

Your  
**Imagination.**  
Delivered  
to **Perfection.**





## CONTENTS

A.	MESSAGE TO SHAREHOLDERS	
	i. From Chairman's Desk	01 - 04
	ii. From Managing Director's Desk	05 - 06
B.	BRAND AND CAPABILITIES	07 - 16
C.	FINANCIAL SUMMARY	17 - 18
D.	DIRECTOR'S REPORT	19 - 34
	Annexures to Director's Reports	35 - 56
E.	MANAGEMENT DISCUSSION AND ANALYSIS	57 - 61
F.	CORPORATE GOVERNANCE	62 - 80
	i. CEO & CFO Certification	81
	ii. Declaration: Code of Conduct	81
	iii. Certificate on Corporate Governance	82 - 83
G.	FINANCIALS	
	i. Consolidated Financials	84 - 157
	ii. Standalone Financials	158-236
H.	ANNUAL GENERAL MEETING	
	i. Notice	237-254







## Corporate Information

### Board of Directors:

Harish Mehta - [Founder & Executive Chairman](#)

Jigar Mehta - [Managing Director](#)

Prachi Mehta - [Director](#)

Pranay Vakil - [Director](#) (till July 20, 2020)

Nandkumar Pradhan - [Director](#) (till July 20, 2020)

Parish Meghani - [Director](#)

Rahul Rathi - [Director](#)

Subrata Kumar Mitra - [Director](#) (w.e.f July 21, 2020)

Jay Sonawala - [Director](#) (w.e.f July 21, 2020)

### Statutory Auditors

Price Waterhouse Chartered  
Accountants LLP

### Internal Auditors

Mazars Business Advisors Pvt. Ltd

### Secretarial Auditors

Nilesh A. Pradhan and Co., LLP

### Registrar and Transfer Agents

Link Intime India Pvt Ltd.

C- 101, 247 Park,

L.B.S Marg, Vikroli West,

Mumbai – 400083

### Investor Relations

[info@onwardgroup.com](mailto:info@onwardgroup.com)

+91 22 2492 6570.

### Registered Office

Sterling Centre, 2nd Floor

Dr. A.B. Road, Near Atria Mall,  
Worli,

Mumbai - 400018

Tel: 022- 24926570

### Corporate Identity Number:

L28920MH1991PLC062542

### Website

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

### Bankers

HSBC

Bank of America

Deutsche Bank

Kotak Bank



Global Presence  
**INDIA | AMERICAS**  
**UK | GERMANY**

**8,500+**  
Projects Delivered

**15**  
Million hours of  
Performance delivered

**12**  
Global Locations



For large global companies Onward Technologies is the Services provider that translates your vision into reality with flawless execution and capabilities across digital transformation suite, embedded systems, engineering services, data analytics, Artificial Intelligence (AI) and Machine Learning (ML).

**YOUR IMAGINATION. DELIVERED TO PERFECTION** – that's what we stand for, that's what we promise our customers, and that's how we will continue writing success stories for our customers, and for us.

We are on a mission to help clients shape the imagination of a new world by leveraging our domain knowledge and delivery experience across Connected systems, Engineering R&D and Digital transformations. We strive to add value to every customer requirement with the right deployment of experts, capabilities and systems for perfect execution and nimble turnaround.

Established in 1991, Onward Technologies caters to customers who are leading players in their respective fields. With a strong team of 2100+ employees operating from multiple offices & client locations across India, US, UK & Europe we work across industries - from Automotive, Manufacturing, Healthcare & Medical Equipment, CPG and BFSI.

Onward Technologies is listed on Bombay Stock Exchange (BSE:517536) and National Stock Exchange (NSE:ONWARDTEC).

**Certifications:**

ISO 9001:2015 quality certified

ISO 27001:2005 information & data security certified





“ Become one of the most preferred Technology Services partners to top global companies who are leading innovation at the intersection of the digital and physical worlds. ”

## From the Chairman's Desk

### Dear Fellow Shareholders

As I write my annual letter to you this year, our world is in the midst of the greatest pandemic of a generation. An event so cataclysmic, it has brought the mightiest – governments, organisations & individuals alike – to halt and pause life as-usual. The time it will take to measure and quantify the complete impact of this unprecedented tragedy is anybody's guess. What is certain however, is that we will adapt, make the necessary course correction and come out of this stronger. We see this will to survive and tackle the situation head on in first-responders, healthcare workers and our communities. My thoughts remain with these heroes and we shall forever be indebted to them.

