

Onward Technologies to raise Rs70 cr from PE investor Convergent Finance



Mumbai: Digital and engineering services company Onward Technologies Ltd on Thursday said its board has considered and approved raising Rs70.2 crore from funds advised by Convergent Finance LLP, a private equity investment firm founded by former Fairfax India head Harsha Raghavan.

Onward Tech is a niche digital and engineering services company which provides mechanical engineering, electronics and embedded systems development, data analytics and digital transformation, robotic business process automation and enterprise business application support services to global corporations. The company has a team of 2,000 full-time employees with offices in Mumbai, Pune, Chennai, Bengaluru in India and Chicago, Troy, Cleveland in the US, London, and Frankfurt.

Structured as a subscription to equity shares and warrants priced in accordance with applicable regulations of Securities and Exchange Board of India (Sebi), the investment will result in an approximately 24.78% stake on a fully diluted basis, the company said in a statement.

"This investment is a vote of confidence for the Onward Tech team, reinforcing the tremendous growth underway within our organization. Onward Tech is already a cash positive company and the objective of raising additional cash is to strengthen our presence in India, USA and Europe. Our new international subsidiaries in the Netherlands and Canada will also become fully functional next quarter. On the home front, after a successful launch in Bangalore in Jan 2021, we plan to expand our portfolio of services into new territories Hyderabad and Noida in 2021, where we see a major opportunity of growth," said Jigar Mehta, managing director of Onward Tech.

Centrum Capital Ltd. is acting as the sole financial advisor and DSK Legal is acting as legal advisor to Onward Technologies.

"We will look to use our global networks, strategic insights and operational expertise to help transform Onward Tech into a global leader in engineering R&D and digital transformation," said Harsha Raghavan, managing partner at Convergent.