of talent, a lot of good people. So, of the talent landscape, is it Onward able to attract the required talent or if you could put some color on talent landscape currently that will be great?

Jigar Mehta: Absolutely, talent and strong leadership are the foundation of everything we do in the company. We have added 500+ engineers last year and are budgeting to add similar number of professionals in the coming year. We are attracting very competent and experienced professionals across all departments and offices. Our hiring strategy is also client focused which gives our HR, recruitment & talent acquisition team a very focused approach to hiring and onboarding the right people.

Chirag Gupta: A follow-up question to that. So, some of the technologies like data science, AI-ML, IoT, I believe that the talent is scarce, if I just limit myself to India, I'm not sure what is the situation outside? I also have heard from some people that salaries have gone up quite a lot in the last few months or probably a year, so is that something that you were also facing or do you have a different view of your handling the situation in some of these technologies?

Jigar Mehta: So again, I break up the question in two points, is the cost gone up of talent? Absolutely yes, you know we have the same challenges like any other company servicing in our industry. The cost has gone up exponentially, especially over the last few weeks. For me, I personally don't see that as a challenge and the reason is we are playing at very different skills, right? 20 strong IOT experts or 50 Digital Automation experts change the entire narrative to meet our growth aspirations. For larger companies, it's a much bigger challenge. People join us with eyes wide open and that is what excites us and that is what excites them as well. Our very active ESOP policy also provides the growth & retention across the organization.

Chirag Gupta: Just one last question. It's regarding the general higher global landscape. So, few years ago you would have seen a situation where India is the strongest country in terms of the IT skillset. Is that situation changing? Are you seeing competition from other countries, from other regions or it is still Indians who command the lion's share in the market?

Jigar Mehta: I'm very pro India, so very pro-outsourcing to India and the capability that we're all building here. The value that we add to global companies, both on the technical side & on the cost side gives us a unique positioning in the world. I believe India will continue to dominate and will become the largest outsourcing offshoring partner for global companies in the world.

Moderator: The next question is from the line of VP Rajesh from Banyan Capital.

VP Rajesh: Just one question because most of them have been answered otherwise. I will see in the post release that, if Harsha or any of the team members are joining the board, so could you just clarify that?

Harsha Raghavan: Mr. Rajesh, this is Harsha Raghavan here. Let Jigar take that but I must also just make a mention that this call is allotted for 60 minutes. This will probably have to be the last question but I'll let Jigar take this.

Jigar Mehta: Yes, Harsha Raghavan would be joining our board post successful EGM.

Moderator: Thank you. Ladies and gentlemen that would be the last question for today. I now hand the conference over to the management for their closing comments. Thank you and over to you.

Jigar Mehta: Thank you. This is Jigar Mehta here again. Just to quickly summarize, really appreciate all of you guys taking time on short notice. I hope all of you guys are safe. This investment again is a big vote of confidence for the hard work that my entire team of 2100 people has been putting in. Our customers are expecting a lot from us and they have been very supportive. We have a very exciting opportunity in front of us. We are hiring a lot of amazing talent across the board who have the experience to scale organizations. And we continue to remain grounded that we will be able to transform the organization more and more towards the digital, on the embedded electronic side. And we are very happy to welcome Harsha and the Convergent team as partners and investors in our journey. I think they will give us the big boost that we needed and the confidence to actually compete with some of the biggest companies in the world and most importantly to serve our customers much more confidently and efficiently.

Moderator Thank you very much. Ladies and gentlemen on behalf of Onward Technologies Limited that concludes this conference. Thank you all for joining us and you may now disconnect your lines.