In my annual letter to you, I usually cover priorities, performance, as well as the broader issues facing your Company. When the time is right and the future clearer, I will provide a more complete and current view on how this crisis might change our strategies around how we run the company, work with our clients and develop innovative services. However, right now, as we deal with the spiralling effects of this pandemic, I want to focus on what we have done to remain strong, resilient and well-positioned to survive and support our colleagues, clients, customers and communities.

Your Company has been working on getting the transient response right (of protecting employees and managing cash), without losing sight of long term transformations required to take advantage beyond this crisis. From continuous customer dialogues, market observations and cross-functional internal discussions we are gathering insights with a view to detect longer term opportunities and how we respond *vis-à-vis* our competition. Based on this investments and organisation restructuring will no doubt take priority and gather pace.

From all the expert commentary, there is agreement that Asia will most certainly lead the way out of this crisis. I subscribe to this view completely and am certain the investments we have already made in our team, capabilities and infrastructure will hold us in good stead. Your Company, Onward Technologies, is an agile organisation, hungry to deliver on our customers' vision and we are raring to go once the green shoots start showing.

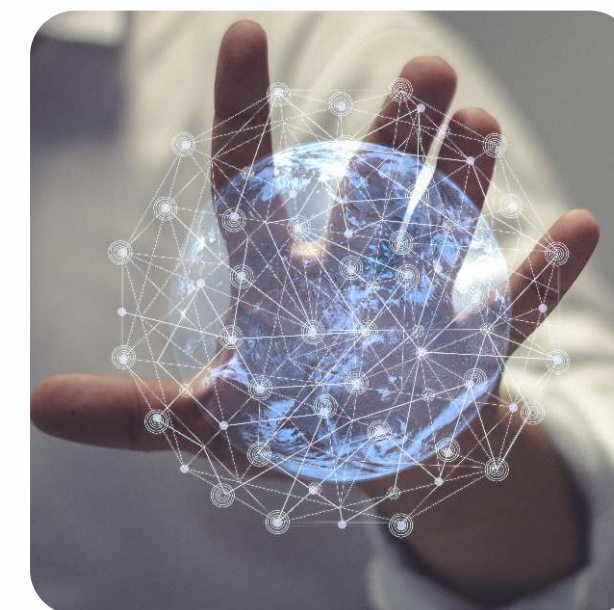
### THE WORLD WE OPERATE IN:

In the prestigious Nasscom survey conducted as recently as December 2019, 60% CEOs expected global technology spends to grow. The top 3 drivers of this technology spending were

1. Enabling Digital at the core of Enterprise
2. Augmenting Customer Experience
3. Digital Operations – improved efficiency & productivity

The events since will certainly act as catalysts to fasten this growth, as evident over the past few months, where we have all transformed in the way we interact with loved ones, do our work, travel, get medical care, spend leisure time, and conduct many of the routine

transactions of life. Digitalisation will become a critical part of organisation strategy, as companies look to build on opportunities evident from *lockdowns* across the world. We will find organisations use technology more as the advantages of work from home, for instance, become evident in not just reducing overheads but also in contributing to the elusive work-life balance which employees crave for. Potentially, a whole new industry will start, concentrating on innovations to get a piece of this pie.



*The new Normal* – Organisations will need to develop digital solutions quickly and adapt to new operating models to deliver to customers and employees at scale. *All eggs in one basket* will become a thing of the past as supply chains will be *re-thought* and *re-negotiated*, with business continuity becoming the most crucial criteria, along with the usual suspects of cost and capabilities. *Best person for the job* will come into sharp focus as companies will look to becoming lean and concentrate more on core business. Blended outsourcing models will *re-define* measurement criteria with project delivery becoming a given, and risk mitigation and desired outcome becoming cornerstones of defining success. There will be no more vendor partners, only partners – who will enjoy both, empowerment and the responsibilities which come with it.





### BUILT FOR THE FUTURE:

**Capability** – As I mentioned earlier, we have been steadily investing, over the last few years, in expanding our capabilities and infrastructure to serve requirements of the 'digital organisation' better. Our ambition to thrive and not just survive has led us to develop capabilities in Cloud Computing, Data Analytics, Embedded, AI and Machine Learning. We are seeing revenue realisation already and I believe these areas will command the most budgets and share of technology spends going forward. What pleases me most is the fact that we have the ability to offer our customers the entire gamut of services – from design to decisions, through digital transformation. Your company has the legacy in engineering services and domain expertise across industries and also the capability of forward integration with addition of these new business lines.

**Leadership** – Your Company is now led by a young, agile and dynamic team, assembled on the principle of 'right people at the right place at the right time'. Over the last year, we have added several senior members with fantastic credentials, within their areas of

expertise, to ensure the organisation culture will always be of delivering high performance. This team is now responsible for delivering on the growth strategy it has set under the guidance of seasoned industry veterans who are part of the board of directors.

**Culture** – Industries are continuously upgrading their products to meet consumer expectations for constant innovation. Hence, they would prefer to build a two-way relationship with a partner who has the capabilities to add value to every task, and to fulfil their requirements in a constantly changing world. To align our brand and services offering to this prevailing truth, your Company did some introspection and the result was an understanding of our positioning in the market and its translation into a crisp declaration.

Onward Technologies has been and intends to remain the 'perfect partner' to all its stakeholders. Your company's vision is:

*Become one of the most preferred Technology Services partners to top global companies who are leading innovation at the intersection of the digital and physical worlds.*

I would like to introduce you to YOUR new Onward Technologies, the company which intends to live up to the motto of:

**Your Imagination. Delivered to Perfection.**

### SUSTAINABLE GROWTH:

Your Company intends to be your partner for long time to come, and the fact that we enter 30<sup>th</sup> year of operations this year is a testament to this. This longevity is a result of planning and a sustained effort to ensure growth is not a 'flash-in-the-pan' scenario. We always look to promote and involve the right people and invest in the right areas – this is and will remain the cornerstone of our inclusive growth. I am proud of the fact that this policy gives me a chance every year to celebrate the achievements of our women leaders, engineers – who have become astute business professionals, and several additions to the leadership teams.

### ONWARD IN THE COMMUNITY:

Similar to business goals, your Company intends to become a 'perfect partner' to the communities it is a part of. Education is the broad theme which we continue to invest in as our thank you for the wonderful support we have received over the years. This year we renovated sections of the historical St. Xaviers College, Mumbai – with the aim of creating world-class learning environment for future leaders and achievers. Education is power and your Company partners with Akanksha Foundation to help them fulfil their mission of building largest network of innovative schools that empowers children to maximise their potential and that influences systemic reform. This year we Onward team members ran the Mumbai Marathon to spread this message of 'Education for all'. Your company is also a proud partner of Team Alchemist Racing who secured 1<sup>st</sup> prize in the CAE category at Formula SAE-India 2019 championships, held

at the Buddh International Circuit.

### IN CLOSING

I have a deep and abiding faith in our capabilities as a nation and our extraordinary resilience as a people. Our challenges are significant, and we will have to do all we can to ensure we come out stronger from the situations we find ourselves in. We have to contribute – as individuals and as members of society, do our bit and follow the social distancing norms, amongst other guidelines. Let us not forget each one of us has a significant part to play in achieving the greater good, and never has it been down to individual discipline than ever before. I assure you, your Company is doing all it can and then some, to come out stronger on the other side.

I would like to express my deep gratitude and appreciation to you my fellow shareholders, employees of Onward Technologies, our clients and our community – you have shown great resolve and tremendous character to face these times of adversity with grace and fortitude.

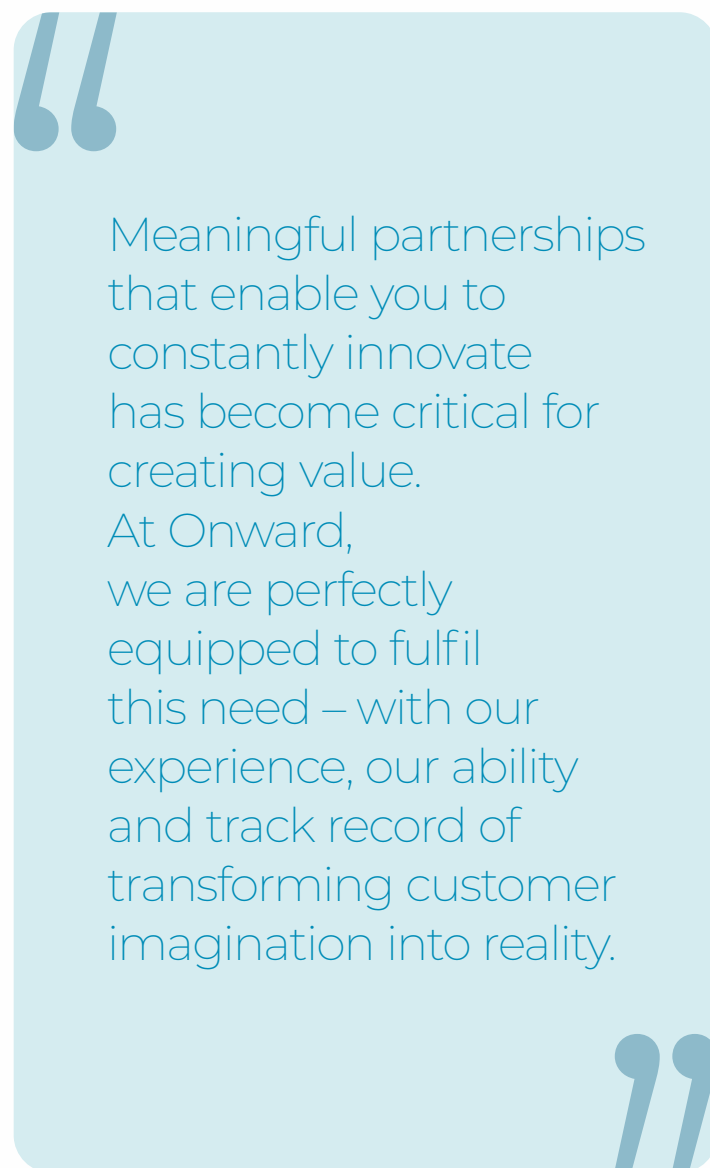
Yours sincerely

**Harish Mehta**  
**Chairman – Onward Technologies**





## From the Managing Director's Desk



### Dear Shareholders

I am pleased to inform you that we have successfully closed FY 19-20 with solid operational improvements across all parameters with **Revenue of Rs 273 crores** & becoming a Net Debt Zero company. This has led to the Board of Directors recommending **15% Dividend for FY 19-20** our fifth consecutive dividend in a row since 2016.

As we look forward to entering our **30<sup>th</sup> year of operations** starting August 2020, it is imperative I acknowledge the primary reason of your Company's success – our people, and the expertise they bring to the table. Our team is passionate about making a measurable impact in everything we do, including active contribution & participation through our **CSR initiatives** in our communities. It is the power of our

people, our collaborative culture and partnership approach, which will help us further accelerate to deliver results consistently.

Despite the increasingly challenging environment arising from Covid-19, we clearly see growth in areas we strategized to focus on – Digital Transformation & Industry 4.0, domains with multiple opportunities across our existing clients. We continue to invest & develop our service offerings to help our clients achieve their goals.

### FY19-20 Overview:

Your Company has been able to stand firm in a difficult year and lay down the platform to gear up for growth in the new normal post Covid-19. Following are important highlights of FY19-20:

- **Customer WINS**

Our focus and investment have always been on strengthening our existing client relationships & new customer acquisition from North America & Europe with supporting them near-shore & from offshore in India. Our strategy has helped us make significant progress in adding several new large clients in multiple industries such as Healthcare, Agricultural Equipment, Automotive & Industrial Equipment – each account with 3-5x growth potential

- **Free Cashflow & Net Debt Zero Goal**

I'm pleased to share that we achieved a significant milestone of Net Debt Zero Goal in FY 19-20. There are several additional areas we are working on which will improve cashflows further:

- Focus on Operational excellence through Automation & simplifying our business model

- Income Tax Refund - We have approx. Rs 16 crores+ of TDS (advance Income tax) refund expected over the next 24-28 months
- Bring the DSO down to 60 days in line with industry levels
- Closure of subsidiary OPPL (final stages)
- Merger of 100% Onward eServices Ltd (OeSL) into the parent organisation will improve cost & resource duplication across India offices

### GOALS for next 3 years:

Onward Technologies aspires to maintain and grow our preferred Technology Services partner status to top global companies who are leading innovation at the intersection of the digital and physical worlds. We remain positive that the substantial investments we have made in new digital capabilities and capacities, (post Covid-19) gives us an excellent platform to deliver double digit Revenue & Bottom-line growth & increase our revenue share from our Top 20 customers.

I take this opportunity to express my sincere gratitude to our shareholders, Board of Directors, Management, team members, esteemed customers, suppliers, bankers and investors, for their unrelenting dedication, support and commitment to Onward Technologies. We are onto something very exciting and remain confident that we will continue to make significant progress over the next 3 years.

Yours sincerely

**Jigar Mehta**  
Managing Director





## OUR VISION

## OUR MISSION

We strive to add value to every customer requirement with the right deployment of experts, capabilities and systems for perfect execution and nimble turnaround.

## OUR VALUES

## INTEGRITY

## Your Imagination. Delivered to Perfection.



What we do

What we do

Deliver Experience across:

Connected Systems

Engineering R&D

Digital Transformation

Engineering Automation

Value Engineering

Industries we serve

Automotive

Consumer

Off-Highway

Healthcare

BFSI

Industrial

Locomotive

Heavy Engg.

Pedigree of Customers

World's Largest Construction Equipment Manufacturer

Leading US based Agricultural and FarmEquipment Manufacturer

UK based Luxury Car Manufacturer

World's largest Global Automotive OEM

Global Leader of Locomotive and freight car manufacturer

Global Conglomerate Swedish Medical Equipment Manufacturer

World Leader of Spray Nozzle Technology

US based Speciality engineered products manufacturer

Leading US based Food processing company

In a world where industries expect more than just vendors, but for reliable, strategic partners, we have managed to serve our customers and their ever evolving needs for years together. This is evident from our decade long partnerships with the likes of one the largest medical equipment companies in Europe, a global off-highway manufacturing major and many more.

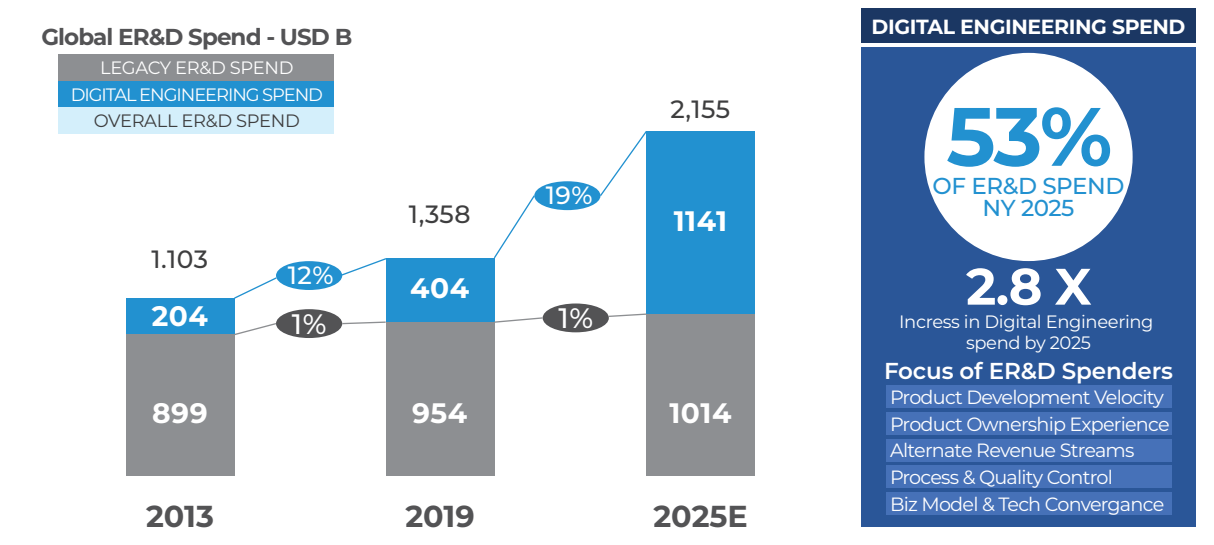
Over the last 6 years we have made major investments to upgrade our global infrastructure, focus on our primary target markets of North America, Europe and India, attracted 2000+ high quality professionals globally to join our team & become a preferred partner to 80+ large global companies in North America, Europe and India. Onward Technologies caters to customers who are leading players in their respective fields. With a strong team operating from multiple offices across India, US, UK, & Germany, and client locations, now our goal is to switch gears & focus on building on this strong foundation.

Addressable market size:

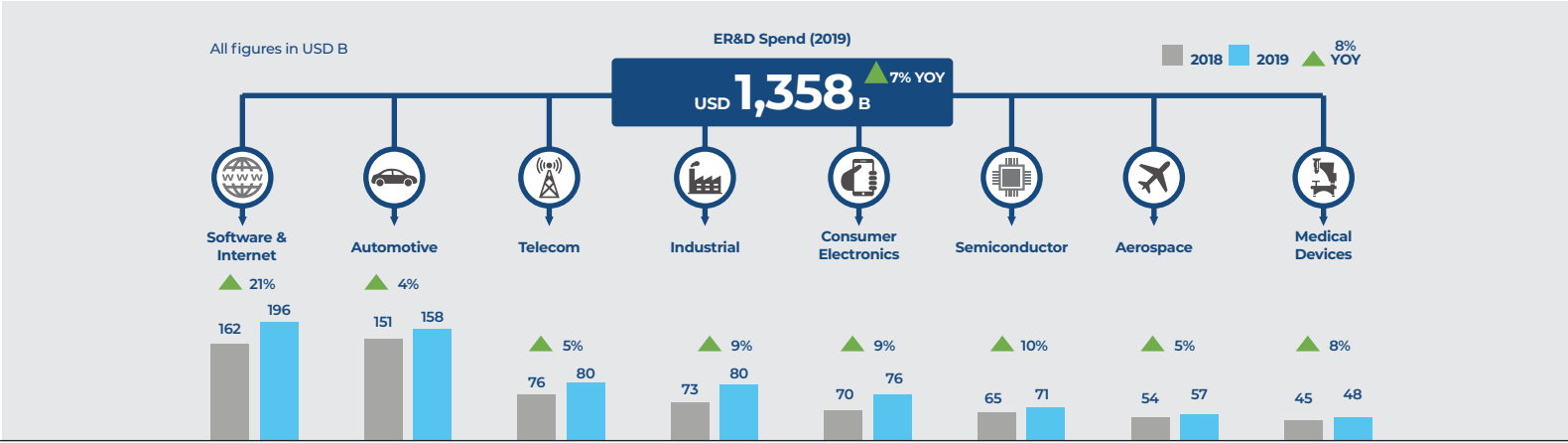
Global ER&D spend is resilient and has witnessed growth despite slowdown and geo-political factors - Zinnov Zones 2019

According to research by Zinnov, the overall global ER&D spend is expected to increase from **USD 1358 Billion in 2019 to USD 2155 Billion by 2025**. A significant proportion of this will be in the digital engineering space which is expected to command **53% of the overall ER&D spend**. The ongoing pandemic will only hasten spends in this space, as organisations look to re-calibrate supply chains and business models.

According to IDC research survey, many organisations feel that the **outbreak of the COVID-19 epidemic has showcased the value of IT and digital transformation and organisations should turn the crisis into an opportunity to accelerate the transition**. Now, more so than ever before, we will see not just organisations, but entire industries quicken their digital journeys. **The addressable market size will be able to accommodate all the service providers to play their parts in this expanding digital business growth.**



While the market for traditional engineering services will continue to grow, higher spend and growth is expected from new age technologies - a clear indication that **Digital Engineering will complement traditional services**. This is Onward Technologies' sweet spot - as we converge our offerings across the two for our customers.














To provide further colour, over the past few years, we have seen industries continuously upgrading their products to meet consumer expectations of constant innovation. Companies are using technologies to create new or modify existing businesses - in the form of processes, culture, and customer experiences. **This reimagining of business in the digital age is digital transformation.** Any technology infusion into the business is only to improve the top line or bottom line and to bring in exponential efficiencies and productivity improvements. As industries enter this 4.0 phase, digital technologies are fast becoming the new normal. Organisations use

- **Automation technologies** to automate the repetitive human tasks to free humans from mundane activities and to concentrate and listen more to what their customer is requiring
- **Cloud technologies** are being upgraded only to bring down Capex cost and to enable employees to stay connected and work remotely from anywhere anytime
- **IoT technologies** are giving real time insights to the top management to take quicker decisions thereby solving the disconnect between top floor and shop floor and
- **Data** is being created by every organisation at every second and using analytics and advanced technologies like AI/ML, quicker business decisions are being taken.

There is no doubt **digital is the new normal**, as per NASSCOM, these are foundational and advanced technologies which will shape up products and services for the next decade. Onward has made significant investments to address this upcoming trend in the recent few years as we listen more to our customers and where they are headed.



FOUNDATIONAL TECHNOLOGIES			
		Key Components	Impact potential (2020-2030)
	CLOUD COMPUTING	<ul style="list-style-type: none"><li>• Cloud Management Software</li><li>• Data Center Hardware</li><li>• High-Speed Network</li><li>• saas/paas</li></ul>	<ul style="list-style-type: none"><li>• USD 6.2 trillion global GDP impact by 2025</li></ul>
	BIG DATA AND ANALYTICS (BDA)	<ul style="list-style-type: none"><li>• Apps &amp; infrastructure</li><li>• Data Analytics-AI-Based &amp; Traditional</li><li>• BI/Visualization</li></ul>	<ul style="list-style-type: none"><li>• 175 zettabytes of data created 50 per cent of which will be stored in public cloud</li></ul>
	CYBERSECURITY	<ul style="list-style-type: none"><li>• Security</li><li>• Intelligence Detection</li><li>• Remediation Adaptation</li><li>• End-User Education</li></ul>	<ul style="list-style-type: none"><li>• USD 6 trillion global GDP impact by 2025</li></ul>

ADVANCED TECHNOLOGIES			
		Key Components	Impact potential (2020-2030)
	ARTIFICIAL INTELLIGENCE (AI)	<ul style="list-style-type: none"><li>• AI Algorithms</li><li>• Machine Learning (ML)</li><li>• Deep Learning</li></ul>	<ul style="list-style-type: none"><li>• USD 6.7 trillion global GDP impact by 2025</li></ul>
	INTERNET OF THINGS (IOT)	<ul style="list-style-type: none"><li>• Consumer Wearables</li><li>• Advanced, Low-Cost Sensors</li><li>• Wireless/NFC Devices</li></ul>	<ul style="list-style-type: none"><li>• USD 6.2 trillion global GDP impact by 2025</li><li>• &gt; 1 trillion lot things installed</li></ul>
	3D PRINTINGS	<ul style="list-style-type: none"><li>• Additive Manufacturing</li><li>• Rapid Prototyping</li></ul>	<ul style="list-style-type: none"><li>• USD 0.6 trillion global GDP impact - 35-60 per cent costs saved per printed product</li></ul>
	ROBOTICS	<ul style="list-style-type: none"><li>• Robotic Dexterity</li><li>• Sensors</li><li>• Distributed Robotics</li><li>• Robotics Exoskeletons</li></ul>	<ul style="list-style-type: none"><li>• USD 4.5 trillion global GDP impact by 2025</li></ul>
	BLOCKCHAIN	<ul style="list-style-type: none"><li>• Distributed Ledger Technology (DLT)</li><li>• Cryptocurrencies</li><li>• DApps</li></ul>	<ul style="list-style-type: none"><li>• 10 per cent of global GDP- USD 125 trillion* - stored in blockchains by 2027</li></ul>
	IMMERSIVE MEDIA	<ul style="list-style-type: none"><li>• Virtual Realiaty (VR)</li><li>• Augmented Reality (AR)</li><li>• Mixed Reality (MR)</li><li>• Extended Reality (XR)</li></ul>	<ul style="list-style-type: none"><li>• USD 1.5 trillion of student debt freed up in the US alone</li></ul>